

THE WORKFAITH CONNECTION
FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

CONTENTS

	Page
Independent Auditor's Report.....	2-3
Statements of Financial Position	4
Statements of Activities.....	5
Statements of Functional Expenses.....	6
Statements of Cash Flows	7
Notes to Financial Statements	8-14

INDEPENDENT AUDITOR'S REPORT

Board of Directors
The WorkFaith Connection
Houston, Texas

Opinion

We have audited the accompanying financial statements of The WorkFaith Connection (a Texas nonprofit organization), which comprise the statements of financial position as of December 31, 2021 and 2020, 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 The WorkFaith Connection as of December 31, 2021 and 2020, 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.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States, 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 The WorkFaith Connection's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of The WorkFaith Connection'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 The WorkFaith Connection'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.

A handwritten signature in dark ink that reads "Harper & Pearson Company, P.C." in a cursive, flowing script.

HARPER & PEARSON COMPANY, P.C.

Houston, Texas
June 25, 2022

THE WORKFAITH CONNECTION
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
Cash and cash equivalents	\$ 2,069,523	\$ 1,057,277
Contribution receivables	280,000	345,000
Other receivables	1,866	1,210
Prepaid expenses	20,644	10,041
Right to use asset	176,000	66,000
Property and equipment, net	<u>48,702</u>	<u>59,778</u>
 TOTAL ASSETS	 <u>\$ 2,596,735</u>	 <u>\$ 1,539,306</u>
 LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	\$ 37,433	\$ 45,359
Compensation liability	84,747	93,509
Note payable, Paycheck Protection Program	<u>-</u>	<u>10,050</u>
 TOTAL LIABILITIES	 <u>122,180</u>	 <u>148,918</u>
 NET ASSETS		
Without Donor Restrictions	1,385,810	711,917
With Donor Restrictions	<u>1,088,745</u>	<u>678,471</u>
 TOTAL NET ASSETS	 <u>2,474,555</u>	 <u>1,390,388</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 2,596,735</u>	 <u>\$ 1,539,306</u>

THE WORKFAITH CONNECTION
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021			2020		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support and Other Revenues						
Contributions	\$ 2,292,200	\$ 940,000	\$ 3,232,200	\$ 2,046,950	\$ 161,500	\$ 2,208,450
Contributions - In-kind	3,245	176,000	179,245	71,500	-	71,500
Paycheck Protection Program Proceeds	365,400	-	365,400	419,219	-	419,219
Other income	1,570	-	1,570	2,868	-	2,868
Net assets released from restrictions	<u>705,726</u>	<u>(705,726)</u>	<u>-</u>	<u>457,006</u>	<u>(457,006)</u>	<u>-</u>
Total Support and Other Revenues	<u>3,368,141</u>	<u>410,274</u>	<u>3,778,415</u>	<u>2,997,543</u>	<u>(295,506)</u>	<u>2,702,037</u>
Expenses						
Program	2,170,439	-	2,170,439	2,410,787	-	2,410,787
Fundraising	278,064	-	278,064	384,401	-	384,401
General and administrative	<u>245,745</u>	<u>-</u>	<u>245,745</u>	<u>395,647</u>	<u>-</u>	<u>395,647</u>
Total Expenses	<u>2,694,248</u>	<u>-</u>	<u>2,694,248</u>	<u>3,190,835</u>	<u>-</u>	<u>3,190,835</u>
Change in Net Assets	673,893	410,274	1,084,167	(193,292)	(295,506)	(488,798)
Net Assets, Beginning of Year	<u>711,917</u>	<u>678,471</u>	<u>1,390,388</u>	<u>905,209</u>	<u>973,977</u>	<u>1,879,186</u>
Net Assets, End of Year	<u>\$ 1,385,810</u>	<u>\$ 1,088,745</u>	<u>\$ 2,474,555</u>	<u>\$ 711,917</u>	<u>\$ 678,471</u>	<u>\$ 1,390,388</u>

See accompanying notes.

