INTERFAITH RESIDENCE
D/B/A DOORWAYS
AND RELATED ENTITIES
CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023

DOORWAYS

HOPE LIVES HERE

Contents

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Independent Auditors' Report

Board of Directors
Interfaith Residence d/b/a Doorways
St. Louis, Missouri

Report On The Audit Of The Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Interfaith Residence d/b/a Doorways and related entities, all not-for-profit organizations, (collectively, Doorways), which comprise the consolidated statement of financial position as of June 30, 2023 and 2022, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Interfaith Residence d/b/a Doorways and related entities, as of June 30, 2023 and 2022, and the changes in their net assets and their 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities For The Audit Of The Consolidated Financial Statements section of our report. We are required to be independent of Doorways 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.

Emphasis Of Matter: Change In Accounting Principle

As discussed in Note 2 to the financial statements, as of July 1, 2022, Doorways adopted Accounting Standards Codification Topic 842, *Leases*. Our opinion is not modified with respect to this matter.

Responsibilities Of Management For The Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities For The Audit Of The Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America and *Government 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 consolidated financial statements.

In performing an audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Doorways' internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Doorways' 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.

Other Reporting Required By *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 2, 2024, on our consideration of Interfaith Residence d/b/a Doorways' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Interfaith Residence d/b/a Doorways' internal control over financial reporting and compliance.

RubinBrown LLP

February 2, 2024

INTERFAITH RESIDENCE
D/B/A DOORWAYS AND RELATED ENTITIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
Page 1 Of 2

Assets

	June 30, 2023	June 30, 2022
Current Assets		
Cash and cash equivalents (Notes 2 and 7)	$ 667,316	$ 873,493
Tenant accounts receivable (net of allowance for doubtful accounts of $24,942 in 2023 and $26,936 in 2022)	36,917	19,022
Medicaid receivable (Note 12)	227,741	208,781
Accounts receivable - HUD	10,072	2,345
Accounts receivable - 340B program	88,229	87,889
Grants receivable (Note 3)	2,123,760	2,151,291
Interest receivable (Note 6)	—	14,554
Promises to give - short-term (Note 4)	548,163	654,250
Short-term investments (Notes 5 and 7)	4,290,083	3,917,681
Prepaid expenses and deposits	125,018	77,034
Other receivables (Note 2)	411,683	—
Other receivables - developer fee income (Note 2)	469,672	—
Inventory	10,186	17,359
Total Current Assets	9,008,840	8,023,699
Restricted Deposits And Funded Reserves (Note 16)		
Qualified Active Low-Income Community Business (QALICB) disbursing account for construction	—	664,114
QALICB reserve escrow	158,367	190,863
Tenants' security deposits	24,463	23,008
Reserves for replacements	502,226	625,114
Residual receipts reserves	14,822	14,790
Other escrows	3,351	3,426
Total Restricted Deposits And Funded Reserves	703,229	1,521,315
Promises To Give - Long-Term (Note 4)	393,081	639,033
Fixed Assets (Notes 7, 8 And 15)		
Land improvements	800,738	543,012
Buildings and improvements	22,455,670	15,568,755
Leasehold improvements	2,328,921	—
Furniture and equipment	2,108,153	915,456
Vehicles	54,639	62,939
	27,748,121	17,090,162
Less: Accumulated depreciation	11,293,336	10,471,229
	16,454,785	6,618,933
Land	1,344,301	1,194,301
Construction in progress	306,490	7,639,969
Total Fixed Assets	18,105,576	15,453,203
Other Non-Current Assets		
Leverage loan receivable (Note 6)	5,821,400	5,821,400
Note and interest receivable - Doorways 2.0, L.P. (Note 6)	1,037,486	1,010,000
Right-of-use asset - finance lease (Note 19)	104,684	—
Total Non-Current Assets	6,963,570	6,831,400
Total Assets	$ 35,174,296	$ 32,468,650

INTERFAITH RESIDENCE
D/B/A DOORWAYS AND RELATED ENTITIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
Page 2 Of 2

Liabilities And Net Assets

	June 30, 2023	June 30, 2022
Current Liabilities		
Accounts payable and accrued expenses	$ 815,080	$ 1,443,174
Accrued salaries, vacation and payroll withholdings	417,641	318,171
Refundable advances (Note 2)	113,886	247,945
Prepaid rent	22,238	32,458
Current portion of right-of-use liability - finance lease (Note 19)	25,968	—
Total Current Liabilities	1,394,813	2,041,748
Noncurrent Liabilities		
Long-term portion of right-of-use liability - finance leases (Note 19)	79,703	—
Tenants' security deposits	23,409	20,824
Total Noncurrent Liabilities	103,112	20,824
Long-Term Debt (Notes 7, 8, 9 And 15)		
Qualified Low-Income Community Investment Loan A	5,821,400	5,821,400
Qualified Low-Income Community Investment Loan B	1,858,600	1,858,600
Note payable - construction bridge loan	733,466	1,183,157
Note payable - Federal Home Loan Bank (FHLB)	750,000	750,000
Note payable - City of St. Louis Mental Health Board (MHB)	250,000	250,000
Less: Unamortized debt issuance costs (Note 2)	(419,226)	(440,171)
Long-term debt less unamortized debt issuance costs	8,994,240	9,422,986
Capital advances	3,733,600	3,733,600
Affordable Housing Program Subsidy	535,000	535,000
Developer Subsidy Grants	376,892	376,892
Busey Bank line of credit	3,632,537	500,000
Total Long-Term Debt	17,272,269	14,568,478
Total Liabilities	18,770,194	16,631,050
Net Assets		
Without donor restrictions:		
Investment in property and equipment	3,200,854	3,289,561
Capital advances (Note 15)	4,014,200	4,014,200
Replacement of land and building	502,226	625,114
Residual receipts	14,822	14,790
QALICB reserve escrow (Note 16)	158,367	190,863
Available for operations	7,420,030	1,614,113
Total without donor restrictions	15,310,499	9,748,641
With donor restrictions (Note 10)	1,093,603	6,088,959
Total Net Assets	16,404,102	15,837,600
Total Liabilities And Net Assets	$ 35,174,296	$ 32,468,650

INTERFAITH RESIDENCE
D/B/A DOORWAYS AND RELATED ENTITIES

CONSOLIDATED STATEMENT OF ACTIVITIES
For The Years Ended June 30, 2023 And 2022

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenues And Public Support						
Contributions and Events:						
Fundraising events	$ 400,404	$ —	$ 400,404	$ 365,039	$ —	$ 365,039
Individuals	204,324	71,527	275,851	186,587	381,140	567,727
Foundations	3,300	458,989	462,289	10,249	395,419	405,668
Corporate	13,110	1,691	14,801	11,000	420,799	431,799
United Way	52,623	52,626	105,249	51,289	51,294	102,583
Contributed nonfinancial assets (Note 18)	103,145	257,726	360,871	51,822	—	51,822
Other organizations	12,332	—	12,332	17,675	—	17,675
Total Contributions and Events	789,238	842,559	1,631,797	693,661	1,248,652	1,942,313
Government grants (Notes 11, 14 and 20)	9,585,507	—	9,585,507	9,132,085	—	9,132,085
Medicaid and private pay services (Notes 12 and 14)	2,492,741	—	2,492,741	2,486,465	—	2,486,465
Pharmaceutical 340B program reimbursements (Note 2)	1,005,259	—	1,005,259	1,054,414	—	1,054,414
Service fees	44,810	—	44,810	12,714	—	12,714
Rental, net of vacancies and concessions	501,226	—	501,226	429,134	—	429,134
Developer fee income (Note 2)	469,672	—	469,672	—	—	—
Interest and dividends	190,247	—	190,247	143,234	—	143,234
Miscellaneous	13,703	—	13,703	35,838	—	35,838
Net assets released from restrictions (Note 10)	5,837,915	(5,837,915)	—	430,999	(430,999)	—
Total Revenues And Public Support	20,930,318	(4,995,356)	15,934,962	14,418,544	817,653	15,236,197
Expenses						
Program services	13,350,456	—	13,350,456	12,298,887	—	12,298,887
Management and general	1,526,440	—	1,526,440	1,398,193	—	1,398,193
Private/public fund development	761,445	—	761,445	602,894	—	602,894
Total Expenses	15,638,341	—	15,638,341	14,299,974	—	14,299,974
Increase (Decrease) In Net Assets Before Other Income And Gains (Losses)	5,291,977	(4,995,356)	296,621	118,570	817,653	936,223
Other Income And Gains (Losses)						
Net realized and unrealized gains (losses) on investments (Note 5)	269,881	—	269,881	(763,654)	—	(763,654)
Loss on disposal of fixed assets	—	—	—	(11,102)	—	(11,102)
Affordable Housing Program Subsidy loan forgiveness (Note 7)	—	—	—	497,000	—	497,000
Gain on extinguishment of Paycheck Protection Program loan (Note 9)	—	—	—	732,800	—	732,800
Total Other Income And Gains (Losses)	269,881	—	269,881	455,044	—	455,044
Increase (Decrease) In Net Assets	5,561,858	(4,995,356)	566,502	573,614	817,653	1,391,267
Net Assets - Beginning Of Year	9,748,641	6,088,959	15,837,600	9,175,027	5,271,306	14,446,333
Net Assets - End Of Year	$ 15,310,499	$ 1,093,603	$ 16,404,102	$ 9,748,641	$ 6,088,959	$ 15,837,600

See the notes to consolidated financial statements.

INTERFAITH RESIDENCE
D/B/A DOORWAYS AND RELATED ENTITIES

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
For The Years Ended June 30, 2023 And 2022

	2023				2022			
	Program Services	Management And General	Private/Public Fund Development	Total	Program Services	Management And General	Private/Public Fund Development	Total
Salaries and wages	$ 3,880,965	$ 545,516	$ 291,166	$ 4,717,647	$ 2,960,856	$ 588,709	$ 299,634	$ 3,849,199
Employee benefits	498,811	55,698	37,153	591,662	467,031	62,228	39,439	568,698
Payroll taxes	259,790	38,910	21,551	320,251	202,025	40,724	21,701	264,450
Direct assistance (Note 13)	5,851,663	—	—	5,851,663	6,698,437	—	—	6,698,437
Depreciation	814,790	81,750	31,505	928,045	485,643	51,656	—	537,299
Repairs and maintenance	594,273	25,854	21,426	641,553	408,053	14,766	4,956	427,775
Security contracts	20,058	—	—	20,058	26,962	—	—	26,962
Seminars, travel and recruiting	52,353	64,026	1,877	118,256	48,801	66,992	1,445	117,238
Office supplies	114,576	46,497	11,291	172,364	19,764	30,361	8,883	59,008
Telephone	60,165	13,890	2,688	76,743	46,760	13,399	3,849	64,008
Postage and printing	12,360	2,334	7,285	21,979	8,230	1,544	7,908	17,682
Professional services	154,751	474,563	42,499	671,813	110,738	234,972	33,705	379,415
Insurance	143,358	9,783	3,091	156,232	105,897	28,227	—	134,124
Miscellaneous	9,940	80,893	12,776	103,609	541	63,295	1,966	65,802
Public relations/fundraising	660	4,511	244,885	250,056	—	550	179,408	179,958
Interest (Notes 2, 7 and 8)	188,138	71,918	27,552	287,608	—	77,614	—	77,614
Bad debt expense	9,174	10,297	4,700	24,171	—	10,931	—	10,931
Write-off of predevelopment costs	—	—	—	—	—	112,225	—	112,225
Pharmaceutical - 340B program (Note 2)	684,631	—	—	684,631	709,149	—	—	709,149
	$ 13,350,456	$ 1,526,440	$ 761,445	$ 15,638,341	$ 12,298,887	$ 1,398,193	$ 602,894	$ 14,299,974

