

Financial Statements

SOUTH HILLS INTERFAITH MOVEMENT

JUNE 30, 2025 AND 2024





Outside the box. Within the lines.



SOUTH HILLS INTERFAITH MOVEMENT
YEARS ENDED JUNE 30, 2025 AND 2024

CONTENTS

	<u>Page</u>
INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
Statements of Financial Position	3
Statements of Activities	4
Statements of Functional Expenses	6
Statements of Cash Flows	8
Notes to Financial Statements	9
AGREED-UPON PROCEDURES	
INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES	19
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS	21
Allegheny County Supplemental Schedules	23
Schedule of Findings and Questioned Costs	28
Schedule of Status of Prior Year Findings and Questioned Costs	29
Corrective Action Plan	30
Management Letter Comments	31



INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
South Hills Interfaith Ministries
Bethel Park, Pennsylvania

Opinion

We have audited the accompanying financial statements of South Hills Interfaith Ministries (a Pennsylvania Non-Profit Organization), doing business as "South Hills Interfaith Movement" ("SHIM"), which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of SHIM as of June 30, 2025 and 2024, and the changes in its net assets and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America ("US GAAP").

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("US GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of SHIM and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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



Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not absolute assurance; therefore, it is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of SHIM's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about SHIM's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Holsinger P.C.

Wexford, Pennsylvania
November 11, 2025



SOUTH HILLS INTERFAITH MOVEMENT
STATEMENTS OF FINANCIAL POSITION

ASSETS

	As of June 30,	
	2025	2024
Current Assets:		
Cash and cash equivalents	\$ 2,068,855	\$ 3,380,098
Operating investments	503,054	-
Accounts receivable	140,451	522,376
Promises to give, net	80,000	179,100
Prepaid expenses	3,975	7,033
Inventories	49,075	34,088
Total Current Assets	2,845,410	4,122,695
Investments	2,753,895	2,449,444
Property and Equipment, net	3,236,521	2,345,130
Security Deposit	15,883	15,883
Right-of-Use Assets - Operating	1,271,250	337,538
Total Assets	<u>\$ 10,122,959</u>	<u>\$ 9,270,690</u>

LIABILITIES AND NET ASSETS

Current Liabilities:		
Accounts payable and other current liabilities	\$ 399,659	\$ 1,176,722
Short-term lease liabilities - operating	219,250	54,063
Total Current Liabilities	618,909	1,230,785
Long-term Lease Liabilities - Operating	1,056,770	283,738
Total Liabilities	1,675,679	1,514,523
Net Assets:		
Without Donor Restrictions:		
Undesignated	5,986,905	4,702,072
Board-designated	2,035,000	2,035,000
Total Net Assets without Donor Restrictions	8,021,905	6,737,072
Net Assets with Donor Restrictions	425,375	1,019,095
Total Net Assets	<u>8,447,280</u>	<u>7,756,167</u>
Total Liabilities and Net Assets	<u>\$ 10,122,959</u>	<u>\$ 9,270,690</u>

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

SOUTH HILLS INTERFAITH MOVEMENT
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and Other Support:			
Contracts	\$ -	\$ 1,445,025	\$ 1,445,025
Contributions of non-financial assets	-	478,790	478,790
Contributions, net	1,554,162	1,159,111	2,713,273
Investment return, net	374,394	-	374,394
Miscellaneous income	7,410	3,443	10,853
Special events	71,505	-	71,505
Net assets released from restrictions	3,680,089	(3,680,089)	-
	<u>5,687,560</u>	<u>(593,720)</u>	<u>5,093,840</u>
Total Revenues and Other Support			
Expenses:			
Program services	3,203,325	-	3,203,325
General and administrative	863,117	-	863,117
Fundraising	336,285	-	336,285
	<u>4,402,727</u>	<u>-</u>	<u>4,402,727</u>
Total Expenses			
Change in Net Assets	1,284,833	(593,720)	691,113
Net Assets - Beginning of Year	<u>6,737,072</u>	<u>1,019,095</u>	<u>7,756,167</u>
Net Assets - End of Year	<u><u>\$ 8,021,905</u></u>	<u><u>\$ 425,375</u></u>	<u><u>\$ 8,447,280</u></u>

The accompanying notes are an integral part of this financial statement.