THE WORKFAITH CONNECTION
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021				2020			
	General and				General and			
	Program	Fundraising	Administrative	Total	Program	Fundraising	Administrative	Total
Advertising and marketing	\$ 132,701	\$ 23,045	\$ -	\$ 155,746	\$ 85,147	\$ 39,760	\$ -	\$ 124,907
Depreciation	20,663	2,241	1,992	24,896	39,557	4,289	3,813	47,659
Fees and miscellaneous	-	3,207	8,537	11,744	-	5,289	21,127	26,416
Graduate support	13,253	-	-	13,253	6,088	-	-	6,088
Insurance	7,108	771	685	8,564	6,624	718	638	7,980
Interest	-	-	-	-	-	-	3,468	3,468
Meetings and events	22,752	68,540	-	91,292	15,615	18,751	-	34,366
Occupancy	177,283	19,292	17,155	213,730	191,050	20,716	18,414	230,180
Printing and postage	13,919	1,509	1,342	16,770	16,757	1,817	1,615	20,189
Professional and contract services	53,995	56,000	61,481	171,476	-	68,074	121,653	189,727
Professional development	20,793	1,239	1,858	23,890	24,146	2,650	2,650	29,446
Salaries and related expenses	1,604,462	95,585	143,378	1,843,425	1,918,835	210,604	210,604	2,340,043
Software and electronic equipment	70,045	4,173	6,259	80,477	60,929	6,687	6,687	74,303
Supplies and materials	9,594	1,040	925	11,559	5,666	614	546	6,826
Telephone and utilities	18,837	1,122	1,683	21,642	30,583	3,357	3,357	37,297
Travel	5,034	300	450	5,784	9,790	1,075	1,075	11,940
Total	<u>\$ 2,170,439</u>	<u>\$ 278,064</u>	<u>\$ 245,745</u>	<u>\$ 2,694,248</u>	<u>\$ 2,410,787</u>	<u>\$ 384,401</u>	<u>\$ 395,647</u>	<u>\$ 3,190,835</u>

See accompanying notes.

THE WORKFAITH CONNECTION
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 1,084,167	\$ (488,798)
Adjustments to reconcile change in net assets to net cash provided (used) by operations:		
Depreciation	24,896	47,659
Loss on disposal of property and equipment	721	-
Change in operating assets and liabilities:		
Contribution receivables	65,000	196,693
Other receivables	(656)	163,710
Right to use asset	(110,000)	(5,500)
Prepaid expenses	(10,603)	34,154
Accounts payable and accrued expenses	(7,926)	9,887
Compensation liability	<u>(8,762)</u>	<u>37,936</u>
Total adjustments	<u>(47,330)</u>	<u>484,539</u>
Net cash provided (used) by operating activities	<u>1,036,837</u>	<u>(4,259)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	<u>(14,541)</u>	<u>(3,249)</u>
Net cash used by investing activities	<u>(14,541)</u>	<u>(3,249)</u>
CASH FLOW FROM FINANCING ACTIVITIES:		
Repayments on Paycheck Protection Program note payable	(10,050)	-
Borrowings on Paycheck Protection Program note payable	<u>-</u>	<u>10,050</u>
Net cash (used) provided by financing activities	<u>(10,050)</u>	<u>10,050</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,012,246	2,542
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>1,057,277</u>	<u>1,054,735</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 2,069,523</u>	<u>\$ 1,057,277</u>

See accompanying notes.

NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations - The WorkFaith Connection (WorkFaith) was organized on February 14, 2006 as a Texas not-for-profit corporation for the purpose of assisting men and women find and keep full-time employment.

Estimates - The preparation of financial statements in conformity with generally accepted accounting principles in the United States (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Concentrations of Credit Risk - Financial instruments which subject WorkFaith to concentrations of credit risk consist principally of cash and pledges and other receivables. WorkFaith places its cash with high credit quality financial institutions. Deposits with financial institutions at year-end and various times during the year exceeded the amount of federal deposit insurance provided on such deposits (approximately \$1,700,000 at December 31, 2021); however, these deposits typically may be redeemed upon demand and therefore, bear minimal risk. In monitoring this credit risk, WorkFaith periodically evaluates the stability of the financial institutions.

No collateral or other security is required to support pledges and other receivables. An allowance for doubtful accounts is established as needed based upon factors surrounding the credit risk of specific donors and debtors, historical trends and other information. Management estimates that all receivables are collectible, thus no allowance for uncollectible amounts has been recorded. For the years ended December 31, 2021 and 2020, two donors accounted for 29% and 21% of contributions, respectively.