INTERFAITH RESIDENCE
D/B/A DOORWAYS AND RELATED ENTITIES
CONSOLIDATED STATEMENT OF CASH FLOWS

	For The Years Ended June 30, 2023	2022
Cash Flows From Operating Activities		
Operating receipts:		
Contributions and events	$ 1,648,065	$ 1,254,662
Government grants	9,478,979	8,086,263
Medicaid insurance and private pay	2,473,781	2,449,539
Pharmaceutical - 340B program	1,004,919	1,043,842
Service fees	44,810	12,714
Rental	445,913	444,032
Interest and dividends	177,315	155,847
Miscellaneous	25,482	35,838
	15,299,264	13,482,737
Operating expenditures:		
Salaries and wages	4,626,181	3,869,176
Employee benefits	590,922	580,971
Payroll taxes	320,251	264,450
Pharmaceutical 340B program	743,915	701,661
Direct assistance	5,804,888	6,774,541
Repairs and maintenance	666,199	410,513
Security contracts	20,058	26,962
Seminars, travel and recruiting	132,561	103,782
Office supplies	145,070	94,642
Telephone	78,060	65,908
Postage and printing	21,938	17,682
Professional services	610,759	372,469
Insurance	204,216	137,593
Miscellaneous	97,458	64,187
Public relations/fundraising	249,441	158,140
Interest	248,653	54,838
Tenants' security deposits	(2,585)	(1,298)
	14,557,985	13,696,217
Net Cash Provided By (Used In) Operating Activities	741,279	(213,480)
Cash Flows From Investing Activities		
Purchases of fixed assets	(3,933,413)	(5,915,341)
Payments to related party LIHTC entity	(302,249)	—
Payments advanced to consultant for developer fee	(109,434)	—
Payments to fund Doorways 2.0, L.P.	—	(1,000,000)
Purchases of investments	(120,433)	(740,267)
Proceeds from sales of investments	28,073	614,733
Net Cash Used In Investing Activities	(4,437,456)	(7,040,875)
Cash Flows From Financing Activities		
Proceeds from capital campaign contributions	—	1,169,927
Payments on lines of credit	(9,942,302)	—
Proceeds from lines of credit	13,074,839	500,000
Proceeds from Federal Home Loan Bank note payable	—	750,000
Proceeds from City of St. Louis Mental Health Board note payable	—	250,000
Payments on construction bridge loan	(449,691)	(774,712)
Payments to finance lease	(15,119)	—
Net Cash Provided By Financing Activities	2,667,727	1,895,215
Net Decrease In Cash, Cash Equivalents And Restricted Cash	(1,028,450)	(5,359,140)
Cash, Cash Equivalents And Restricted Cash - Beginning Of Year (Note 2)	2,406,759	7,765,899
Cash, Cash Equivalents And Restricted Cash - End Of Year (Note 2)	$ 1,378,309	$ 2,406,759
Supplemental Cash Flow Disclosure		
Fixed asset and construction in progress additions included in accounts payable	$ 439,653	$ 1,066,478

1. Operations

Interfaith Residence d/b/a Doorways (Interfaith) was incorporated in the State of Missouri as a not-for-profit corporation on February 22, 1988, organized for the purpose of providing social welfare, health and charitable services, and support to all persons who may be afflicted with catastrophic illnesses.

In the 1980s, people diagnosed with the frightening new disease called HIV/ AIDS were abandoned by families, shunned by society, and dying alone and homeless. St. Louis civic and faith leaders formed Interfaith to address the epidemic by providing hospice housing and services. Medications now deliver viral suppression and undetectable status, and the organization's focus shifted from serving the dying to building lives for the living. By providing safe, affordable housing for people living with HIV/AIDS (PLWH/A), the organization lays the foundation for improved access to healthcare and social services, increased compliance with individual treatment plans, and enhanced quality of life for those living with the disease.

Interfaith Residence d/b/a Doorways is the largest HIV-serving organization in Missouri, a recognized leader and trusted resource in the field, with a reputation for competence among both government and private agencies. Twice the recipient of a Best Practice Award from the U.S. Department of Housing and Urban Development (HUD), Interfaith Residence d/b/a Doorways has been recognized for its "excellence in addressing complex housing and supportive services for persons with HIV/AIDS." The organization's Cooper House, Residential Care Facility, was awarded the prestigious Award for Excellence in Supportive Housing by Enterprise Community Partners and the MetLife Foundation.

The primary supportive programs provided by Interfaith include:

Emergency Housing **-** responds to clients who are homeless and in desperate situations by offering 60-90 days of housing. Interfaith's housing coordinators work closely with these individuals to secure permanent housing. More than 350 people in housing crisis were sheltered during the year ended June 30, 2023.

Own Home **-** prevents homelessness by providing rent, mortgage, and utility subsidies for clients at-risk of losing their housing. More than 1,500 clients were served by Own Home during the year ended June 30, 2023.

Residential - provides 103 units of permanent housing in seven buildings in the City of St. Louis. Each development is designed for individuals and families who are capable of independent living but have financial and health issues, which limit their ability to pay fair market rent.

Within the Residential program, Interfaith sponsors five independent living facilities for persons with HIV/AIDS disabilities: Jefferson Park, Inc. d/b/a Anne's House, Tenth And Lami, Inc., Mama Nyumba, Kaya Malaika and Partridge Place. The Board members for these organizations were selected from Interfaith's Board members, and Interfaith has an economic interest in these organizations. Interfaith also operates two additional independent living facilities known as Delmar and Gertrude.

Cooper House - the only program of its kind in the region, is a 36-bed facility, providing 24-hour nursing care for those who are suffering more serious health conditions or are unable to live independently. In addition to round-the-clock supervision and nursing care, a dining room, commercial kitchen, and numerous social and recreational areas allow for interdisciplinary care-planning. This enables clients to achieve good physical health, behavioral health and stable housing goals.

Jumpstart - provides accelerated permanent housing for homeless single individuals with young children. Direct client aid in the form of transportation and food vouchers enables client families to remain in medical care and access other community social services, while raising children who are ready to learn.

Out-State - offers housing services through direct grants from HUD, to clients in 62 under-served counties in outstate Missouri and 55 in Illinois. This program collaborates with one sub-recipient service provider in Missouri and one in Illinois, providing capacity-development training, technical assistance, and administrative support in an effort to increase housing options for PLWH/A.

Empowerment Programs - to strengthen self-sufficiency, offerings include behavioral health counseling, employment assistance, individualized care coordination, self-development programming, community activities, and access to resources.

Interfaith also owns 100% of Doorways 2.0 Developer, L.L.C. (the "Developer") and Doorways 2.0 GP, L.L.C. (the "General Partner"), entities formed to acquire, finance, lease, hold for investment, mortgage, own, operate, sell, exchange, encumber, or otherwise dispose of property.

On January 13, 2021, Interfaith closed on a New Markets Tax Credit (NMTC) deal as described in Note 7. In preparation for this transaction, Interfaith formed Doorways 2.0 Services, a not-for-profit organization that is a supporting organization and the Qualified Active Low Income Community Business (QALICB). The QALICB operates in such a way that it qualifies as a Qualified Active Low-Income Community Business under the definition of the NMTC Program under Internal Revenue Code (IRC) Section 45(d). Given an economic interest, this entity has been consolidated for financial statement purposes with Interfaith. Doorways 2.0 Services has no members and is managed by a Board of Directors that consists of six Board members. Of the six members, four shall be members of the Interfaith Board ("Interfaith Directors"). The remaining two members shall be appointed by the Interfaith Directors.

On March 12, 2021, Interfaith closed on a Low-Income Housing Tax Credit (LIHTC) deal. As part of the transaction, Doorways 2.0, L.P. (Limited Partnership) was created to acquire, own, rehabilitate, manage and operate real estate located in the City of St. Louis. Interfaith is General Partner of Doorways 2.0, L.P. and owns 0.01% of the Limited Partnership. Due to the Limited Partner's controlling ownership interest, Interfaith is not deemed to have a controlling interest, and the Limited Partnership is not consolidated for financial statement purposes with Interfaith.

2. Summary Of Significant Accounting Policies

Basis Of Accounting

The consolidated financial statements of Doorways have been prepared on the accrual basis of accounting.

Principle Of Consolidation

In addition to the five independent living facilities described in Note 1 and consolidated with Interfaith for this report, the accompanying consolidated financial statements include the accounts of Doorways 2.0 Services, Doorways 2.0 GP, L.L.C. and Doorways 2.0 Developer, L.L.C. These nine entities are collectively referred to as Doorways or Organization. All significant inter-entity investments, transactions and account balances have been eliminated in consolidation.

Cash, Cash Equivalents And Restricted Cash

The following is a reconciliation between cash, cash equivalents and restricted cash reported within the consolidated statement of financial position and the total cash, cash equivalents and restricted cash on the consolidated statement of cash flows as of June 30:

	2023	2022
Cash and cash equivalents - operations	$ 667,316	$ 873,493
Cash and cash equivalents included in investments	7,764	11,951
QALICB disbursing account for construction	—	664,114
QALICB reserve escrow	158,367	190,863
Tenants' security deposits	24,463	23,008
Other escrows	3,351	3,426
Reserves for replacements	502,226	625,114
Residual receipts reserves	14,822	14,790
Total Cash, Cash Equivalents And Restricted Cash	$ 1,378,309	$ 2,406,759

Basis Of Presentation

Financial statement presentation follows the requirements issued by the Financial Accounting Standards Board (FASB) for not-for-profit organizations, which require Doorways to report information regarding its financial position and activities according to the following net asset classifications:

Net Assets Without Donor Restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of Doorways. These net assets may be used at the discretion of management and the Board of Directors.

Net Assets With Donor Restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of Doorways or by the passage of time.

Estimates And Assumptions

Management uses estimates and assumptions in preparing consolidated financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Operating And Nonoperating Activity

Operating results in the consolidated statement of activities reflect all transactions except net realized and unrealized gains (losses) on investments, loss on disposal of fixed assets, forgiveness of Affordable Housing Program Subsidy loan and Paycheck Protection Program loan extinguishment of debt.

Fair Value Measurements

Instruments measured and reported at fair value are classified and disclosed in one of the following categories:

Level 1 Quoted prices are available in active markets for identical instruments as of the reporting date. Instruments, which are generally included in this category, include listed equity and debt securities publicly traded on a stock exchange.

Level 2 Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies.

Level 3 Pricing inputs are unobservable for the instrument and include situations where there is little, if any, market activity for the instrument. The inputs into the determination of fair value require significant management judgment or estimation.

Cash And Cash Equivalents

Cash and cash equivalents are comprised of demand deposits and other short-term investments, which are readily convertible to cash. Doorways has an insured cash sweep account service, which sweeps funds over the FDIC-limit into various FDIC-insured institutions on a daily basis.

Accounts and Grants Receivables

Accounts and grants receivables are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible receivables through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to the receivable. Changes in the valuation allowance for tenant accounts receivable have not been material to the consolidated financial statements. A valuation allowance is not considered necessary for grants receivable and other accounts receivable.

Other Receivables

Other receivables are stated at the amount management expects to collect from outstanding balances. As of June 30, 2023, other receivables in the amount of $302,249 are due from Doorways 2.0, LP for costs paid for by Interfaith. The remaining amount of $109,434 is due from the consulting on the LIHTC project for an advanced developer fee payment.