SOUTH HILLS INTERFAITH MOVEMENT
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and Other Support:			
Contracts	\$ 534,291	\$ 705,167	\$ 1,239,458
Contributions of non-financial assets	-	460,302	460,302
Contributions, net	768,027	2,314,339	3,082,366
Gain / (loss) on disposal of property and equipment, net	(14,785)	-	(14,785)
Grants, net	126,211	-	126,211
Investment return, net	371,988	-	371,988
Miscellaneous income	14,789	3,363	18,152
Special events	90,080	-	90,080
Net assets released from restrictions	3,807,859	(3,807,859)	-
 Total Revenues and Other Support	 5,698,460	 (324,688)	 5,373,772
Expenses:			
Program services	2,625,639	-	2,625,639
General and administrative	629,591	-	629,591
Fundraising	251,454	-	251,454
 Total Expenses	 3,506,684	 -	 3,506,684
 Change in Net Assets	 2,191,776	 (324,688)	 1,867,088
 Net Assets - Beginning of Year	 4,545,296	 1,343,783	 5,889,079
 Net Assets - End of Year	 <u>\$ 6,737,072</u>	 <u>\$ 1,019,095</u>	 <u>\$ 7,756,167</u>

The accompanying notes are an integral part of this financial statement.

SOUTH HILLS INTERFAITH MOVEMENT
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2025

	Program Services	General and Administrative	Fundraising	Total
Salaries and Related Expenses:				
Salaries and wages	\$ 1,573,097	\$ 439,299	\$ 211,255	\$ 2,223,651
Employee benefits	8,040	1,186	512	9,738
Payroll taxes	127,987	32,747	17,293	178,027
	1,709,124	473,232	229,060	2,411,416
Occupancy:				
Fees and rent*	145,717	20,786	-	166,503
Maintenance and repair	2,108	28,382	200	30,690
Utilities	51,503	26,631	4,429	82,563
	199,328	75,799	4,629	279,756
Other Expenses:				
Client financial assistance	279,175	-	-	279,175
DCI Summer Camp	128,955	-	-	128,955
Depreciation	79,282	73,891	3,710	156,883
Employee Related Expenses	5,814	6,842	1,247	13,903
Employee Travel, Vehicle and Bus Contract	41,982	20,013	283	62,278
Equipment Purchase/Rental	9,886	13,287	1,287	24,460
Information technology	45,660	18,976	35,826	100,462
Insurance	8,461	36,440	194	45,095
Miscellaneous	14,417	19,123	5,601	39,141
Pantry Food expenses	530,374	-	-	530,374
Postage/Printing	15	2,527	11,444	13,986
Professional Services	77,028	103,492	11,765	192,285
Purchased food and supplies*	71,793	17,990	15,950	105,733
Special events	2,031	1,505	15,289	18,825
	1,294,873	314,086	102,596	1,711,555
Total Expenses	<u>\$ 3,203,325</u>	<u>\$ 863,117</u>	<u>\$ 336,285</u>	<u>\$ 4,402,727</u>

*Includes contributions of non-financial assets.

The accompanying notes are an integral part of this financial statement.

SOUTH HILLS INTERFAITH MOVEMENT
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2024

	Program Services	General and Administrative	Fundraising	Total
Salaries and Related Expenses:				
Salaries and wages	\$ 1,233,840	\$ 379,223	\$ 132,265	\$ 1,745,328
Employee benefits	99,670	18,504	8,892	127,066
Payroll taxes	109,919	29,902	10,124	149,945
	1,443,429	427,629	151,281	2,022,339
Occupancy:				
Fees and rent*	76,807	14,923	-	91,730
Maintenance and repair	550	6,936	-	7,486
Utilities	44,344	9,726	4,029	58,099
	121,701	31,585	4,029	157,315
Other Expenses:				
Client financial assistance	178,836	-	-	178,836
DCI Summer Camp	400	-	-	400
Depreciation	84,183	3,569	5,472	93,224
Employee Related Expenses	2,373	14,155	2,220	18,748
Employee Travel, Vehicle and Bus Contract	13,075	1,986	313	15,374
Equipment Purchase/Rental	9,690	3,238	915	13,843
Information technology	72,285	33,934	37,538	143,757
Insurance	9,745	27,659	160	37,564
Miscellaneous	27,677	33,276	1,693	62,646
Pantry Food expenses	530,413	-	-	530,413
Postage/Printing	242	2,006	11,241	13,489
Professional services	74,076	38,188	13,249	125,513
Purchased food and supplies*	55,488	12,366	11,269	79,123
Special events	2,026	-	12,074	14,100
	1,060,509	170,377	96,144	1,327,030
Total Expenses	<u>\$ 2,625,639</u>	<u>\$ 629,591</u>	<u>\$ 251,454</u>	<u>\$ 3,506,684</u>

*Includes contributions of non-financial assets.

The accompanying notes are an integral part of this financial statement.