Cash and Cash Equivalents - Cash and cash equivalents generally consist of demand deposits.

Contribution Receivables - Contribution receivables that are expected to be collected within one year are recorded at net realizable value. Amounts that are expected to be collected in future years are discounted, if material, to estimate the present value of future cash flows. Estimated discounts at December 31, 2021 and 2020 were considered immaterial.

Property and Equipment - Property and equipment are stated at cost when purchased or estimated fair market value at the date of donation. Additions equal to or greater than \$1,000 are capitalized and depreciated using the straight-line method over the following estimated useful lives of the assets.

Electronic equipment	3 - 7 years
Furniture and fixtures	5 - 7 years
Leasehold improvements	Life of the lease
Software	3 - 5 years
Vehicles	3 - 5 years

Maintenance and repairs are expensed as incurred. When property and equipment is retired or otherwise disposed of, the cost thereof and the applicable accumulated depreciation is removed from the respective accounts and the resulting gain or loss is reflected in earnings.

NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Assets - Contributions and the related net assets are classified based on the existence or absence of donor-imposed restrictions.

Net Assets With Donor Restrictions - Include contributions restricted by the donor for specific purposes or time periods.

Net Assets Without Donor Restrictions - Include those net assets whose use is not restricted by donor-imposed stipulations even though their use may be limited in other respects such as by contract or board designation. Currently there are no such stipulations on any of the net assets without donor restrictions.

Contributions - Contributions are recorded when received or upon an unconditional promise to give from the donor. All contributions are considered to be available for unrestricted use unless restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as net assets with donor restrictions and an increase to the respective net asset class. Prior to 2021, if a restriction was fulfilled in the same time period in which the contribution was received, WorkFaith reported the support as an increase to net assets without donor restrictions. In 2021, WorkFaith changed the accounting policy to record all donor restricted contributions as increases to net assets with donor restrictions. The 2020 statement of activities has not been restated as the impact would have been an increase to net assets with donor restrictions and an increase in net assets released from restrictions, resulting in no impact to the change in net assets.

In-Kind Contributions - Contributions of non-cash assets are recorded at fair value in the period received. Contributions of services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at fair value in the period received.

In addition, WorkFaith uses non-professional volunteers to administer many areas of the job-readiness program. While these volunteer hours do not qualify to be recorded as in-kind contributions per GAAP, they are significant in that they reduce program related salary costs that would otherwise be required were the volunteers not available.

Advertising and Marketing Expense - Advertising and marketing costs are expensed as incurred.

Income Taxes - WorkFaith is a nonprofit corporation and is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. However, WorkFaith is subject to taxes on unrelated business income. There was no unrelated business income during 2021 and 2020.

WorkFaith believes that all significant tax positions utilized by WorkFaith will more likely than not be sustained upon examination. As of December 31, 2021, the tax years that remain subject to examination by the major tax jurisdictions under the statute of limitations are from the fiscal year 2018 forward (with limited exceptions). Tax penalties and interest, if any, would be accrued as incurred and would be included in general and administrative expenses in the statements of activities.

NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Expenses - Where possible, expenses are directly charged to the appropriate category. Indirect charges are allocated using the following methods:

Salaries and related benefits, software and electronic equipment, telephone and utilities, professional and contract services (computer network support), graduate support (miscellaneous expenses), travel, meetings and events, professional development are allocated based on the percentage of direct employees serving each function.

Occupancy, depreciation, insurance, supplies and materials, printing and postage, marketing (printing) are allocated based on square footage.

Accounting Pronouncement Not Yet Effective - In February 2016, FASB issued ASU No. 2016-02, "Leases (Topic 842)". Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the statement of financial position for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the statements of activities. The new standard is effective for WorkFaith for the year beginning January 1, 2022. WorkFaith is currently evaluating the effect the provisions of ASU 2016-02 will have on the financial statements.

Reclassification - In-kind rent receivable previously reported as an other receivable was reclassified to right to use asset on the 2020 statement of financial position to conform to the 2021 presentation. See Note H.