Promises To Give

Unconditional promises to give in future periods are recognized as support in the period the promises are received. Conditional promises to give, that is, those with a measurable performance or other barrier, are not recognized until the conditions on which they depend have been met. Promises to give are recorded at the present value of the estimated future cash flows, net of an allowance for uncollectible promises based on historical experience and a review of outstanding balances.

Conditional contributions not recognized due to the existence of measurable performance barriers at June 30, 2023 were $7,996,679 in government grants, of which all is expected to be recognized in 2024. Conditional contributions not recognized due to the existence of measurable performance barriers at June 30, 2022 were $9,035,730 in government grants, of which $7,187,730 was expected to be recognized in 2022.

Investments

Investments in equity and debt securities with readily determinable fair values are measured at fair value in the consolidated statement of financial position. Investment income (including realized and unrealized gains (losses) on investments) is included in increase (decrease) in net assets without donor restrictions unless the income is restricted by donor or law. Realized gains or losses on the sale of investments are determined on the specific identification method.

Doorways invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the consolidated statement of financial position.

Restricted Deposits And Funded Reserves

Restricted deposits and funded reserves are comprised of interest-bearing checking and savings accounts.

Property And Equipment

Property and equipment are carried at cost, if purchased, or at fair value, if donated, less accumulated depreciation computed using the straight-line method. The assets are depreciated over periods ranging from 3 to 40 years.

Doorways reviews its investment in property and equipment for impairment whenever events or changes in circumstances indicate that the carrying value of such property and equipment may not be recoverable. Recoverability is measured by a comparison of the carrying amount of the property and equipment to the future net undiscounted cash flow expected to be generated by the property and equipment, including the residual value. If the property and equipment is considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount exceeds the fair value. There was no impairment loss recognized for the years ended June 30, 2023 or 2022.

Debt Issuance Costs

Debt issuance costs totaling $450,883 consist of fees for obtaining the financing for the New Markets Tax Credit transaction and are being amortized using the straight-line method over the life of the mortgage loan. Accumulated amortization totaled $37,573 and $22,544 at June 30, 2023 and 2022, respectively. Amortization expense amounted to $15,029 as of June 30, 2023 and 2022, respectively, and is included in interest expense on the consolidated statement of functional expenses for the years ended June 30, 2023 and 2022, respectively.

Debt issuance costs totaling $34,624 consist of fees for obtaining the financing for the construction bridge loan and are being amortized using the straight-line method over the life of the loan. Accumulated amortization totaled $28,708 and $22,792 at June 30, 2023 and 2022, respectively. Amortization expense amounted to $5,916 and $7,747 and is included in interest expense on the consolidated statement of functional expenses for the years ended June 30, 2023 and 2022, respectively.

Accounting principles generally accepted in the United States of America require that the effective yield method be used to amortize financing costs; however, the effect of using the straight-line method is not materially different from the results that would have been obtained under the effective yield method.

Loan, Note And Interest Receivable

The loan, note and interest receivable are stated at the amount management expects to collect from balances outstanding at year end. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of the loan. Management's periodic evaluation of the adequacy of the allowance is based on the loan's past performance, known and other inherent risks, adverse situations that may affect the borrower's ability to repay, estimated value of any underlying collateral, and current economic conditions. Balances still outstanding after management has used reasonable collection efforts will be written off through a charge to the valuation allowance and a credit to loan and interest receivable. Based on management's assessment of its credit history and current relationship with the borrower, management does not believe an allowance is necessary as of June 30, 2023 and 2022 (Note 6).

Rent Revenue

The rental property is generally leased to tenants under month-to-month noncancellable operating leases. Rent revenue is recognized on a straight-line basis over the terms of the leases.

Revenue Recognition

Medicaid and private pay service revenue is reported at the estimated net realizable amounts from residents/patients, third-party payers and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payers. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined. Payment for services under the Medicaid program is based on the standard daily billing rates for such services.

The opening and closing balances of receivables from Medicaid and private pay for services for the year ended June 30, 2023 were $208,781 and $168,831, respectively. The opening and closing balances of receivables from Medicaid and private pay for services for the year ended June 30, 2022 were $171,855 and $208,781, respectively.

During 2021, Interfaith entered into a contract pharmacy services agreement whereby Interfaith purchases covered medication and sells it to eligible residents under Section 340B of the Public Health Services Act. Interfaith appointed a pharmacy to act as its duly authorized agent for the purpose of negotiating and recommending provider contracts with 340B participating drug manufacturers, wholesalers, or distributors. Purchases of covered drugs made by the pharmacy, as agent for the provider, are shipped to the pharmacy and billed to the provider. The pharmacy places orders for covered drugs on behalf of Interfaith in accordance with good faith estimates of inventory requirements for such products and based upon relevant information provided by Interfaith. All sales are considered point-of-sale transactions and the fiscal year and timing of services match. Revenue from the 340B program totaled $1,005,259 and $1,054,414 and expenses totaled $684,631 and $709,149 for the years ended June 30, 2023 and 2022, respectively. The opening and closing balances of receivables from the 340B program for the year ended June 30, 2023 were $87,889 and $88,229 respectively. The opening and closing balance of receivables from the 340B program for the year ended June 30, 2022 were $77,317 and $87,889, respectively.

Doorways recognizes revenue when promised goods or services are transferred to the customer in an amount that reflects the consideration expected in exchange for those goods or services.

Support With And Without Donor Restrictions

Doorways reports gifts of cash and other assets as net assets with donor restrictions or without donor restrictions, depending on the existence and/or nature of any donor restrictions. 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 consolidated statement of activities as net assets released from restrictions. Doorways has adopted the policy of reporting net assets released from restrictions upon completion of the donor purpose restriction, regardless of whether the related cash has been received.

Grants

Grants that are deemed to be conditional contributions - that is, those with a measurable performance or other barrier and a right of return - are not recognized until the conditions on which they depend have been met.

All federal, state and local grants are recognized as revenues only to the extent allowable expenses have been incurred under the terms of their respective agreements. The remaining portions received in advance of allowable expenses being incurred are recorded as refundable advances on the consolidated statement of financial position. Refundable advances amounted to $113,886 and $247,945 at June 30, 2023 and 2022, respectively.

Contributed Nonfinancial Assets

Certain professional services are donated by various organizations. When these donated services meet the criteria for recognition under Accounting Standard Codification (ASC) 958-605, they are recorded at fair value at the date of donation.

Doorways also receives donated materials, which are recorded at fair value at the date of receipt. Doorways records the value of donated materials when there is an objective basis available to measure their value (Note 18).

In addition, a number of volunteers have donated a significant amount of their time to Doorways' programs. However, such donated services have not been recorded because they do not meet the criteria for recognition.

Developer Fee Income

Doorways 2.0 Developer, L.L.C. (Developer) entered into a Development Agreement for the Doorways 2.0 campus expansion project. As part of the Development Agreement, the Developer will earn a Developer Fee to be paid in accordance with the Development Agreement. The Development Fee for the year ended June 30, 2023 totaled $469,672 and is included in other receivables. During 2022, no additional Developer Fee had been earned.

Paycheck Protection Program (PPP) Loan

Interfaith had a loan that was part of the Paycheck Protection Program (PPP) established under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) and administered by the U.S. Small Business Administration (SBA). In accordance with the requirements of the CARES Act, Interfaith used the proceeds from the loan exclusively for qualified expenses under the PPP as further detailed in the CARES Act and applicable guidance issued by the SBA. Interfaith considered the PPP loan to be debt, subject to the provisions of FASB ASC 470, *Debt*. Interfaith did not impute additional interest at a market rate as transactions where interest rates are prescribed by governmental agencies are not subject to the accounting guidance on imputing interest.

The loan remained recorded as a liability until either (1) the loan was, in part or wholly, forgiven and the debtor legally released or (2) the debtor paid off the loan to the creditor. Once the loan was, in part or wholly, forgiven and legal release was received, Interfaith reduced the liability by the amount forgiven and recorded a gain on extinguishment (Note 9).

Description Of Program Services And Supporting Activities

The following program services and supporting activities are included in the accompanying consolidated financial statements:

Program Services

Includes those expenditures to assist Doorways in providing housing and related needs along with quality support and social services to persons with HIV/AIDS.

Management And General

Includes the functions necessary to maintain an equitable employment program; ensure an adequate working environment; provide coordination and articulation of Doorways' program strategy; secure proper administrative functioning of the Board of Directors; and manage the financial and budgetary responsibilities of Doorways.

Private/Public Fund Development

Provides the structure necessary to encourage and secure public funds (government grants) and private financial support from corporations, foundations and individuals through various fundraising and special events, including Capital Campaigns.

Expense Allocation

Expenses including depreciation, repairs and maintenance, seminars, travel and recruiting, office supplies, telephone, postage and printing, professional services, insurance, and miscellaneous costs are charged to program services and supporting activities on the basis of management's estimates on how resources are specifically utilized. Expenses that are directly identifiable as program services include direct assistance, security contracts and pharmaceutical - 340B program. Personnel costs, including salaries and wages, employee benefits, and payroll taxes are charged to program and supporting activities on the basis of monthly time and expense studies and management estimates. Supporting activities expenses are not directly attributable to providing program services and include public relations/fundraising, interest and bad debt expense.

Recent Accounting Pronouncements

On July 1, 2022, Doorways utilized the modified retrospective approach to adopt the provisions of Accounting Standards Codification (ASC) Topic 842, *Leases*. The initial adoption of ASC 842 did not result in a cumulative adjustment to net assets. Results for the year ended June 30, 2023 are presented under ASC 842, while the prior period financial statements have not been adjusted and continue to be presented under ASC 840, the accounting standard in effect at that time.

Doorways

As further described in Note 19, Doorways maintains a lease for office equipment. Lease right-of-use (ROU) assets and lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at commencement date. Doorways' lease has a term of five years. Doorways does not record ROU assets or lease liabilities for leases with an initial expected lease term of 12 months or less.

The lease terms utilized in determining ROU assets and lease liabilities include the noncancellable portion of the underlying leases along with renewal periods, only if it is reasonably certain that the option will be exercised. While the leases may contain renewal options, there is generally not a significant economic incentive to exercise the options. Accordingly, only the initial term is included in the lease term when calculating the ROU assets and lease liabilities. Doorways has not included any termination penalties in its lease payments, nor shortened any lease terms related to options to terminate a lease.

As most leases do not provide an implicit discount rate, Doorways estimates an incremental borrowing rate based on the information available at the lease commencement date to determine the present value of the lease payments. The estimated incremental borrowing rate represents the estimated rate of interest that would have been charged to borrow an amount equal to the lease payments on a collateralized basis for a similar period of time.

Doorways does not separate non-lease components of a contract from the lease components to which they relate for all classes of lease assets.