SOUTH HILLS INTERFAITH MOVEMENT
STATEMENTS OF CASH FLOWS
INCREASES (DECREASES) IN CASH AND CASH EQUIVALENTS

	Years Ended June 30,	
	2025	2024
Operating Activities:		
Changes in net assets	\$ 691,113	\$ 1,867,088
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Donated stock	(41,462)	(80,128)
Realized / unrealized (gain) / loss on investments	(203,349)	(166,419)
Depreciation	156,883	93,224
Interest earned on marketable securities (HTM)	(8,615)	-
Net change in right-of-use assets	4,507	263
Loss on disposal of property and equipment, net	-	14,785
Changes in Assets and Liabilities:		
Accounts receivable	381,925	(378,167)
Promises to give, net	99,100	29,400
Prepaid expenses	3,058	26,033
Inventories	(14,987)	(3,277)
Security Deposits	-	(15,883)
Accounts payable and other current liabilities	(777,063)	21,651
Total Adjustments	(400,003)	(458,518)
Net Cash Provided by (Used in) Operating Activities	291,110	1,408,570
Investing Activities:		
Purchase of investments	(1,600,040)	(1,154,516)
Proceeds from sales of investments	1,540,400	2,806,329
Purchase of treasury bills	(494,439)	-
Purchases of property and equipment	(1,048,274)	(898,183)
Net Cash Provided by (Used in) Investing Activities	(1,602,353)	753,630
Net Increases (Decreases) in Cash and Cash Equivalents	(1,311,243)	2,162,200
Cash and Cash Equivalents - Beginning of Year	3,380,098	1,217,898
Cash and Cash Equivalents - End of Year	\$ 2,068,855	\$ 3,380,098
Non-cash Financing and Investing Activities:		
Right-of-use assets obtained in exchange for new operating lease liabilities	\$ 1,024,276	\$ 329,710
Construction in process financed through accounts payable	\$ -	\$ 910,914

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

SOUTH HILLS INTERFAITH MOVEMENT
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 1 – NATURE OF ACTIVITIES

Nature of Activities – South Hills Interfaith Ministries, doing business as “South Hills Interfaith Movement” (“SHIM”), was established in 1968 and is a non-profit health and human service agency serving the South Hills of Allegheny County, Pennsylvania. SHIM envisions an inclusive community where everyone has the opportunity to thrive. SHIM’s mission is to mobilize community resources and implement sustainable programs that compassionately help their neighbors meet basic needs, achieve self-sufficiency, and build community. SHIM impacts over 8,500 individuals and families through: basic needs programming (Food Pantries, Utility Assistance, Service Coordination, and Case Management services); self-sufficiency programming (Family Support Center, Early Childhood Program, After-school Program, Mentoring Program, Emergency Grant Funding, and CheckMates – senior phone reassurance program); and community-building programs (Community Gardens, Interfaith Programs, and Volunteerism). SHIM receives broad-based financial support from the religious community, community organizations and schools, foundations, corporations, government, and individuals.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting – The financial statements for SHIM have been prepared on the accrual basis of accounting in accordance with United State Generally Accepted Accounting Principles (US GAAP).

Basis of Presentation – Under US GAAP, SHIM is required to report information regarding its financial position and activities according to two classes of net assets, as follows:

Net Assets without Donor Restrictions are available for use in general operations and not subject to donor- (or certain grantor-) imposed restrictions.

Net Assets with Donor Restrictions are from contributions, grants, and other inflows of assets whose use by SHIM is limited by donor- or grantor-imposed stipulations that either expire by passage of time, or can be fulfilled and removed by actions of SHIM, pursuant to the stipulations.

Cash and Cash Equivalents – SHIM considers all unrestricted, highly-liquid instruments with original maturities of three months or less to be cash equivalents. SHIM maintains cash and cash equivalents at banks which are insured by the Federal Deposit Insurance Corporation (“FDIC”). From time to time, SHIM has a credit risk for cash when the cash balance at a single bank exceeds the federally-insured amount of \$250,000.

Accounts Receivable – Accounts receivable is stated at amounts that management expects to collect from outstanding balances at fiscal year-end. Management provides for probable uncollectable amounts through an allowance for credit losses and credit loss expense based on its assessment of the current status of individual accounts after reasonable collection efforts have been made. Management believes no allowance for credit losses is necessary. Credit loss expense was \$0 for the fiscal years ended June 30, 2025 and 2024.

SOUTH HILLS INTERFAITH MOVEMENT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Promises to Give – SHIM records unconditional promises to give that are expected to be collected within one year at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value, using present value techniques that incorporate risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. Significant promises to give to be received beyond one year are considered non-current and are discounted using SHIM's borrowing rate of Prime. During the year ended June 30, 2025, all outstanding pledge receivables were received and collected. See Note 6.

Amortization of the discounts is included in contribution revenue in the statements of activities. SHIM determined the allowance for uncollectable promises to give based on an assessment of economic conditions, historical experience, and a review of subsequent collections. Promises to give are reserved for when deemed uncollectable. As of June 30, 2025 and 2024, the allowance was \$0.