Subsequent Events - WorkFaith has evaluated subsequent events through June 25, 2022, the date the financial statements were available to be issued. Except for the lease renewal disclosed in Note G, no other subsequent events occurred which require adjustment or disclosure to the financial statements at December 31, 2021.

NOTE B LIQUIDITY

WorkFaith manages its cash flows through the adherence of budgets created annually and with projection updates every two months. Additionally, WorkFaith prepares weekly minimum cash balance projections for a rolling month. WorkFaith generally relies on contributions from donors to fund its on-going operations. WorkFaith also actively manages its expenses and makes expense reductions based on projected income. As of December 31, 2021 and 2020, WorkFaith has available the following assets to meet cash needs for the next fiscal year:

	2021	2020
Cash	\$ 2,069,523	\$ 1,057,277
Contribution receivables	280,000	345,000
Other receivables	1,866	1,210
Less net assets with purpose restrictions	(902,745)	(592,471)
Less other time restricted contributions	-	(10,000)
Assets available	<u>\$ 1,448,644</u>	<u>\$ 801,016</u>

NOTE C CONTRIBUTION RECEIVABLES

The table below sets forth contribution receivables at December 31:

	<u>2021</u>	<u>2020</u>
Receivable in one year or less	\$ 195,000	\$ 235,000
Receivable in one to five years	<u>85,000</u>	<u>110,000</u>
	<u>\$ 280,000</u>	<u>\$ 345,000</u>

100% of contribution receivables are from three donors at December 31, 2021 and 2020.

NOTE D PROPERTY AND EQUIPMENT

Property and equipment cost and accumulated depreciation at December 31 are as follows:

	<u>2021</u>	<u>2020</u>
Electronic equipment	\$ 43,709	\$ 39,274
Furniture and fixtures	154,399	145,609
Leasehold improvements	22,669	26,993
Software	<u>101,755</u>	<u>100,439</u>
	322,532	312,315
Less accumulated depreciation	<u>(273,830)</u>	<u>(252,537)</u>
	<u>\$ 48,702</u>	<u>\$ 59,778</u>

During 2021, WorkFaith disposed of assets with an original cost of \$4,324 and accumulated depreciation of \$3,603. During 2020, WorkFaith disposed of fully depreciated assets no longer in service with total original cost of \$30,035.

NOTE E NOTE PAYABLE, PAYCHECK PROTECTION PROGRAM

On May 2, 2020, WorkFaith obtained a loan in the amount of \$425,800, pursuant to the Paycheck Protection Program (the "PPP"). \$419,219 was forgiven in 2020. The unforgiven portion and accrued interest included in notes payable, Paycheck Protection Program on the 2020 statement of financial position was paid in full on March 9, 2021. On February 19, 2021, WorkFaith obtained a second PPP loan in the amount of \$365,400 which was fully forgiven in 2021.

THE WORKFAITH CONNECTION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE F NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions include contributions restricted by the donor for specific purposes or time periods and are comprised of the following:

	<u>2021</u>	<u>2020</u>
Purpose Restricted:		
Technology and training	\$ 89,989	\$ 176,006
Fund raising support	184,791	280,465
Expansion project	384,253	125,000
Spanish translation	186,950	-
Digital Access	50,000	-
Other	<u>6,762</u>	<u>11,000</u>
Total Purpose Restricted	<u>902,745</u>	<u>592,471</u>
Time Restricted:		
Future periods	<u>186,000</u>	<u>86,000</u>
Total Time Restricted	<u>186,000</u>	<u>86,000</u>
Total Net Assets With Donor Restrictions	<u>\$ 1,088,745</u>	<u>\$ 678,471</u>

In 2021 and 2020, net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of events specified by the donors as follows:

	<u>2021</u>	<u>2020</u>
Purpose Restricted:		
Technology and training	\$ 86,017	\$ 13,546
Fund raising support	95,674	19,535
Expansion project	220,747	-
Spanish translation	13,050	-
Long term employment program	-	180,484
CEO search	-	16,774
Other	<u>14,238</u>	<u>-</u>
Total Purpose Restricted	<u>429,726</u>	<u>230,339</u>
Time Restricted:		
Future periods	<u>276,000</u>	<u>226,667</u>
Total Time Restricted	<u>276,000</u>	<u>226,667</u>
Total Net Assets Released from Restriction	<u>\$ 705,726</u>	<u>\$ 457,006</u>

NOTE G LEASES

WorkFaith leases office space from a related party (see Note I) and equipment under operating leases that expire through April 2025. WorkFaith receives donated office space and is committed to paying utilities through 2024 on the facilities (see Note H). Net operating lease expense, including in-kind lease expense and related utilities, for the years ended December 31, 2021 and 2020 amounted to \$205,877 and \$209,091, respectively.