Independent Living Facilities

Jefferson Park, Inc. d/b/a Anne's House, Tenth And Lami, Inc., Mama Nyumba, Kaya Malaika, Partridge Place, Cooper House, Gertrude and Delmar, as lessors (Lessors), lease multifamily residential units, generally with a lease term of one year. While the leases typically include renewal options, the economic terms of the lease do not make it reasonably certain that a renewal option would be exercised. Under ASC 842, the Lessors classify the leases as operating leases and elect not to separate the lease component, comprised of monthly rents from tenants, from the associated non-lease components, comprised of fees related to utility costs. The Lessors account for the combined lease and non-lease components under ASC 842. Lease income for the year ended June 30, 2023 was as follows:

Lessor	**Lease Income For The Year Ended June 30, 2023 Amount**
Jefferson Park, Inc.	$ 149,729
Tenth and Lami, Inc.	162,609
Mama Nyumba	182,864
Kaya Malaika	165,136
Partridge Place	143,083
Delmar and Gertrude	51,759

Based on the remaining terms of the lease agreements, the Lessors expects to receive lease payments during the year ending June 30, 2024 as follows:

Lessor	**Expected Lease Payments During The Year Ended June 30, 2024 Amount**
Jefferson Park, Inc.	$ 100,669
Tenth and Lami, Inc.	113,978
Mama Nyumba	102,576
Kaya Malaika	88,850
Partridge Place	102,685
Delmar and Gertrude	26,063

Doorways has elected certain practical expedients, including the use of hindsight in determining the lease term at transition and the package of practical expedients to not reassess prior conclusions related to contracts containing leases, lease classification, and initial direct costs.

Tax Status

Interfaith Residence d/b/a Doorways, Jefferson Park, Inc., Tenth And Lami, Inc., Mama Nyumba, Kaya Malaika, Partridge Place, and Doorways 2.0 Services each constitute a qualified not-for-profit organization under Section 501(c)(3) of the Internal Revenue Code and they are, therefore, exempt from federal income taxes on related, exempt income. Doorways 2.0 Developer, L.L.C. and Doorways 2.0 GP, L.L.C are single member LLCs, of which Interfaith is the single member and thus they are also exempt under Section 501(c)(3).

The entities' tax returns for tax years 2019 and later remain subject to examination by taxing authorities.

3. Grants Receivable

Grants receivable consist of the following:

	2023	2022
H.O.P.W.A.	$ 518,936	$ 862,910
Supportive Housing Program	306,512	184,379
Emergency Solutions Grant	39,135	9,350
Continuum of Care	62,803	—
Community Development Block Grant	81,259	26,664
Missouri Housing Development Commission	35,812	4,045
Ryan White Title I	125,208	255,371
Department of Health Services	215,203	250,345
Healthcare Strategic Initiatives	167,839	408,232
St. Clair County Health Department	—	844
MSD Green Infrastructure Grant	369,000	—
Affordable Housing Commission	202,053	149,151
	$ 2,123,760	$ 2,151,291

4. Promises To Give

Promises to be received in future periods are collectible as of June 30, 2023 as follows:

Year	Capital Campaign	Operating	Total
2024	$ 470,562	$ 77,601	$ 548,163
2025	239,890	—	239,890
2026	185,815	—	185,815
2027	20,100	—	20,100
2028	31,910	—	31,910
	948,277	77,601	1,025,878
Less: Allowance for doubtful accounts	(45,957)	—	(45,957)
Discount to record at present value	(38,677)	—	(38,677)
	$ 863,643	$ 77,601	$ 941,244

Promises to be received in future periods were collectible as of June 30, 2022 as follows:

Year	Capital Campaign	Operating	Total
2023	$ 572,655	$ 81,595	$ 654,250
2024	361,941	—	361,941
2025	180,870	—	180,870
2026	176,823	—	176,823
2027	21,080	—	21,080
Thereafter	15,000	—	15,000
	1,328,369	81,595	1,409,964
Less: Allowance for doubtful accounts	(51,065)	—	(51,065)
Discount to record at present value	(65,616)	—	(65,616)
	$ 1,211,688	$ 81,595	$ 1,293,283

Discount rates of 8% for the promises to give received in 2023 and 4.5% for promises to give received in prior years were utilized to record the promises to give at the present value of estimated future cash flows.

5. Investments And Fair Value Measurements

Investments held as of June 30 are as follows:

	2023	2022
Cash and cash equivalents	$ 7,764	$ 11,951
Bonds	1,459,104	1,420,602
Equity investments	2,823,215	2,485,128
	$ 4,290,083	$ 3,917,681

The following are the major categories of assets and liabilities measured at fair value on a recurring basis during the years ended June 30, 2023 and 2022 using quoted prices in active markets for identical assets (Level 1); significant observable inputs for similar assets (Level 2); and significant unobservable inputs (Level 3):

	June 30, 2023			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 7,764	$ —	$ —	$ 7,764
Mutual funds:				
Corporate funds	390,891	44,865	—	435,756
Short-term funds	121,164	—	—	121,164
Intermediate funds	685,951	—	—	685,951
World funds	216,233	—	—	216,233
Equity investments:				
Preferred stocks	—	114,314	—	114,314
Small cap	330,691	—	—	330,691
Mid-cap	441,113	—	—	441,113
Large-cap	1,353,416	—	—	1,353,416
Foreign	583,681	—	—	583,681
	$ 4,130,904	$ 159,179	$ —	$ 4,290,083

	June 30, 2022			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 11,951	$ —	$ —	$ 11,951
Mutual funds:				
Corporate funds	365,999	48,367	—	414,366
Short-term funds	118,929	—	—	118,929
Intermediate funds	672,582	—	—	672,582
World funds	214,725	—	—	214,725
Equity investments:				
Preferred stocks	—	99,925	—	99,925
Small cap	303,723	—	—	303,723
Mid-cap	390,537	—	—	390,537
Large-cap	1,206,145	—	—	1,206,145
Foreign	484,798	—	—	484,798
	$ 3,769,389	$ 148,292	$ —	$ 3,917,681

Investments carried at fair value are categorized as Level 1 for fair value purposes, except for preferred stocks and certain corporate bonds, which are categorized as Level 2.

These assets utilize the following valuation techniques and inputs:

Preferred Stocks and Corporate Bonds: The fair values of investments in preferred stocks and corporate bonds are primarily determined using techniques that are consistent with the market approach. Significant observable inputs include benchmark yields, reported trades, observable broker-dealer quotes, issuer spreads, and security specific characteristics, such as early redemption options.

At June 30, 2023 and 2022, unrealized gains of $203,467 and unrealized losses of $979,031, respectively, were recorded to adjust investments to fair value. For the years ended June 30, 2023 and 2022, realized gains of $66,414 and $215,377, respectively, were recorded.

6. Loan, Note And Interest Receivable

On January 13, 2021, Interfaith entered into a New Markets Tax Credit (NMTC) transaction, further discussed in Note 7, which enabled construction of a new office building. Interfaith serves as the Leverage Lender in the NMTC structure.

Utilizing financial resources from the results of Interfaith's Beyond Tonight capital campaign, predevelopment costs incurred and cash on hand, Interfaith made a leverage loan of $5,821,400 to Twain Investment Fund 522, LLC (the Investment Fund). The loan accrues interest at an annual rate of 1%, with quarterly payments of accrued interest due. Interest-only quarterly payments began on March 15, 2021. Commencing March 15, 2028, quarterly interest payments of all accrued and unpaid interest at the interest rate plus an amount of principal sufficient to amortize the outstanding principal amount over the remaining term of the loan on a level payment basis shall be due with the final payment of principal and accrued interest due on the note's maturity on January 12, 2048. The loan is secured primarily by the Investment Fund's membership interest in the sub-CDE, St. Louis New Markets Tax Credit Fund 67, LLC.

As of June 30, 2023 and 2022, principal of $5,821,400 was outstanding. As of June 30, 2023, there was no interest outstanding. As of June 30, 2022 accrued interest of $14,554 was outstanding.

On March 12, 2021, Interfaith entered into a Low-Income Housing Tax Credit (LIHTC) transaction, further discussed in Note 7, to enable construction of a new residential building. As part of the financing, funds were awarded to Interfaith from the Federal Home Loan Bank and the City of St. Louis Mental Health Board in the amounts of $750,000 and $250,000, respectively. The funds were then passed to Doorways 2.0, GP, L.L.C. and then to Doorways 2.0, L.P. as part of the new Doorways 2.0 campus financing plan. Doorways 2.0, L.P. will repay Doorways 2.0, GP, L.L.C. $1,000,000 as part of the General Partner loan on the project. The General Partner loan earned interest at 1.62% through May 5, 2023 at which time the interest increased to 3.22%. As of June 30, 2023, principal of $1,000,000 and interest of $27,486, was outstanding and is payable from Doorways 2.0, L.P.'s Available Annual Net Cash Flow. As of June 30, 2022, principal of $1,000,000, was outstanding and is payable from Doorways 2.0, L.P.'s Available Annual Net Cash Flow.

On March 12, 2021, as part of the closing on the LIHTC deal, Interfaith funded $10,000 to Doorways 2.0, L.P. through Doorways 2.0, GP, L.L.C. This amount is payable from Doorways 2.0, L.P.'s Available Annual Net Cash Flow.

7. Long-Term Debt

Capital Advances

During 2003, Kaya Malaika entered into a Capital Advance Agreement (the Note) for a capital advance in the amount of $2,157,100, under Section 811 of the National Affordable Housing Act (NAHA). The Note is secured by a first deed of trust on the property. The Note shall bear no interest and shall be repayable only if Kaya Malaika does not remain available for very low-income, eligible individuals or families as approved by the U.S. Department of Housing and Urban Development (HUD) for no less than 40 years. If default is made by Kaya Malaika under the terms of the capital advance, the entire principal sum shall at once become due and payable without notice.

The debt evidenced by this Note may not be prepaid prior to the maturity date of August 2042 without the prior written approval of HUD. Provided the housing project has remained available for occupancy by eligible families until the maturity date of the Note, and the Note has not otherwise become due and payable by reason of defaults under the Note, mortgage or Regulatory Agreement, the Note shall be deemed to be paid and discharged. The balance at June 30, 2023 and 2022 amounted to $2,157,100.

During 2006, Partridge Place entered into a Capital Advance Agreement (the Note) for a capital advance in the amount of $1,576,500, under Section 811 of the National Affordable Housing Act (NAHA). The Note is secured by a first deed of trust on the property. The Note shall bear no interest and shall be repayable only if Partridge Place does not remain available for very low-income, eligible individuals or families as approved by HUD for no less than 40 years. If default is made by Partridge Place under the terms of the capital advance, the entire principal sum shall at once become due and payable without notice.

The debt evidenced by this Note may not be prepaid prior to the maturity date of January 2047, without the prior written approval of HUD. Provided the housing project has remained available for occupancy by eligible families until the maturity date of the Note, and the Note has not otherwise become due and payable by reason of defaults under the Note, mortgage or Regulatory Agreement, the Note shall be deemed to be paid and discharged. The amount of the Capital Advance outstanding at June 30, 2023 and 2022 is $1,576,500.

Affordable Housing Program Subsidies

On June 30, 2005, Partridge Place entered into an Affordable Housing Program Agreement for Rental Project for an Affordable Housing Program Subsidy (the Subsidy) in the amount of $497,000 with the Federal Home Loan Bank of Des Moines. Partridge Place was subject to a deed restriction on the property, and the subsidy was repayable only if Partridge Place did not remain occupied by and affordable for households with incomes at or below 50% of area median income for a period of 15 years from February 2007. Additionally, at least 20% of Partridge Place's units (four units) had to be reserved for tenants qualified as "homeless" households. If default was made by Partridge Place under the terms of the Subsidy Agreement, the entire subsidy, including interest if appropriate, as determined in the Bank's discretion, at once became due and payable without notice. The amount of the Subsidy outstanding at June 30, 2021 was $497,000. As the 15-year term expired in February 2022, the Subsidy balance was reported as a current liability at June 30, 2021. During the year ended June 30, 2022, the Federal Home Loan Bank of Des Moines released the full loan in the amount of $497,000. This amount was recognized as loan forgiveness on the 2022 consolidated statement of activities. No subsidy remains payable at June 30, 2023.