Prepaid Expenses – Prepaid expenses consist of computer services.

Inventories – Inventories consist of various food products, articles of clothing, and gift cards, which are carried at the lower of cost or net realizable value. Donated food inventory items are valued at approximately \$1.97 and \$1.93 per pound as of June 30, 2025 and 2024, respectively, based upon the national per-pound average of donated product outlined in the *Product Valuation Survey Methodology* (prepared by Feeding America, a national food bank network non-profit corporation) for the fiscal years ended June 30, 2025 and 2024. KPMG, LLP performed procedures to assist Feeding America with determining the average wholesale value of one pound of donated product. Clothing was valued at \$10.05 and \$9.77 per unit for the fiscal years ended June 30, 2025 and 2024, respectively, based upon averages derived from the *Salvation Army Donation Value Guide*, which is available upon request.

Property and Equipment – Property and equipment is carried at cost or, if donated, at the approximate fair value at the date of donation. SHIM capitalizes building, land, and land improvements greater than \$1,000. SHIM capitalizes vehicles, equipment, and computer software greater than \$1,500. Depreciation is computed using the straight-line method over their estimated useful lives, ranging from 3 – 40 years. Upon retirement, sale, or other disposition of property and equipment, the cost and accumulated depreciation are eliminated from the accounts, and any gain or loss is included in operations. Maintenance and repairs of property and equipment are expensed, and major improvements are capitalized.

Fair Value of Financial Instruments – Operating investments, accounts receivable, promises to give, net, prepaid expenses, and accounts payable and other current liabilities have been identified as short-term financial instruments. The related carrying amounts in the statements of financial position as of June 30, 2025 and 2024 approximate fair values because of the relatively short time between the origination of the instrument and its expected realization / liquidation.

Contributions – SHIM reports gifts of cash and other assets as support with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized.

SOUTH HILLS INTERFAITH MOVEMENT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Revenue Recognition – Revenues and support result primarily from donations from the general public, bequests, private and government grants, and fundraising events. SHIM has a contract with Allegheny County, in which funds are received and revenue is recognized on a cost-reimbursement basis. SHIM recognizes revenues when cash and securities are received, or an unconditional grant or promises to give is awarded or promised. Conditional grants and promises to give (that is, those with a measurable performance or other barrier and right of return) are not recognized until the conditions upon which they depend have been met.

In-Kind Donations – SHIM's policy related to gifts-in-kind is to utilize the assets given to carry out the mission of SHIM. Contributed goods are recorded at fair value at the date of donation. If an asset is provided that does not allow SHIM to utilize it in its normal course of business, the asset will be sold at its fair market value as determined by appraisal or specialist depending on the type of asset. In-kind donations are recorded as contributions of non-financial assets at their estimated fair values at the date of donation. Donated services are recognized as contributions of non-financial assets if the services (a) create or enhance non-financial assets, or (b) require specialized skills, are performed by people with those skills, and would have otherwise been purchased by SHIM.

- Items donated totaled \$30,000 and \$14,775 for the Back-to-School Program for the fiscal years ended June 30, 2025 and 2024, respectively.
- Donations of food, clothing, and household items totaled \$478,790 and \$460,302 for the fiscal years ended June 30, 2025 and 2024, respectively.

Volunteer Service – The public donates services to assist in carrying out SHIM's mission. During the fiscal years ended June 30, 2025 and 2024, volunteers provided more than 17,890 and 14,150 hours, respectively. For services that did not require special expertise, management used an average non-exempt hourly rate of \$15.00 to estimate the value of these unpaid services to be \$268,356 and \$212,253 for the fiscal years ended June 30, 2025, and 2024, respectively. The estimated value of these services has not been recorded in the financial statements because they did not satisfy the criteria for recognition under generally accepted accounting principles.

Functional Expense Allocation – The costs of providing the programs and other activities have been summarized on a functional basis in the statements of activities, and by natural classification on the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Salaries and related expenses, occupancy, and other expenses listed on the statements of functional expenses are allocated on a reasonable basis, based on time and effort, that is consistently applied. Occupancy expenses are allocated on a square footage basis.

Salaries and related expenses are directly charged to the various programs, administration, or fundraising, based on actual timecards. Employee benefits are primarily charged based on home department. Depreciation is allocated based on the use of the asset, identified by department.

Income Tax Status – SHIM is exempt from income taxes under Internal Revenue Code Section 501(c)(3).

SOUTH HILLS INTERFAITH MOVEMENT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES – Continued

SHIM records a liability for uncertain tax positions, if any, based on management's judgment of the risk of loss for items that have been, or may be, challenged by taxing authorities. SHIM continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law, and new authoritative rulings.