Future minimum payments by year at December 31, 2021 are as follows:

2022	\$ 68,823
2023	16,322
2024	13,941
2025	<u>2,295</u>
	<u>\$ 101,381</u>

In June 2022, WorkFaith renewed and modified the office space lease agreement to pay \$10,042 per month over 10 years, not included in the table above.

NOTE H IN-KIND CONTRIBUTIONS/EXPENSES

In-Kind Rent - In January 2011, WorkFaith began operations at a second location in the Main Street Ministries (MSM) Building on Travis Street, Houston, Texas. This space, furniture and certain expenses including utilities, housekeeping, security, etc. are provided free to WorkFaith by MSM. WorkFaith determined the fair value of the lease to be \$4,500 per month based on the costs they would pay for similar property. Every month, WorkFaith recorded a \$4,500 in-kind donation and offsetting expense. Additionally, per the signed agreement, MSM agreed to give WorkFaith a minimum 6-month notice if they ever needed WorkFaith to vacate. This was treated as a 5-month pledge (with the current month representing the 6th month) and was recorded as temporarily restricted revenue in 2011. This receivable of \$22,500 was included in other receivables and net assets with donor restrictions until the 6-month notice to vacate was received in 2020 and the receivable was fully expensed as of December 31, 2020.

In October 2017, WorkFaith began operations at a location in the Cornerstone Community on Reed Road, Houston, Texas. This space is provided free for seven years by the Star of Hope Mission (SOH). WorkFaith determined the fair value of the lease to be \$5,500 per month based on the costs they would pay for similar property. Per the signed agreement, SOH agreed to give WorkFaith a minimum 12-month notice if they ever needed WorkFaith to vacate. In 2017, WorkFaith recognized a receivable and a time restricted contribution for this advance notice requirement. The agreement with SOH, requires WorkFaith to provide services to SOH residents of the Cornerstone Community. Upon implementation of ASU 2018-08 during 2020, this agreement was deemed to be a conditional contribution and thus recorded on a monthly basis as the services were provided. In 2021, WorkFaith determined all conditions had been met and recorded the remaining time restricted contribution for the life of the lease and the related right to use asset. The amortization of the right to use asset is recorded as rent expense and released from net assets with donor restrictions.

NOTE H IN-KIND CONTRIBUTIONS/EXPENSES (CONTINUED)

Other In-Kind Contributions - Other in-kind contributions include furniture, consulting services, medallions, and equipment.

NOTE I RELATED-PARTY TRANSACTIONS

WorkFaith contracted part-time hourly assistance through MEMCO, a staffing company owned and operated by a member of WorkFaith's Board of Directors. Expenses related to the contract labor through MEMCO during 2020 was \$4,181 and there were no related expenses in 2021.

WorkFaith leases office space from Dacoma Interests, L.L.C., an entity partially owned by a board member, for \$10,042 per month through 2032.

NOTE J RETIREMENT PLAN

Effective January 1, 2007, WorkFaith established a 401(k) plan for all eligible employees. All employees who are at least age 21 and have 1 year of service are eligible to participate. The plan is a defined contribution plan and the investments are selected by the participants. WorkFaith matches 100% of the first 6% of an eligible member's pre-tax contribution. Employer and employee contributions vest immediately. For the years ended December 31, 2021 and 2020, WorkFaith contributions to the plan amounted to \$18,543 and \$18,490, respectively.

NOTE K CONDITIONAL CONTRIBUTIONS

At December 31, 2021, WorkFaith has total conditional contributions of approximately \$487,500 for general operations. These will be recognized as revenue through 2023 as the required services under the agreements with the donor are provided.