

**FAMILY PROMISE OF SOUTHERN CHESTER COUNTY
FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022**

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BLISS & COMPANY

certified public accountants | advisors

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Directors
Family Promise of Southern Chester County
Kennett Square, Pennsylvania

We have reviewed the accompanying financial statements of Family Promise of Southern Chester County (a nonprofit organization), which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

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

Accountant's Responsibility

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

We are required to be independent of Family Promise of Southern Chester County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.


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FAMILY PROMISE OF SOUTHERN CHESTER COUNTY

Statements of Financial Position

December 31, 2023 and 2022

(See Independent Accountants' Review Report)

	<u>2023</u>	<u>2022</u>
<u>Assets</u>		
Current Assets		
Cash	\$ 521,220	656,018
Promises to give	100,000	200,000
Grants receivable	40,000	-
Prepays and other current assets	2,941	9,844
Total Current Assets	<u>664,161</u>	<u>865,862</u>
Property		
Vehicles	29,022	29,022
Furniture and equipment	33,092	33,092
Total Property	<u>62,114</u>	<u>62,114</u>
Less: accumulated depreciation	<u>(50,789)</u>	<u>(47,106)</u>
Net Property	<u>11,325</u>	<u>15,008</u>
Total Assets	<u>\$ 675,486</u>	<u>880,870</u>
<u>Liabilities and Net Assets</u>		
Current Liabilities		
Accounts payable and accrued expenses	\$ 2,139	4,711
Net Assets		
Net assets without donor restrictions		
Growth Initiatives Fund	60,000	60,000
Operating reserve	207,473	207,473
Undesignated	49,584	198,341
Total without donor restrictions	<u>317,057</u>	<u>465,814</u>
With donor restrictions	<u>356,290</u>	<u>410,345</u>
Total Net Assets	<u>673,347</u>	<u>876,159</u>
Total Liabilities and Net Assets	<u>\$ 675,486</u>	<u>880,870</u>

FAMILY PROMISE OF SOUTHERN CHESTER COUNTY

Statements of Activities

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

(See Independent Accountants' Review Report)

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT, REVENUES, AND RECLASSIFICATIONS						
Contributions	205,998	101,875	307,873	292,496	395,150	687,646
Fundraising event, net	54,129	-	54,129	89,251	-	89,251
Interest	8,664	-	8,664	1,487	-	1,487
Net assets released from restrictions	155,930	(155,930)	-	61,177	(61,177)	-
TOTAL SUPPORT, REVENUES, AND RECLASSIFICATIONS	424,721	(54,055)	370,666	444,411	333,973	778,384
EXPENSES						
Program Services	432,442	-	432,442	301,318	-	301,318
Supporting Services						
Management And General	69,660	-	69,660	49,989	-	49,989
Fundraising	71,376	-	71,376	86,892	-	86,892
TOTAL EXPENSES	573,478	-	573,478	438,199	-	438,199
CHANGES IN NET ASSETS	(148,757)	(54,055)	(202,812)	6,212	333,973	340,185
NET ASSETS - BEGINNING OF YEAR	465,814	410,345	876,159	459,602	76,372	535,974
NET ASSETS - END OF YEAR	317,057	356,290	673,347	465,814	410,345	876,159

FAMILY PROMISE OF SOUTHERN CHESTER COUNTY

Statement of Functional Expenses

For the Year Ended December 31, 2023

(See Independent Accountants' Review Report)