On March 14, 2019, Interfaith entered into an Affordable Housing Program Agreement for Rental Project with Subsidy on behalf of Mama Nyumba in the amount of $535,000, with the Federal Home Loan Bank of Des Moines. Mama Nyumba is subject to a deed restriction on the property and the Subsidy shall be repayable only if the Project does not utilize the funds to finance the purchase, construction or rehabilitation of rental housing in which all 14 units will be occupied by and affordable for households at or below 50% of median income for a period of 15 years, beginning on the date of substantial project completion. If default is made by Mama Nyumba under the terms of the Subsidy Agreement, the entire Subsidy, including interest if appropriate, as determined in the Bank's discretion, shall at once become due and payable without notice. The amount of the Subsidy outstanding at June 30, 2023 and 2022 is $535,000.

Developer Subsidy Grants

On August 31, 2005, Partridge Place entered into a Housing Development Grant Agreement for a grant in the amount of $296,800 with the City of St. Louis Affordable Housing Commission. Partridge Place is subject to a deed restriction on the property, and the grant shall be repayable only if Partridge Place does not remain occupied by and affordable for households with incomes at or below 20% of area median income for a period of 30 years from the project completion date February 2007. If default is made by Partridge Place under the terms of the Grant Agreement, the entire amount shall at once become due and payable without notice. The amount of the grant outstanding at June 30, 2023 and 2022 is $296,800.

On January 19, 2016, Interfaith entered into a Housing Development Grant Agreement for a grant in the amount of $80,092 with the City of St. Louis Affordable Housing Commission for the rehabilitation of Gertrude. Gertrude is subject to a deed restriction on the property, and the grant shall be repayable only if Gertrude does not remain occupied by and affordable for households with incomes at or below 20% of area median income for a period of 30 years from the project completion date, September 1, 2016. If default is made by Interfaith under the terms of the Grant Agreement, the entire amount shall at once become due and payable without notice. The amount of the grant funded and outstanding at June 30, 2023 and 2022 is $80,092.

New Markets Tax Credit Loans

In preparation for this transaction, a new not-for-profit organization was established, Doorways 2.0 Services (QALICB). The QALICB completed construction and holds title to the office building as well as leases said facility to Interfaith. The QALICB will operate in such a way that it qualifies as a Qualified Active Low-Income Community Business under the definition of the NMTC Program under Internal Revenue Code (IRC) §45(d).

From this Qualified Equity Investment (QEI), loan financing is being provided by St. Louis New Markets Tax Credit Fund 67, LLC (sub-CDE) to the QALICB to finance the facility expansion. Collectively, these loans are secured by the QALICB's Deed of Trust. In addition, on behalf of the QALICB, Interfaith has guaranteed interest payments on these loans as well as other guarantees to the sub-CDE. On a quarterly basis, the QALICB must certify to the sub-CDE the QALICB's compliance with NMTC compliance requirements, including that the QALICB remains a Qualified Active Low-Income Community Business.

This loan financing consists of two loans in the amounts of $5,821,400 (Loan A) and $1,858,600 (Loan B) with the sub-CDE. Both loans bear interest at 1.153911% per annum with quarterly interest payments due beginning March 5, 2021. Commencing on January 1, 2028, quarterly principal and interest payments on Loans A and B of $72,134 and $23,030, respectively, shall be due, with final principal and interest payments due upon the loans' maturity on March 5, 2028. The loans may not be prepaid in whole or in part at any time prior to January 13, 2028.

At both June 30, 2023 and 2022, principal of $5,821,400 and $1,858,600, respectively, was outstanding on these loans. Interest incurred and capitalized on these loans during amounted to $129,976. The building was placed in service during 2023 and interest was expensed for the remainder of the year totaling $66,465 and in included in interest expenses on the consolidated statement of functional expenses. No amounts remained payable at June 30, 2023.

Interfaith also entered into an Admin Bridge Loan Line of Credit with Busey Bank in the amount of $3,462,400. The loan bears interest at the prime rate minus twenty-five basis points, provided in no event shall the loan rate be less than 3.00%. The loan rate at closing was 3.0%. The interest rate at June 30, 2023 is 8.00%. Interest payments are due monthly beginning on February 21, 2021. This agreement requires Interfaith to apply all capital contributions received by it to the repayment of the loan until the loan is paid in full. All capital contributions required to be used for repayment of the loan shall be paid as follows: (1) any individual capital contributions of $25,000 or more will be paid to the lender within 15 calendar days of receipt, and (2) all other capital contributions of lesser amounts will be paid to the lender in one aggregate payment on a monthly basis no later than the twenty-first of each month following the month in which such capital contribution were received, together with a ledger of pledges and receipts of all capital contributions updated for such amounts received. The loan matures on January 13, 2026. Interfaith has pledged its interest in pledges receivable (promises to give) to Busey Bank as collateral.

At June 30, 2023 and 2022, principal of $733,466 and $1,183,157, respectively, was outstanding. Interest incurred and expensed amounted to $63,296 and $47,999 for the years ended June 30, 2023 and 2022, respectively.

On January 13, 2021, Interfaith entered into a Line of Credit Loan with Busey Bank in the amount of $2,500,000. The Line of Credit Loan was amended on May 4, 2022 to increase the amount to $3,250,000. The loan bears interest at the weekly average yield on the United States Treasury securities adjusted to a constant maturity of 1 month plus 200 basis points provided that in no event shall the loan rate be less than 2%. The loan rate at closing was 2.01%. The interest rate at June 30, 2023 is 7.08%. Interest payments are due monthly beginning on February 21, 2021. The remaining balance of principal and interest is due upon maturity at June 2, 2024. As of June 30, 2023 and 2022, $2,632,537 and $500,000, respectively, was outstanding. Interest incurred and expensed amounted to $100,358 and $4,895 for the years ended June 30, 2023 and 2022, respectively.

Interfaith has granted a security interest in its Pledge Account at Busey Bank and the investments held at Stifel Nicolaus & Company, Inc. to Busey Bank as collateral.

On June 7, 2022, Interfaith entered into a second Line of Credit Loan with Busey Bank in the amount of $1,750,000 under a revolving line of credit agreement. The loan bears interest at the Wall Street Journal Prime rate with a floor of 3.25%. The loan rate at closing was 3.50%. The interest rate at June 30, 2023 is 8.50%. Interest payments are due monthly beginning on June 21, 2022. The remaining balance of principal and interest is due upon maturity at June 7, 2024. As of June 30, 2023, $1,000,000 was outstanding. Interest incurred and expensed amounted to $36,544 for the year ended June 30, 2023. No amounts were drawn on the line of credit during the year ended June 30, 2022.

In addition, Interfaith performed certain tenant improvements during construction that were funded by Interfaith, the tenant, in the amount of $2,586,646, subject to change orders during construction as of June 30, 2023. No amounts were funded as of June 30, 2022.

Doorways 2.0, L.P. Financing

On December 12, 2020, Interfaith, as Project Sponsor, entered into an Affordable Housing Program Agreement (“Agreement”) for Rental Project with Subsidy on behalf of Doorways 2.0, L.P. in the amount of $750,000, with the Federal Home Loan Bank of Des Moines (FHLB). These funds were drawn down in 2022 and passed through to Doorways 2.0, GP, L.L.C. and then to Doorways 2.0, L.P.

Per the terms of the Agreement, Doorways 2.0, L.P. is subject to a deed restriction on the property and the Subsidy shall be repayable only if Doorways 2.0, L.P. does not utilize the funds to finance the purchase, construction or rehabilitation of rental housing in which 40 units will be occupied by and affordable for households at or below 50% of median income and 10 units will be occupied by and affordable for households between 51 and 60% of median income for a period of 15 years, beginning on the date of substantial project completion. If default is made by Doorways 2.0, L.P. under the terms of the Subsidy Agreement, the entire Subsidy, including interest if appropriate, as determined in the FHLB’s discretion, shall at once become due and payable without notice by either the Project Sponsor or Doorways 2.0, L.P. The amount of the Subsidy outstanding at June 30, 2023 and 2022 is $750,000. The balance of the loan is forgivable after 15 years if compliance is maintained.

On March 12, 2021, Interfaith entered into a Promissory Note with the City of St. Louis Mental Health Board (MHB Note) in the amount of $250,000. The MHB Note was used to finance Doorways 2.0, L.P.'s construction of a residential building. Per the terms of the MHB Note, Interfaith is subject to occupancy requirements which require the development of a behavioral health program, evaluation and data tracking system, including, without limitation, support of 15 units dedicated to individuals with mental health conditions, substance abuse, or other serious behavioral health conditions. If default is made by Interfaith or Doorways 2.0, L.P., the entire principal payment for that year shall be due. If compliance is maintained, $25,000 each year will be deemed paid in full on each annual payment date until the maturity date on March 12, 2031. The amount of the Subsidy outstanding at June 30, 2023 and 2022 is $250,000. As of June 30, 2023 and 2022, no forgiveness has been recognized.

The funds noted above from FHLB and the MHB Note were paid to a disbursing agent on behalf of Interfaith, passed to Doorways 2.0, GP, L.L.C. and then to Doorways 2.0, L.P. as part of the new Doorways 2.0 housing construction financing plan. Doorways 2.0, L.P. will repay Doorways 2.0, GP, L.L.C. $1,010,000 plus interest as part of the General Partner loan on the project.

Interest during the construction period, totaling $136,816 for the years ended June 30, 2023 and 2022, has been capitalized and is included in construction in progress.

8. Line Of Credit

On March 10, 2021, Interfaith entered into an additional line of credit agreement with Busey Bank to provide maximum borrowings of $371,250. As of June 30, 2023 and 2022, there was no outstanding balance. The outstanding amounts bear interest at a variable rate, which is the U.S. Prime Rate as published in the Bonds, Rates and Yields section of The Wall Street Journal. The interest rate at issuance was 3.25%. The interest rate at June 30, 2022 is 8.25%. Interest-only payments are payable monthly from April 2021 through June 2024, at which time all unpaid principal and interest are due.

9. Paycheck Protection Program Loan

On April 22, 2020, Interfaith qualified for and received a loan pursuant to the Paycheck Protection Program, a program implemented by the U.S. Small Business Administration under the Coronavirus Aid, Relief, and Economic Security Act, from a qualified lender (the "PPP Lender"), for an aggregate principal amount of approximately $732,800 (the "PPP Loan"). The PPP Loan bore interest at a fixed rate of 1.0% per annum, with the first six months of interest deferred, had a term of two years, and was unsecured and guaranteed by the U.S. Small Business Administration. The principal amount of the PPP loan was subject to forgiveness under the Paycheck Protection Program upon Interfaith's request to the extent that the PPP Loan proceeds were used to pay expenses permitted by the Paycheck Protection Program, including payroll costs, covered rent and mortgage obligations, and covered utility payments by Interfaith. It was Interfaith's intent to apply for forgiveness of the PPP Loan with respect to these covered expenses. To the extent that all or part of the PPP Loan was not forgiven, Interfaith would be required to pay interest on the PPP Loan at a rate of 1.0% per annum, and commencing in August 2021, principal and interest payments would be required through the maturity date of April 22, 2022.

The terms of the PPP Loan provided for customary events of default including, among other things, payment defaults, breach of representations and warranties, and insolvency events. The PPP Loan repayment could be accelerated upon the occurrence of an event of default.

Doorways submitted the PPP loan forgiveness application in August 2021 and received approval of this application from the SBA on October 7, 2021. The full amount of the loan was recognized as a gain on extinguishment of debt on the consolidated statement of activities in 2022.