Use of Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Leases – SHIM has operating leases of building space and office equipment. SHIM assesses whether an arrangement qualifies as a lease (i.e., conveys the right to control the use of an identified asset for a period of time in exchange for consideration) at inception and only reassesses its determination if the terms and conditions of the arrangement are changed. Leases with an initial term of 12 months or less are not recorded on the statements of financial position. Lease expense is recognized for these leases on a straight-line basis over the lease term. As the leases do not provide an implicit rate, SHIM used the practical expedient to use the risk-free discount rate, based on the information available at the commencement date in determining the present value of lease payments. The exercise of lease renewal options is at SHIM's sole discretion. The depreciable life of assets and leasehold improvements are limited by the expected lease term unless there is a transfer of title or purchase option reasonably certain of exercise. See Note 11.

Reclassifications – Certain amounts in the prior year financial statements have been reclassified for comparative purposes to conform to the presentation in the current year financial statements. Such reclassifications had no impact on net assets.

NOTE 3 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

As of June 30, 2025 and 2024, SHIM had \$3,085,880 and \$3,476,923 of financial assets available to meet the cash needs for general operating expenditures within one year, respectively. As part of SHIM's liquidity management plan, cash in excess of daily requirements is retained within its investment accounts.

As part of SHIM's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

SOUTH HILLS INTERFAITH MOVEMENT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 3 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS – Continued

SHIM's financial assets available to meet the cash needs for general operating expenditures within one year were as follows:

	As of June 30,	
	2025	2024
Cash and cash equivalents	\$ 2,068,855	\$ 3,380,098
Operating investments	503,054	-
Accounts receivable	140,451	522,376
Promises to give, net	80,000	179,100
Investments	2,753,895	2,449,444
Total financial assets	5,546,255	6,531,018
Less those unavailable for general expenditures within one year, due to:		
Contractual or donor-imposed restrictions	425,375	1,019,095
Board-designated	2,035,000	2,035,000
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 3,085,880</u>	<u>\$ 3,476,923</u>

NOTE 4 – INVESTMENTS

Market price observability is impacted by several factors, including the type of investment, the characteristics specific to the investment, and the state of the marketplace (including the existence and transparency of transactions between market participants).

Investments with readily-available, actively-quoted prices, or for which fair value can be measured from actively quoted prices in an orderly market, will generally have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value.

Investments measured and reported at fair value are classified and disclosed in one of the following categories based on inputs:

Level I – Quoted prices are available in active markets for identical investments as of the reporting date. The type of investments which would generally be included in Level I include listed equity securities and listed derivatives. To the extent that it holds such investments, SHIM does not adjust the quoted price for these investments, even in situations where SHIM holds a large position and a sale could reasonably impact the quoted price.

Level II – Pricing inputs are observable for the investments, either directly or indirectly, as of the reporting date, but are not the same as those used in Level I. Fair value is determined through the use of models or other valuation methodologies. The types of investments which would generally be included in this category include publicly-traded securities with restrictions on disposition, debt securities and partnerships that hold Level I assets, and real estate held for investment, if measured by a current appraisal.

SOUTH HILLS INTERFAITH MOVEMENT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 4 – INVESTMENTS – Continued

Level III – Pricing inputs are unobservable for the investment and include situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require significant judgment or estimation by management. The types of investments which would generally be included in this category include debt and equity securities issued by private entities and real estate held for investment, if measured using management estimates.

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

The following table sets forth, by level within the fair value hierarchy, SHIM's assets at fair value. All assets are Level I.

As of June 30, 2025:

	Level I	Level II	Level III	Total
Cash and Cash Equivalents	\$ 271,288	\$ -	\$ -	\$ 271,288
Operating Investments - US Treasury Bills*	503,054	-	-	503,054
Investments:				
Fixed Income - US Treasury Bills*	271,731	-	-	271,731
US Equity Mutual Funds	943,968	-	-	943,968
Exchange Traded Funds	1,538,196	-	-	1,538,196
Subtotal	2,753,895	-	-	2,753,895
Total	<u>\$ 3,528,237</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,528,237</u>

*These investments are held-to-maturity and mature in less than one year.

As of June 30, 2024:

	Level I	Level II	Level III	Total
Cash and Cash Equivalents	\$ 21,015	\$ -	\$ -	\$ 21,015
Investments:				
Fixed Income - US Treasury Bills*	259,632	-	-	259,632
US Equity Mutual Funds	986,838	-	-	986,838
Exchange Traded Funds	1,202,974	-	-	1,202,974
Subtotal	2,449,444	-	-	2,449,444
Total	<u>\$ 2,470,459</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,470,459</u>

*These investments are held-to-maturity and mature in less than one year.