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
COMPENSATION RELATED				
Salaries	\$ 153,777	\$ 13,066	\$ 51,852	\$ 218,695
Payroll taxes and insurance	13,655	1,124	4,463	19,242
Employee benefits	1,851	218	109	2,178
TOTAL COMPENSATION RELATED	<u>169,283</u>	<u>14,408</u>	<u>56,424</u>	<u>240,115</u>
RESOURCE CENTER FACILITY				
Occupancy	29,728	5,662	-	35,390
Maintenance and repairs	5,622	1,058	-	6,680
Program expenses	193,434	-	-	193,434
TOTAL CLIENT ASSISTANCE	<u>228,784</u>	<u>6,720</u>	<u>-</u>	<u>235,504</u>
Association fees	-	7,737	-	7,737
Bank fees	-	1,510	1,510	3,020
Depreciation	3,683	-	-	3,683
Fundraising	-	-	3,756	3,756
Insurance	8,113	3,477	-	11,590
Marketing	3,322	-	3,322	6,644
Miscellaneous	-	232	-	232
Office expense	6,893	8,232	2,539	17,664
Printing	1,252	88	526	1,866
Professional fees	7,380	26,861	3,101	37,342
Training	1,004	118	59	1,181
Travel	2,728	277	139	3,144
	<u>34,375</u>	<u>48,532</u>	<u>14,952</u>	<u>97,859</u>
TOTAL EXPENSE	<u>\$ 432,442</u>	<u>\$ 69,660</u>	<u>\$ 71,376</u>	<u>\$ 573,478</u>

FAMILY PROMISE OF SOUTHERN CHESTER COUNTY

Statement of Functional Expenses

For the Year Ended December 31, 2022

(See Independent Accountants' Review Report)

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
COMPENSATION RELATED				
Salaries	\$ 165,750	13,115	73,587	\$ 252,452
Payroll taxes and insurance	16,364	1,226	6,878	24,468
Employee benefits	9,320	1,096	548	10,964
TOTAL COMPENSATION RELATED	<u>191,434</u>	<u>15,437</u>	<u>81,013</u>	<u>287,884</u>
RESOURCE CENTER FACILITY				
Occupancy	25,480	4,853	-	30,333
Maintenance and repairs	3,786	721	-	4,507
Supplies	171	-	-	171
Program expenses	60,804	-	-	60,804
TOTAL CLIENT ASSISTANCE	<u>90,241</u>	<u>5,574</u>	<u>-</u>	<u>95,815</u>
Association fees	-	8,306	-	8,306
Bank fees	-	1,148	1,147	2,295
Depreciation	3,683	-	-	3,683
Insurance	5,062	2,170	-	7,232
Marketing	2,289	-	2,288	4,577
Miscellaneous	-	780	-	780
Office expense	1,389	539	584	2,512
Professional fees	4,261	15,896	1,791	21,948
Training	531	62	31	624
Travel	2,428	77	38	2,543
	<u>19,643</u>	<u>28,978</u>	<u>5,879</u>	<u>54,500</u>
TOTAL EXPENSE	<u>\$ 301,318</u>	<u>\$ 49,989</u>	<u>\$ 86,892</u>	<u>\$ 438,199</u>

FAMILY PROMISE OF SOUTHERN CHESTER COUNTY

Statements of Cash Flows

December 31, 2023 and 2022

(See Independent Accountants' Review Report)

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (202,812)	340,185
Adjustments to reconcile Change in net assets to cash provided by operating activities:		
Depreciation and amortization	3,683	3,683
(Increase) Decrease in operating assets:		
Promises to give	100,000	(193,050)
Grants receivable	(40,000)	-
Prepaid expenses	6,903	(7,744)
Increase (Decrease) in operating liabilities:		
Accrued Expenses	<u>(2,572)</u>	<u>3,144</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(134,798)</u>	<u>146,218</u>
 CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	 <u>656,018</u>	 <u>509,800</u>
 CASH AND CASH EQUIVALENTS - END OF YEAR	 <u><u>521,220</u></u>	 <u><u>656,018</u></u>

FAMILY PROMISE OF SOUTHERN CHESTER COUNTY

Notes to the Financial Statements

December 31, 2023, and 2022

(See Independent Accountants' Review Report)

NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Nature of Activities

Family Promise of Southern Chester County (the "Organization") was founded in 2014 and is dedicated to preventing and ending homelessness among working parents with dependent children in Southern Chester County, Pennsylvania. The Organization provides shelter, food, financial assistance, social services and mentoring support to enable families to remain in clean, safe, affordable housing while they work towards independence. This includes training to improve or develop capabilities for increasing income and decreasing expenses.