10. Net Assets

Net assets with donor restrictions consist of the following:

	2023	2022
Capital campaign - time restriction	$ 863,643	$ 5,877,784
Own Home subsidies	—	20,000
Provision pantry	40,418	—
Food voucher program	15,000	45,000
Residential programs	29,145	45,000
Transportation and clothing	11,096	18,580
Behavioral health	50,000	—
Jumpstart	2,000	1,000
Operations - time restriction	82,301	81,595
	$ 1,093,603	$ 6,088,959

Net assets were released from donor-imposed restrictions as follows:

	2023	2022
Capital campaign	$ 5,399,190	$ —
Broadway cares	10,000	—
Mental health services	—	258,575
Own Home subsidies	20,000	10,000
Cooper House	—	5,000
Food voucher program	—	15,000
Residential programs	28,172	3,497
Family residential capital projects	8,897	17,788
Transportation and clothing	19,540	21,420
COVID-19 costs	—	2,538
Salaries	—	7,500
Housing program	—	7,500
Provisions pantry	4,024	—
Behavioral health	266,498	—
Operations - time restriction	81,594	82,181
	$ 5,837,915	$ 430,999

11. Government Grants

Government grants consist of the following:

	2023	2022
Federal Funds		
U.S. Department of Housing and Urban Development		
H.O.P.W.A.		
Passed through the City of St. Louis Department of Health	$ 1,914,145	$ 2,009,375
Passed through the St. Clair County Health Department	—	35,554
Outstate Missouri	358,843	385,388
Outstate Illinois	312,467	302,077
Housing as an Intervention to Fight AIDS	478,242	149,455
Continuum of Care		
Passed through the City of St. Louis Department of Human Services	1,059,024	1,088,311
Emergency Solutions Grant		
Passed through Missouri Housing Development Commission	42,455	28,119
Passed through the City of St. Louis Department of Human Services	209,261	69,049
Community Development Block Grant		
Passed through City of St. Louis Community Development Administration	124,595	43,291
U.S. Department of Health and Human Services		
Ryan White Title I HIV Emergency Relief Project Grants		
Passed through the City of St. Louis Department of Health	842,826	780,396
Ryan White Title II HIV Care Formula Grants		
Passed through the St. Clair County Health Department	96,114	60,258
Ryan White Title II Emergency Financial Assistance		
Passed through Healthcare Strategic Initiatives	1,831,371	2,170,277
U.S. Department of Treasury		
Emergency Rental Assistance		
Passed through the City of St. Louis Department of Human Services	761,995	825,221
2021 Coronavirus Local Fiscal Recovery Fund		
Passed through the City of St. Louis Department of Human Services	—	241,239
Non-Federal Funds		
MSD Green Infrastructure Grant	369,000	—
St. Clair County Health Department	—	25,432
Affordable Housing Commission	463,366	314,564
Missouri Housing Development Commission	236,420	114,018
HUD Project Rental Assistance Contracts		
Jefferson Park, Inc.	72,569	83,837
Tenth And Lami, Inc.	79,730	84,738
Mama Nyumba	137,703	101,908
Kaya Malaika	107,711	114,207
Partridge Place	87,670	105,371
	$ 9,585,507	$ 9,132,085

Doorways receives government grant funds as follows:

U.S. Department of Housing and Urban Development (HUD):

Housing Opportunities for Persons with AIDS (H.O.P.W.A.) - used to provide rent, mortgage and utility assistance and housing related services for PLWH/A in the St. Louis Metropolitan Area and Outstate Missouri and Illinois.

Continuum of Care - made available by the Stewart B. McKinney Homeless Assistance Act, are reimbursement for expenses related to the operations and supportive services of Cooper House, Delmar and Jumpstart to provide qualified residents with self-contained units and to provide for necessary services, as needed, as well as expenses related to operations.

Emergency Solutions Grant - used to address the needs of people experiencing homelessness or housing instability by providing rapid rehousing and homeless prevention services in the form of rental, deposit, and application assistance.

Community Development Block Grant - provide support for salaries related to emergency housing services.

Project Rental Assistance Contracts - support operations of Jefferson Park, Inc., Tenth And Lami, Inc., Mama Nyumba, Kaya Malaika and Partridge Place.

U.S. Department of Health and Human Services (HHS):

Ryan White HIV/AIDS Treatment Extension Act of 2009 - used to provide rental, security deposit and emergency housing assistance.

U. S. Department of Treasury:

2021 Coronavirus Local Fiscal Recovery Fund - used for rent, mortgage, and utility assistance for St. Louis Area residents experiencing financial hardship due to the COVID-19 pandemic.

Emergency Rental Assistance Program - used for rent, mortgage and utility assistance for eligible City of St. Louis residents experiencing financial hardship due to the COVID-19 pandemic.

Other:

MSD Green Infrastructure Grant – use to offset costs for design, constructions and other related expenses associated with Green Stormwater Infrastructure Best Management Practices.

Missouri Department of Economic Development - used for rent, mortgage and utility assistance for eligible residents experiencing financial hardship due to the COVID-19 pandemic.

Affordable Housing Commission and Missouri Housing Development Commission – used to supplement expenses incurred in providing housing operations or housing assistance for low-income PLWH/A.

12. Missouri Medicaid Waiver Program

Cooper House functions include, but are not limited to, dispensing medication, monitoring resident health concerns, and providing healthcare professionals to administer patient issues as they arise. Doorways is reimbursed for these rehabilitation services by the Missouri Department of Mental Health under the Medicaid Waiver Program on a per diem basis. For the years ended June 30, 2023 and 2022, Doorways recognized total income of $2,492,741 and $2,486,465, respectively, from the Medicaid Waiver Program, which is included in Medicaid and private pay services in the consolidated statement of activities.

13. Direct Assistance

The expense category entitled direct assistance appearing in the consolidated statement of functional expenses consists of expenses for rents and utilities for the benefit of qualifying individuals and certain operating expenses of Cooper House, Delmar, Gertrude, Jefferson Park, Inc., Tenth And Lami, Inc., Mama Nyumba, Kaya Malaika and Partridge Place. A summary is as follows:

	2023	2022
Assistance for qualifying individuals	$ 5,379,646	$ 6,242,175
Cooper House expenses	250,648	256,882
Delmar and Gertrude utilities	25,106	23,102
Jefferson Park, Inc. utilities	41,851	35,776
Tenth And Lami, Inc. utilities	37,382	38,643
Mama Nyumba utilities	37,056	28,480
Kaya Malaika utilities	44,182	35,981
Partridge Place utilities	35,792	37,398
	$ 5,851,663	$ 6,698,437

14. Concentrations

Doorways operates in a heavily regulated environment and is subject to the administrative directives, rules, and regulations of federal, state, and local regulatory agencies, including, but not limited to the Departments of HUD and HHS. Such administrative directives, rules and regulations are subject to change by acts of Congress or administrative changes mandated by HUD or HHS and may occur with little notice or inadequate funding to pay for the related compliance costs. For the fiscal years ended June 30, 2023 and 2022, Doorways recognized total income of $4,984,415 and $4,600,680, respectively, from HUD and $2,770,311 and $3,010,931, respectively, from HHS.

Additionally, Doorways receives funding for certain residents from the Missouri Department of Mental Health (DMH) under the Medicaid Waiver Program. DMH reimburses Doorways for the expenses associated with the rehabilitation of these individuals. Doorways recognized total income of $2,492,741 and $2,486,465 from DMH for the years ended June 30, 2023 and 2022, respectively.

15. Capital Advance Agreements

Jefferson Park, Inc., Tenth And Lami, Inc., Mama Nyumba, Kaya Malaika, and Partridge Place have entered into Capital Advance Agreements with HUD. Capital advances do not bear interest and are not required to be repaid so long as the housing that was built using these funds remains available to eligible very low-income households for a period of 40 years in accordance with Section 811 of the National Affordable Housing Act. If the housing does not remain available to very low-income households until the maturity date of the Note, HUD may bill these projects for the entire capital advance outstanding plus interest since the date of the first advance. Each of these capital advances is secured by a deed of trust on the property constituting a valid first lien on the property and improvements of the respective project.

As of June 30, 2023 and 2022, Jefferson Park, Inc. had drawn $1,248,800, Tenth And Lami, Inc. had drawn $1,393,000 and Mama Nyumba had drawn $1,372,400 on their respective capital advances. The maturity dates of the Notes for Jefferson Park, Inc., Tenth And Lami, Inc. and Mama Nyumba are January 2034, September 2035 and April 2039, respectively. Due to the low probability that the Projects will default on the terms of the Capital Advance Agreements, Doorways has elected to treat the entire proceeds as components of net assets without donor restrictions on the consolidated statement of financial position.

As of June 30, 2023 and 2022, Kaya Malaika had drawn $2,157,100 on its capital advance agreement. As of June 30, 2023 and 2022, Partridge Place had drawn $1,576,500 on its capital advance agreement. These are included in long-term debt in the consolidated statement of financial position (Note 7).

16. Restricted Deposits And Funded Reserves

The Capital Advance Agreements of Jefferson Park, Inc., Tenth And Lami, Inc., Mama Nyumba, Kaya Malaika and Partridge Place require each project to set aside amounts for the replacement of property and other project expenditures approved by HUD.

Additionally, HUD requires each project to deposit all surplus cash into a residual receipts account. The projects received notice from HUD in September 2015 stating that any balance greater than $250 per unit in a residual receipts account must be remitted to HUD's Accounting Center upon termination of the Project Rental Assistance Program Agreement. These Agreements renew annually, and the projects are prohibited from making any rental increases without prior approval from HUD. The residual receipts balance for each project meets the HUD requirements.

HUD restricted deposits for replacement of property and residual receipts totaled $517,048 and $639,904 at June 30, 2023 and 2022, respectively.

HUD also requires each project to hold security deposits received by tenants in separate federally insured, interest-bearing accounts. Security deposit accounts for these projects totaled $24,463 and $23,008 at June 30, 2023 and 2022, respectively.

At the NMTC closing, proceeds from debt were placed in a disbursing account for construction costs. The amount of proceeds remaining to be spent totaled $664,114 at June 30, 2022. All funds were expended at June 30, 2023. In addition, a portion of the proceeds at closing were required to be set aside in a reserve escrow. The balance in the reserve escrow account totaled $158,367 and $190,863 at June 30, 2023 and 2022, respectively.

17. Deferred Compensation Plan

Doorways maintains a deferred compensation plan under Section 403(b) of the Internal Revenue Code to which eligible employees contribute on a tax-deferred basis. Doorways matches contributions up to a maximum of 3%. Contributions for 2023 and 2022 amounted to $68,627 and $69,396, respectively.

18. Contributed Nonfinancial Assets

Doorways received the following contributions of nonfinancial assets for the years ending June 30:

	2023	2022
Tax credit downward adjustor	$ 78,045	$ —
Land improvements	257,726	—
Auction items	14,700	26,900
Professional services	10,400	22,812
Materials	—	2,110
	$ 360,871	$ 51,822

During 2023, Doorways received a waiver of the contractual timing adjustor related to the closing of the Doorways 2.0 LP project in the amount of $78,045 which was the amount due to be paid prior to the waiver.

In addition, a third party paid for land improvements related to the sitework for the administration building in the amount of $257,726 which was recorded at the price paid by the third party equaling the fair market value.