SOUTH HILLS INTERFAITH MOVEMENT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 5 – ACCOUNTS RECEIVABLE

Accounts receivable is comprised of the following amounts:

	As of June 30,	
	2025	2024
Contracts	\$ 140,451	\$ 516,477
Other receivables	-	5,899
	<u>\$ 140,451</u>	<u>\$ 522,376</u>

NOTE 6 – PROMISES TO GIVE

Unconditional promises to give are estimated to be collected as follows:

	As of June 30,	
	2025	2024
Within one year	\$ 80,000	\$ 129,100
In one to three years	-	50,000
	80,000	179,100
(Less): Allowance for uncollectable promises to give	-	-
	<u>\$ 80,000</u>	<u>\$ 179,100</u>

As of June 30, 2025 and 2024, one donor accounted for 100% of total promises to give.

Promises to give are a result of SHIM's Do More Good Campaign, a multi-year campaign to strengthen infrastructure, fortify existing best-practice programs, and create a responsive model of delivery that allows SHIM to meet the emerging needs of the suburban South Hills well into the future.

SOUTH HILLS INTERFAITH MOVEMENT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 7 – PROPERTY AND EQUIPMENT

The various components of property and equipment were as follows:

	As of June 30,	
	2025	2024
Land	\$ 40,500	\$ 40,500
Building and improvements	3,394,987	513,521
Equipment and furnishings	329,740	322,669
Computer software	7,340	7,340
Vehicles	227,343	205,676
PP&E Holdings	24,211	1,886,142
	4,024,121	2,975,848
(Less): Accumulated depreciation	(787,600)	(630,718)
Property and Equipment, net	<u>\$ 3,236,521</u>	<u>\$ 2,345,130</u>

Depreciation expense was \$156,882 and \$93,224 for the fiscal years ended June 30, 2025 and 2024, respectively.

NOTE 8 – LINE OF CREDIT

SHIM has a \$204,000 line of credit with a bank. Interest is calculated at the prime rate (7.50% and 8.50% as of June 30, 2025 and 2024, respectively), plus 0.5%, and is payable monthly. There were no outstanding borrowings as of June 30, 2025 or 2024. Principal is payable on demand and the line of credit has no expiration date.

NOTE 9 – BOARD-DESIGNATED NET ASSETS WITHOUT DONOR RESTRICTIONS

SHIM's board provides oversight of the Do More Good Campaign. Board-restricted net assets without donor restrictions were as follows:

	As of June 30,	
	2025	2024
Legacy Endowment Fund	\$ 35,000	\$ 35,000
Do More Good Reserve Fund	<u>2,000,000</u>	<u>2,000,000</u>
	<u>\$ 2,035,000</u>	<u>\$ 2,035,000</u>

SOUTH HILLS INTERFAITH MOVEMENT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 10 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following purposes:

	As of June 30,	
	2025	2024
Crisis funds	\$ 25,000	\$ 25,000
EMPATH	219,380	325,256
Family center renovation	-	482,532
Financial assistance	166,598	145,097
Summer camp	-	40,000
Youth Programs	14,397	1,210
	<u>\$ 425,375</u>	<u>\$ 1,019,095</u>

NOTE 11 – LEASE COMMITMENTS

SHIM leases building space and office equipment under various operating lease arrangements through September 2030. Total lease expense was \$166,503 and \$103,832, which includes short term leases of \$58,765 and \$89,146, for the fiscal years ended June 30, 2025 and 2024, respectively.

In October 2017, SHIM signed a three-year lease agreement to rent out a portion of the Baldwin-Wallace Building from the Baldwin-Whitehall School District to better accommodate its Family Center services within the South Hills community. The lease contained two one-year extensions, but is currently operating as a month-to-month lease, as neither option was exercised.

SHIM has verbal month-to-month operating leases in place with the Baldwin Presbyterian Church and the Whitehall Presbyterian Church. In September 2022, SHIM signed a 10-month operating lease with Hamilton Presbyterian Church. Accordingly, these leases do not meet the requirements under Topic 842 to record right-of-use assets and related lease liabilities.

The following summarizes the line items in the statements of financial position, which includes amounts for operating leases as of June 30:

	2025	2024
Operating Leases:		
Right-of-use assets - operating	\$ 1,271,250	\$ 337,538
Short-term lease liabilities - operating	219,250	54,063
Long-term lease liabilities - operating	1,056,770	283,738
Total operating lease liabilities	<u>\$ 1,276,020</u>	<u>\$ 337,801</u>

SOUTH HILLS INTERFAITH MOVEMENT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 11 – LEASE COMMITMENTS – Continued

The following summarizes the weighted average remaining lease term and discount rate as of June 30:

	<u>2025</u>	<u>2024</u>
Weighted Average Remaining Lease Term		
Operating leases	5.2 years	2.2 years
Weighted Average Discount Rate		
Operating leases	3.99%	0.35%

The maturities of lease liabilities are as follows:

<u>Fiscal Years Ending June 30,</u>	<u>Operating</u>
2026	\$ 261,868
2027	265,190
2028	270,279
2029	275,470
2030	271,825
Thereafter	68,657
Total lease payments	<u>1,413,289</u>
(Less): Interest	<u>(137,269)</u>
Present value of lease liabilities	<u><u>\$ 1,276,020</u></u>

As of and for the fiscal years ended June 30, 2025 and 2024, SHIM had no operating or financing leases with delayed commencements.