The Organization operates under a licensing agreement with Family Promise, a New Jersey not-for-profit corporation based in Summit, New Jersey. The Organization must follow specific contingencies outlined in the agreement, including payment of annual affiliate dues to Family Promise, in order to continue operating as "Family Promise".

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Basis of Presentation

Under Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958-10-65-1, the Organization is required to report information regarding its financial position and activities according to two mutually exclusive classes according to the existence or absence of donor-imposed restrictions. See Net Assets with Donor Restrictions and Net Assets without Donor Restrictions.

Net Assets with Donor Restrictions

Net assets with donor restrictions is the part of net assets of the Organization that is subject to donor-imposed restrictions (donors include other types of contributors, including makers of certain grants). Some donors impose restrictions that are temporary in nature, for example, stipulating that resources be used after a specified date, for particular programs or services, or to acquire buildings or equipment. Other donors impose restrictions that are perpetual in nature, for example, stipulating that resources be maintained in perpetuity. Laws may extend those limits to investment returns from those resources and to other enhancements (diminishments) of those resources. Thus, those laws extend donor-imposed restrictions.

When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

FAMILY PROMISE OF SOUTHERN CHESTER COUNTY

Notes to the Financial Statements

December 31, 2023, and 2022

(See Independent Accountants' Review Report)

Net Assets without Donor Restrictions

Net assets without donor restrictions is the part of net assets of the Organization that is not subject to donor-imposed restrictions.

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.

Cash and cash equivalents

Cash and cash equivalents include checking accounts, money market accounts, and certificates of deposit with an original maturity of three months or less.

The Organization maintains cash and cash equivalent balances at local financial institutions. These balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. In the normal course of business, the Organization may have deposits that exceed the insured limit. Balances in excess of insured amounts on December 31, 2022 were \$405,192. There were no deposits in excess of insured amounts at December 31, 2023.

Contributions and Grants

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Grant revenues are recognized when received or when spent, whichever occurs first. Contributions are recorded at fair value, which is net of estimated uncollectible amounts.

Contributions restricted by donor are reported as an increase in net assets without donor restrictions if the restrictions are met in the reporting period in which the contribution is recognized.

Promises to Give

Unconditional promises to give are recognized as revenues in the period received and as assets, decreases of liabilities, or expenses, depending on the form of the benefits received. Promises to give are recorded at net realizable value if expected to be collected in one year and at fair market value if expected to be collected in more than one year. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

The Organization estimates that all of its promises to give are collectible; accordingly, there is no provision for an allowance for doubtful accounts. If amounts become uncollectible, they will be charged to operations when that determination is made. As of December 31, 2023, and 2022, the Organization has deemed all monies owed collectible.

FAMILY PROMISE OF SOUTHERN CHESTER COUNTY

Notes to the Financial Statements

December 31, 2023, and 2022

(See Independent Accountants' Review Report)

Accounting principles generally accepted in the United States of America require that promises to give received after one year be discounted. As of December 31, 2023, all promises to give are due within one year and, therefore; no discount has been recorded.

Revenue Recognition

The Organization recognizes revenue when it satisfies a performance obligation by transferring control of a promised good or service to the customer. The Organization's principal activity resulting in contracts with customers is revenue from fundraising events.

Because the benefit received from fundraising events has an original expected duration of one year or less, the Organization has elected the practical expedient and not disclosed the value of unsatisfied performance obligations and expected timing for completion related to the revenue.

Functional Allocation of Expenses

The costs of providing the program and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated between the program and supporting services. Resource Center Facility expenses are costs for the building, supplies for clients, and other client service costs. Fundraising expenses are costs related to campaigns, development, grant writing, and other fundraising efforts. Management and general expenses are costs directly related to the overall operation of the Organization but are not associated with program or fundraising services. Certain management and general expenses, such as payroll, occupancy, and professional fees, are allocated to program and fundraising services based on the usage of employees' time and other resources available.