Doorways receives items to be sold at its annual auction. Contributed auction items are valued at the gross selling prices received. The proceeds from the sale of auction items are used for general purposes. Donated professional services include legal and marketing services that are recorded at fair market value. Doorways also receives donated materials, which are used in its programs and are recorded at fair value at the date of receipt.

All donated services and assets were utilized by Doorways programs and supporting services. There were no donor-imposed restrictions associated with the donated assets.

19. Financing Lease

During 2023, Doorways entered into a finance lease for office equipment, which matures in October 2027. The assets under the finance lease are capitalized using a discount rate of 2.88% and amortized over the remaining life of the lease. As of June 30, 2023, 4.33 years of the lease term remains. Rent is payable in monthly installment of $2,164. Amounts paid and included within financing activities on the statement of cash flows were $15,119 for the year ended June 30, 2023. Doorways has finance lease costs of $18,299, which consists of $16,106 of amortization of the right-of-use asset included in rent expense and $2,193 of interest expense included in interest expenses for the year ended June 30, 2023, on the statement of functional expenses.

Undiscounted cash flows for each of the next five years of the lease reconciled to the liabilities recorded on the consolidated statement of financial position is as follows:

Year	**Finance Lease**
2024	$ 25,968
2025	25,968
2026	25,968
2027	25,968
2028	8,657
Total minimum lease payments	112,529
Less: Amount of lease payments representing interest	(6,858)
Present value of future minimum lease payments	105,671
Less: Current portion	25,968
	$ 79,703

20. Liquidity And Availability Of Financial Assets

At June 30, Doorways' financial assets available within one year of the consolidated statement of financial position date for general expenditures are as follows:

	2023	2022
Cash and cash equivalents	$ 667,316	$ 873,493
Tenant accounts receivable	36,917	19,022
Medicaid receivable	227,741	208,781
Accounts receivable - HUD	10,072	2,345
Accounts receivable - 340B program	88,229	87,889
Grants receivable	2,123,760	2,151,291
Interest receivable	—	14,554
Promises to give - short-term	548,163	654,250
Short-term investments	4,290,083	3,917,681
	7,992,281	7,929,306
Less: Amounts subject to donor restrictions	(700,522)	(5,449,926)
Financial Assets Available To Meet General Expenditures Over The Next Twelve Months	$ 7,291,759	$ 2,479,380

Doorways regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. The Organization manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged.

Annually, the Organization conducts a rigorous process to develop the operating and capital budgets for the succeeding fiscal year. The resulting budget is presented in detail to the Board of Directors for approval in advance of the respective fiscal year. Monthly, a budget v. actual statement of revenue and expense is prepared by the finance office, which is reviewed timely by the Finance Committee of the Board of Directors.

The Organization has a complex array of reimbursable government funding sources as discussed in Note 11. Due to the complexity of managing the different funding sources and timing of reimbursements, it is essential to maintain the revolving lines of credit as discussed in Notes 7 and 8.

The Organization's short-term investments are held without donor restrictions. While not specifically designated by the Board of Directors, the investments are held with the intent to be available in the event of the loss of a significant funding source or for major capital or programmatic expansion. At the end of each fiscal year, liquidity is analyzed and projected for the next twelve months to determine if operating funds can be transferred to the investment accounts.

The Organization receives significant contributions restricted by donors both for programmatic operations and for the capital campaign launched in fiscal year 2019. These amounts are not considered available to meet general operating needs over the next twelve months and the total of such has been deducted in the analysis above.

21. Commitments And Contingencies

Doorways routinely receives and expends federal grant awards and also provides federal awards to subrecipients. Compliance with the requirements of laws, regulations, contracts and grants could have a direct and material effect on the major federal programs. Management does not believe any noncompliance, which would result in reimbursement to the federal government to be material to Doorways' consolidated financial statements.

Doorways is a direct party for lease agreements for 18 families in the Jumpstart program. The initial lease term is for a period of one year and renewals are month-to-month.

The NMTC transaction includes an indemnity agreement on behalf of the Investment Fund and an Investment Fund Put and Call Agreement. The QALICB is a Qualified Active Low-Income Community Business. As a result, Interfaith, the Leverage Lender, and the QALICB (collectively, the Indemnitors) guarantee NMTC compliance in connection with the loans obtained from the sub-CDE to prevent recapture of these credits. This guarantee will be up to the full amount of any recapture and/or lost credits, including interest and penalties thereon. In addition, the Indemnitors have made other guarantees for the benefit of the Investment Fund, such as environmental indemnification. The maximum potential amount of future payments cannot readily be determined due to the nature of these guarantees.

Following the earlier of (a) the seventh anniversary of the date of the last qualified equity investment made by the Investment Fund with respect to any qualified low-income community investment in the QALICB, and (b) the date that a Recapture Event has occurred, the Investment Fund shall have the right and option, but not the obligation, to require Interfaith as the Leverage Lender to purchase all of the Investment Fund's interest in the sub-CDE. The purchase price for the Investment Fund's interest shall be $1,000 plus any further amounts payable to the Investment Fund as defined in the Investment Fund Put and Call Agreement. The Investment Fund shall have 180 days to exercise its option. Provided the Investment Fund has not exercised its option, the Leverage Lender shall have the right and option, but not the obligation, to purchase all of the Investment Fund's interest for 180 days. If the Leverage Lender exercises its option, the purchase price for the Investment Fund's interest shall be an amount equal to the fair market value of the Investment Fund's interest as defined in the Investment Fund Put and Call Agreement. These options are expected to be exercised and will ultimately result in Interfaith as the Leverage Lender owning the Investment Fund's interest in the sub-CDE, including the debt to the QALICB. This ownership acquisition will allow Interfaith to "collapse" the NMTC deal, repaying all outstanding obligations with no additional capital outlay.

22. Subsequent Events

Management has evaluated subsequent events through the date, which the consolidated financial statements were available for issue, which is the date of the Independent Auditors' Report.

In 2018, Doorways launched a capital expansion plan to build a new campus to increase Doorways' capacity to provide service-enriched housing, and facilitate the relocation of its administrative and program headquarters. Ultimately, the plan entailed an $8 million capital campaign, combined with a myriad of funding sources including the NMTC and LIHTC deals described in Notes 1 and 7 as well as financing via the line of credit agreement with Busey Bank discussed in Note 7. The expansion included the construction of three buildings of which two were completed and placed into service in 2023.

In August, Doorways 2.0, GP, L.L.C. paid $680,759 to Doorways 2.0, L.P. to fund the remaining portion of the General Partner loan on the project.

Interfaith closed on a Low-Income Housing Tax Credit (LIHTC) deal. As part of the transaction, Elliott Place, L.P. (Limited Partnership) was created to acquire, own, rehabilitate, manage and operate real estate located in the City of St. Louis that will add thirty-nine- (39) units of permanent supportive housing. Interfaith is General Partner of Elliott Place, L.P. and owns 0.01% of the Limited Partnership. Due to the Limited Partner's controlling ownership interest, Interfaith is not deemed to have a controlling interest, and the Limited Partnership is not consolidated for financial statement purposes with Interfaith.

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CERTIFIED PUBLIC ACCOUNTANTS & BUSINESS CONSULTANTS

Independent Auditors' Report On Supplementary Information

Board of Directors
Interfaith Residence d/b/a Doorways
St. Louis, Missouri

We have audited the consolidated financial statements of Interfaith Residence d/b/a Doorways and related entities as of and for the years ended June 30, 2023 and 2022, and our report thereon dated February 2, 2024, which expressed an unmodified opinion on those consolidated financial statements, appears on pages 1 and 2. Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying consolidating statements of financial position, activities and expenses, which are the responsibility of management, are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Interfaith Residence d/b/a Doorways, Doorways 2.0 GP, L.L.C, Doorways 2.0 Developer L.L.C. and Doorways 2.0 Services have not implemented Accounting Standards Codification (ASC) Topic 842, Leases, for related party leases contracted between / among the combined entities. The lack of implementation of ASC 842 for leases between / among the consolidated entities does not affect the consolidated financial statements as a whole. The supplementary information has not been subjected to the auditing procedures applied in the audit of the consolidated financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

RubinBrown LLP

February 2, 2024

INTERFAITH RESIDENCE
D/B/A DOORWAYS AND RELATED ENTITIES

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

June 30, 2023

Assets

	Interfaith Residence d/b/a Doorways	Doorways 2.0 GP, L.L.C.	Doorways 2.0 Developer L.L.C.	Doorways 2.0 Services	Jefferson Park, Inc.	Tenth And Lami, Inc.	Mama Nyumba	Kaya Malaika	Partridge Place	Eliminations	Total
Current Assets											
Cash and cash equivalents	$ 659,670	$ —	$ —	$ —	$ 3,870	$ 1,262	$ 1,434	$ 1,080	$ —	$ —	$ 667,316
Tenant accounts receivable, net of allowance	6,707	—	—	—	4,450	6,164	4,505	8,057	7,034	—	36,917
Medicaid receivable	227,741	—	—	—	—	—	—	—	—	—	227,741
Accounts receivable - HUD	2,671	—	—	—	—	7,401	—	—	—	—	10,072
Accounts receivable - 340B program	88,229	—	—	—	—	—	—	—	—	—	88,229
Grants receivable	2,123,760	—	—	—	—	—	—	—	—	—	2,123,760
Interagency receivable	990,461	—	621,801	—	—	—	—	—	—	(1,612,262)	—
Promises to give - short term	548,163	—	—	—	—	—	—	—	—	—	548,163
Short-term investments	4,290,083	—	—	—	—	—	—	—	—	—	4,290,083
Prepaid expenses and deposits	108,053	—	—	—	5,393	5,864	3,451	—	2,257	—	125,018
Other receivables	411,683	—	—	—	—	—	—	—	—	—	411,683
Other receivables - developer fee income	469,672	—	—	—	—	—	—	—	—	—	469,672
Inventory	10,186	—	—	—	—	—	—	—	—	—	10,186
Total Current Assets	9,937,079	—	621,801	—	13,713	20,691	9,390	9,137	9,291	(1,612,262)	9,008,840
Restricted Deposits And Funded Reserves											
QALICB reserve escrow	—	—	—	158,367	—	—	—	—	—	—	158,367
Tenants' security deposits	—	—	—	—	7,235	5,770	3,339	4,439	3,680	—	24,463
Reserves for replacements	—	—	—	—	113,053	85,996	69,255	182,539	51,383	—	502,226
Residual receipts reserves	—	—	—	—	5,025	5,259	—	—	4,538	—	14,822
Other escrows	—	—	—	—	726	745	755	836	289	—	3,351
Total Restricted Deposits And Funded Reserves	—	—	—	158,367	126,039	97,770	73,349	187,814	59,890	—	703,229
Promises To Give - Long-Term	393,081	—	—	—	—	—	—	—	—	—	393,081
Fixed Assets											
Land improvements	333,217	—	—	—	—	—	8,060	231,654	227,807	—	800,738
Buildings and improvements	5,303,490	—	—	6,377,003	1,186,574	1,665,793	2,909,993	2,795,583	2,217,234	—	22,455,670
Leasehold improvements	2,328,921	—	—	—	—	—	—	—	—	—	2,328,921
Furniture and equipment	1,601,609	—	—	—	120,869	8,087	140,517	139,970	97,101	—	2,108,153
Vehicles	54,639	—	—	—	—	—	—	—	—	—	54,639
	9,621,876	—	—	6,377,003	1,307,443	1,673,880	3,058,570	3,167,207	2,542,142	—	27,748,121
Less: Accumulated depreciation	4,748,478	—	—	119,569	963,206	1,116,297	1,363,505	1,778,290	1,203,991	—	11,293,336
	4,873,398	—	—	6,257,434	344,237	557,583	1,695,065	1,388,917	1,338,151	—	16,454,785
Land	292,001	—	—	696,918	152,140	44,984	147,500	8,729	2,029	—	1,344,301
Construction in progress	306,490	—	—	—	—	—	—	—	—	—	306,490
Total Fixed Assets	5,471,889	—	—	6,954,352	496,377	602,567	1,842,565	1,397,646	1,340,180	—	18,105,576
Other Non-Current Assets											
Leverage note receivable	5,821,400	—	—	—	—	—	—	—	—	—	5,821,400
Note receivable - Doorways 2.0, GP	1,037,486	—	—	—	—	—	—	—	—	(1,037,486)	—
Note receivable - Doorways 2.0, LP	—	1,037,486	—	—	—	—	—	—	—	—	1,037,486
Right-of-use asset - finance lease	104,684	—	—	—	—	—	—	—	—	—	104,684
Total Other Non-Current Assets	6,963,570	1,037,486	—	—	—	—	—	—	—	(1,037,486)	6,963,570
Total Assets	$ 22,765,619	$ 1,037,486	$ 621,801	$ 7,112,719	$ 636,129	$ 721,028	$ 1,925,304	$ 1,594,597	$ 1,409,361	$ (2,649,748)	$ 35,174,296