NOTE 12 – SPONSORED BENEFIT PLANS

Effective June 30, 2024, SHIM no longer funds a QSEHRA or 401(k) retirement plans. Instead, SHIM has opted to give full-time employees a monthly stipend of \$8,000. SHIM provides a 401(k) retirement plan in which employees can elect to participate. Employer contributions for the 401(k) plan totaled \$0 and \$117,540 for the fiscal years ended June 30, 2025 and 2024, respectively. Employer contributions for the stipend for the fiscal year ended June 30, 2025 were \$200,812.

NOTE 13 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through November 11, 2025, the date that the financial statements were available to be issued, and determined that no subsequent events occurred.

AGREED-UPON PROCEDURES



INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors of
South Hills Interfaith Ministries
Bethel Park, Pennsylvania

We have performed the procedures enumerated below which are agreed to by Allegheny County Department of Human Services ("DHS"); the Commonwealth of Pennsylvania; and South Hills Interfaith Ministries (a Pennsylvania Non-Profit Organization), doing business as "South Hills Interfaith Movement" ("SHIM"), solely to assist you with respect to the supplemental schedules and exhibits as of and for the fiscal year ended June 30, 2025, required in this agreement. SHIM's management is responsible for the schedules enumerated below.

SHIM has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, to apply Agreed-Upon Procedures that were performed in accordance with standards established by the AICPA. The sufficiency of the procedures is solely the responsibility of Allegheny County DHS and the Commonwealth of Pennsylvania DHS. Additionally, these parties have agreed to and acknowledged that the procedures performed are appropriate for their purposes. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested, or for any other purpose. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

1. We have verified, by comparison, the amounts and classifications that the supplemental financial schedules and/or exhibits listed below which summarize amounts reported to the Commonwealth of Pennsylvania DHS for the fiscal year ended June 30, 2025, have been accurately compiled and reflect the audited books and records of SHIM. We have also verified, by comparison, to the example schedules that these schedules are presented, at a minimum, at the level of detail and in the format required by Allegheny County DHS and the Commonwealth of Pennsylvania DHS Single Audit Supplement pertaining to this period.

Allegheny County – All Programs:

- Schedule of Funding Source Relating to Grants
- Schedule of Functional Expenditures, Revenues, and Contract Amounts Relating to Grants
- Schedules of Administrative Cost
- Schedule of Units of Service (Not Applicable)

Findings: No exceptions were found as a result of applying this procedure.

-19-



Holsinger.cpa

117 VIP Drive, Suite 220, Wexford, PA 15090 ■ 724.934.4880 ■ Fax 724.934.3990

MSI Global Alliance Independent Member Firm



2. We have inquired, of management, regarding adjustments to reported revenues or expenditures, which were not reflected on the reports, submitted to Allegheny County DHS and Commonwealth of Pennsylvania DHS for the period in question.

Findings: No exceptions were found as a result of applying this procedure.

3. The processes detailed in paragraphs (1) and (2) above disclose the following adjustments and/or findings which have / have not been reflected on the corresponding schedules.

Findings: No exceptions were found as a result of applying this procedure.

We were engaged by SHIM to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the AICPA. We were not engaged to, and did not perform, an audit / examination, or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the specified elements, accounts, or items. Accordingly, we do not express such an opinion or conclusion, respectively. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of SHIM and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the use of those charged with governance, Allegheny County DHS, and the Commonwealth of Pennsylvania DHS, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record, and its distribution is not limited.

Holsinger P.C.

Wexford, Pennsylvania
November 11, 2025





**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the Board of Directors of
South Hills Interfaith Ministries
Bethel Park, Pennsylvania

We have audited, in accordance with the 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, the basic financial statements of South Hills Interfaith Ministries (a Pennsylvania Non-Profit Organization), doing business as "South Hills Interfaith Movement" ("SHIM"), as of and for the fiscal years then ended June 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise SHIM's basic financial statements, and have issued our report thereon dated November 11, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered SHIM's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of SHIM's internal control. Accordingly, we do not express an opinion on the effectiveness of SHIM's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of SHIM's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audits, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.



Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether SHIM's financial statements are free from material misstatement, we performed tests of their compliance with certain provisions of laws, regulations, contracts, and grant agreements, non-compliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of SHIM's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering SHIM's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Holsinger P.C.

Wexford, Pennsylvania
November 11, 2025



SOUTH HILLS INTERFAITH MOVEMENT
SCHEDULE OF FUNDING SOURCE RELATING TO GRANTS
FROM ALLEGHENY COUNTY DHS PROGRAMS
FISCAL YEAR ENDED JUNE 30, 2025

	<u>OCS Contract #</u>	<u>Amount</u>
Allegheny County Contract Funds:		
Family Support Services	295820	\$ 622,907
After-school / Summer Camp	295820	241,800
Teen Programming	295820	150,000
Community Services Block Grant (CSBG)	276397	<u>128,637</u>
Allegheny County Contract Amount		<u><u>\$ 1,143,344</u></u>

SOUTH HILLS INTERFAITH MOVEMENT
SCHEDULE OF FUNCTIONAL EXPENDITURES, REVENUES, AND CONTRACT AMOUNTS
RELATING TO GRANTS FROM ALLEGHENY COUNTY DHS PROGRAMS
FISCAL YEAR ENDED JUNE 30, 2025

	Family Support Services	After-school / Summer Camp	Teen Programming	Self-sufficiency Services	Emergency Assistance	Total
Expenditures:						
Personnel expenses	\$ 411,378	\$ 243,685	\$ 176,483	\$ 70,509	\$ 18,189	\$ 920,244
Administrative cost	195,825	176,130	98,252	27,846	1,811	499,864
Depreciation expenses	42,923	339	-	-	-	43,262
Operating expenses	169,431	199,497	55,899	6,998	37,178	469,003
Total Expenditures	819,557	619,651	330,634	105,353	57,178	1,932,373
Ineligible Expenditures	(42,923)	(339)	-	-	-	(43,262)
Net Eligible Expenditures	776,634	619,312	330,634	105,353	57,178	1,889,111
Total Reimbursable Expenditures	776,634	619,312	330,634	105,353	57,178	1,889,111
Allegheny County Contract Amount	622,907	241,800	150,000	76,907	51,730	1,143,344
Surplus (Deficit) of Contract Amount over Total Reimbursable Expenditures	\$ (153,727)	\$ (377,512)	\$ (180,634)	\$ (28,446)	\$ (5,448)	\$ (745,767)

SOUTH HILLS INTERFAITH MOVEMENT
SCHEDULE OF ADMINISTRATIVE COST – ALLEGHENY COUNTY DHS
FISCAL YEAR ENDED JUNE 30, 2025

Personnel Services:	
Wages and salaries	\$ 274,781
Employee benefits	711
Other personnel services	<u>4,105</u>
Total Personnel Services	279,597
Operating Expenses:	
Professional services	73,481
Administrative supplies	10,794
Other operating expenses	<u>91,736</u>
Total Operating Expenses	176,011
Equipment and Fixed Assets:	
Depreciation	<u>44,256</u>
Total Equipment and Fixed Assets	44,256
Net Eligible Administrative Costs	<u><u>\$ 499,864</u></u>

SOUTH HILLS INTERFAITH MOVEMENT
SCHEDULE OF ADMINISTRATIVE COST – ALLEGHENY COUNTY DHS
FISCAL YEAR ENDED JUNE 30, 2025

Distribution of Costs:

	<u>Total Allocation</u>	<u>% of Allocation</u>
Program:		
Family Support Services	\$ 195,825	39%
After-school / Summer Camp	176,130	35%
Teen Programming	98,252	20%
Emergency Assistance	1,811	0%
Self-sufficiency Services	<u>27,846</u>	6%
Total	<u>\$ 499,864</u>	

SOUTH HILLS INTERFAITH MOVEMENT
SCHEDULE OF UNITS OF SERVICE
FISCAL YEAR ENDED JUNE 30, 2025

Not applicable.

SOUTH HILLS INTERFAITH MOVEMENT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FISCAL YEAR ENDED JUNE 30, 2025

There were no findings for the fiscal year ended June 30, 2025.

SOUTH HILLS INTERFAITH MOVEMENT
SCHEDULE OF STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FISCAL YEAR ENDED JUNE 30, 2024

Not applicable.

SOUTH HILLS INTERFAITH MOVEMENT
CORRECTIVE ACTION PLAN
FISCAL YEAR ENDED JUNE 30, 2025

Not applicable.

SOUTH HILLS INTERFAITH MOVEMENT
MANAGEMENT LETTER COMMENTS
FISCAL YEAR ENDED JUNE 30, 2025

Not applicable.