INTERFAITH RESIDENCE
D/B/A DOORWAYS AND RELATED ENTITIES

CONSOLIDATING STATEMENT OF FINANCIAL POSITION
Page 2 Of 2
June 30, 2023

Liabilities And Net Assets

	Interfaith Residence d/b/a Doorways	Doorways 2.0 GP, L.L.C.	Doorways 2.0 Developer L.L.C.	Doorways 2.0 Services	Jefferson Park, Inc.	Tenth And Lami, Inc.	Mama Nyumba	Kaya Malaika	Partridge Place	Eliminations	Total
Current Liabilities											
Accounts payable and accrued expenses	$ 788,071	$ —	$ —	$ —	$ 1,109	$ 9,250	$ 4,411	$ 4,879	$ 7,360	$ —	$ 815,080
Interagency payable	619,998	—	—	1,803	51,114	100,377	466,879	175,567	176,819	(1,592,557)	—
Accrued salaries, vacation and payroll withholdings	417,641	—	—	—	3,294	3,467	3,362	3,191	6,391	(19,705)	417,641
Refundable advances	113,886	—	—	—	—	—	—	—	—	—	113,886
Prepaid rent	12,296	—	—	—	5,163	1,314	656	130	2,679	—	22,238
Current portion of right-of-use liability - finance lease	25,968	—	—	—	—	—	—	—	—	—	25,968
Total Current Liabilities	1,977,860	—	—	1,803	60,680	114,408	475,308	183,767	193,249	(1,612,262)	1,394,813
Noncurrent Liabilities											
Long-term portion of right-of-use liability - finance leases	79,703	—	—	—	—	—	—	—	—	—	79,703
Tenants' security deposits	3,087	—	—	—	5,713	5,292	2,938	3,583	2,796	—	23,409
Total Noncurrent Liabilities	82,790	—	—	—	5,713	5,292	2,938	3,583	2,796	—	103,112
Long-Term Debt											
QLICI Loan A	—	—	—	5,821,400	—	—	—	—	—	—	5,821,400
QLICI Loan B	—	—	—	1,858,600	—	—	—	—	—	—	1,858,600
Note payable - construction bridge loan	733,466	—	—	—	—	—	—	—	—	—	733,466
Note payable - FHLB	750,000	—	—	—	—	—	—	—	—	—	750,000
Note payable - MHB	250,000	—	—	—	—	—	—	—	—	—	250,000
Note payable - Interfaith Residence d/b/a Doorways	—	1,037,486	—	—	—	—	—	—	—	(1,037,486)	—
Less: Unamortized debt issuance costs	(5,916)	—	—	(413,310)	—	—	—	—	—	—	(419,226)
Long-term debt less unamortized debt issuance costs	1,727,550	1,037,486	—	7,266,690	—	—	—	—	—	(1,037,486)	8,994,240
Capital advances	—	—	—	—	—	—	—	2,157,100	1,576,500	—	3,733,600
Affordable Housing Program Subsidy	—	—	—	—	—	—	535,000	—	—	—	535,000
Developer Subsidy Grants	80,092	—	—	—	—	—	—	—	296,800	—	376,892
Busey Bank lines of credit	3,632,537	—	—	—	—	—	—	—	—	—	3,632,537
Total Long-Term Debt	5,440,179	1,037,486	—	7,266,690	—	—	535,000	2,157,100	1,873,300	(1,037,486)	17,272,269
Total Liabilities	7,500,829	1,037,486	—	7,268,493	66,393	119,700	1,013,246	2,344,450	2,069,345	(2,649,748)	18,770,194
Net Assets											
Without donor restrictions	14,171,187	—	621,801	(155,774)	569,736	601,328	912,058	(749,853)	(659,984)	—	15,310,499
With donor restrictions	1,093,603	—	—	—	—	—	—	—	—	—	1,093,603
Total Net Assets	15,264,790	—	621,801	(155,774)	569,736	601,328	912,058	(749,853)	(659,984)	—	16,404,102
Total Liabilities And Net Assets	$ 22,765,619	$ 1,037,486	$ 621,801	$ 7,112,719	$ 636,129	$ 721,028	$ 1,925,304	$ 1,594,597	$ 1,409,361	$ (2,649,748)	$ 35,174,296

INTERFAITH RESIDENCE
D/B/A DOORWAYS AND RELATED ENTITIES

CONSOLIDATING STATEMENT OF ACTIVITIES
For The Year Ended June 30, 2023

	Interfaith Residence d/b/a Doorways	Doorways 2.0 GP, L.L.C.	Doorways 2.0 Developer L.L.C.	Doorways 2.0 Services	Jefferson Park, Inc.	Tenth And Lami, Inc.	Mama Nyumba	Kaya Malaika	Partridge Place	Eliminations	Total
Revenues And Public Support											
Contributions and Events:											
Fundraising events	$ 400,404	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ 400,404
Individuals	275,851	—	—	—	—	—	—	—	—	—	275,851
Foundations	462,289	—	—	—	—	—	—	—	—	—	462,289
Corporate	14,801	—	—	—	—	—	—	—	—	—	14,801
United Way	105,249	—	—	—	—	—	—	—	—	—	105,249
Contributed nonfinancial assets	360,871	—	—	—	—	—	—	—	—	—	360,871
Other organizations	12,332	—	—	—	—	—	—	—	—	—	12,332
Total Contributions and Events	1,631,797	—	—	—	—	—	—	—	—	—	1,631,797
Government grants	9,100,124	—	—	—	72,569	79,730	137,703	107,711	87,670	—	9,585,507
Medicaid and private pay services	2,492,741	—	—	—	—	—	—	—	—	—	2,492,741
Pharmaceutical 340B program reimbursements	1,005,259	—	—	—	—	—	—	—	—	—	1,005,259
Service fees	97,560	—	—	—	—	—	—	—	—	(52,750)	44,810
Rental, net of vacancies and concessions	130,688	—	—	52,500	77,160	82,879	45,161	57,425	55,413	—	501,226
Developer fee income	—	—	469,672	—	—	—	—	—	—	—	469,672
Interest and dividends	188,308	27,486	—	516	12	291	274	636	210	(27,486)	190,247
Miscellaneous	523,253	—	—	—	5,001	750	375	2,944	3,552	(522,172)	13,703
Total Revenues And Public Support	15,169,730	27,486	469,672	53,016	154,742	163,650	183,513	168,716	146,845	(602,408)	15,934,962
Total Expenses	14,845,121	27,486	—	209,063	215,627	226,672	254,492	234,696	227,592	(602,408)	15,638,341
Increase (Decrease) In Net Assets Before Other Income And Gains (Losses)	324,609	—	469,672	(156,047)	(60,885)	(63,022)	(70,979)	(65,980)	(80,747)	—	296,621
Other Income And Gains (Losses)											
Net realized and unrealized losses on investments	269,881	—	—	—	—	—	—	—	—	—	269,881
Increase (Decrease) In Net Assets	594,490	—	469,672	(156,047)	(60,885)	(63,022)	(70,979)	(65,980)	(80,747)	—	566,502
Net Assets - Beginning Of Year	14,670,300	—	152,129	273	630,621	664,350	983,037	(683,873)	(579,237)	—	15,837,600
Net Assets - End Of Year	$ 15,264,790	$ —	$ 621,801	$ (155,774)	$ 569,736	$ 601,328	$ 912,058	$ (749,853)	$ (659,984)	$ —	$ 16,404,102

INTERFAITH RESIDENCE
D/B/A DOORWAYS AND RELATED ENTITIES
CONSOLIDATING STATEMENT OF EXPENSES
For The Year Ended June 30, 2023

	Interfaith Residence d/b/a Doorways	Doorways 2.0 GP, L.L.C.	Doorways 2.0 Developer L.L.C.	Doorways 2.0 Services	Jefferson Park, Inc.	Tenth And Lami, Inc.	Mama Nyumba	Kaya Malaika	Partridge Place	Eliminations	Total
Salaries and wages	$ 4,585,332	$ —	$ —	$ —	$ 26,332	$ 26,488	$ 25,661	$ 26,378	$ 27,456	$ —	$ 4,717,647
Employee benefits	558,156	—	—	—	6,570	6,120	7,018	7,159	6,639	—	591,662
Payroll taxes	307,404	—	—	—	2,521	2,350	2,674	2,722	2,580	—	320,251
Direct assistance	5,655,400	—	—	—	41,851	37,382	37,056	44,182	35,792	—	5,851,663
Depreciation and amortizatoin	469,667	—	—	119,569	38,630	44,822	114,314	80,449	60,594	—	928,045
Repairs and maintenance	475,125	—	—	—	50,726	61,821	26,993	28,941	50,447	(52,500)	641,553
Security contracts	—	—	—	—	5,023	6,261	2,583	2,633	3,558	—	20,058
Seminars, travel and recruiting	118,256	—	—	—	—	—	—	—	—	—	118,256
Office supplies	172,364	—	—	—	—	—	—	—	—	—	172,364
Telephone	69,406	—	—	—	1,759	1,045	1,889	1,599	1,045	—	76,743
Postage and printing	21,979	—	—	—	—	—	—	—	—	—	21,979
Professional services	608,989	—	—	8,000	11,129	10,369	10,447	12,383	10,496	—	671,813
Insurance	88,172	—	—	—	13,158	13,416	13,651	14,756	13,079	—	156,232
Miscellaneous	90,524	—	—	—	2,590	2,913	2,153	1,930	3,499	—	103,609
Public relations/fundraising	250,056	—	—	—	—	—	—	—	—	—	250,056
Interest	206,114	27,486	—	81,494	—	—	—	—	—	(27,486)	287,608
Management fees	—	—	—	—	11,648	11,804	8,835	9,405	11,058	(52,750)	—
Bad debt expense	13,874	—	—	—	3,690	1,881	1,218	2,159	1,349	—	24,171
Other expenses paid to related party	469,672	—	—	—	—	—	—	—	—	(469,672)	—
Pharmaceutical - 340B program	684,631	—	—	—	—	—	—	—	—	—	684,631
	$ 14,845,121	$ 27,486	$ —	$ 209,063	$ 215,627	$ 226,672	$ 254,492	$ 234,696	$ 227,592	$ (602,408)	$ 15,638,341