Donated Materials and Services

Certain contributed services, materials, and facilities were provided to develop and maintain the programs of the Organization; the value of the contributed time and materials is reflected in the financial statements if they meet the criteria for recognition under FASB ASC 958-605, which require that they (1) create or enhance long-lived assets or (2) require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. During the years ended December 31, 2023 and 2022, the Organization received contributed materials with a fair market value of \$16,061 and \$14,251, respectively.

During the years ended December 31, 2023, and 2022, 84 and 80 volunteers, respectively, donated 1,615 and 1,565 hours of service, respectively. No amounts have been recognized in the statements of activities because the criteria for recognition have not been satisfied.

Property and Equipment

Property and equipment are recorded at cost for items greater than \$1,000. Depreciation is provided by the use of the straight-line method over the prescribed lives of the related assets, which is currently five to seven years for vehicles and equipment.

FAMILY PROMISE OF SOUTHERN CHESTER COUNTY

Notes to the Financial Statements

December 31, 2023, and 2022

(See Independent Accountants' Review Report)

Advertising

The costs of advertising are expensed as incurred. Advertising expense was \$6,644 and \$4,577 for the years ended December 31, 2023, and 2022, respectively.

Income Tax Status

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, except for certain activities not directly related to the Organization's tax-exempt purpose.

In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2).

Reclassifications

Certain reclassifications have been made to the December 31, 2022, financial statement presentation to correspond to the current year's format. Net assets and changes in net assets are unchanged due to these reclassifications.

Date of Management Approval

Management has evaluated subsequent events through September 8, 2024, the date the financial statements were available to be issued and determined there were no other items to be disclosed.

NOTE 2 - FINANCIAL ASSETS AND LIQUIDITY RESOURCES

As of December 31, 2023 and 2022, financial assets and liquidity resources available within one year for general expenditures such as operating expenses were as follows:

	<u>2023</u>	<u>2022</u>
Financial assets:		
Cash and cash equivalents	\$ 521,220	\$ 656,018
Promises to give	100,000	200,000
Grants receivable	40,000	-
Less: donor restricted financial assets	<u>(356,290)</u>	<u>(410,345)</u>
Total financial assets available within one year	<u>\$ 304,930</u>	<u>\$ 445,673</u>

The Organization's cash flows have seasonal variations during the year attributable to the timing of contributions received. To manage liquidity, the Organization maintains a money market account that may be drawn upon as needed during the year to manage cash flows. The Organization also holds an operating reserve that may be used as needed.

FAMILY PROMISE OF SOUTHERN CHESTER COUNTY

Notes to the Financial Statements

December 31, 2023, and 2022

(See Independent Accountants' Review Report)

NOTE 3 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at December 31, 2023 and 2022 consist of the following:

	<u>2023</u>	<u>2022</u>
Time restricted grant receivables and promises to give	\$ 140,000	\$ 200,000
Back to school program	9,901	9,401
Homelessness prevention	163,720	181,906
HUMI	21,213	-
Diversion	5,818	5,818
Pet expenses	1,020	1,020
Computer expenses	1,579	1,079
Holiday gifts	1,022	1,021
Meals	145	145
Savings match program	1,433	500
Strategic planning	4,788	4,788
Wheels to work	5,651	4,667
	<u>\$ 356,290</u>	<u>\$ 410,345</u>

FAMILY PROMISE OF SOUTHERN CHESTER COUNTY

Notes to the Financial Statements

December 31, 2023, and 2022

(See Independent Accountants' Review Report)

Net assets released from restrictions at December 31, 2023 and 2022 are as follows:

	<u>2023</u>	<u>2022</u>
Homelessness prevention	\$ 151,217	\$ 41,569
HUMI grant expenses	1,650	-
Diversion	-	363
Program expenses	790	12,795
Holiday gifts	-	188
Savings match program	1,350	-
Staff wellbeing	-	2,500
Strategic planning	-	2,713
Website	-	145
Wheels to work	<u>923</u>	<u>904</u>
	<u>\$ 155,930</u>	<u>\$ 61,177</u>

NOTE 4 - NET ASSETS WITHOUT DONOR RESTRICTIONS

The governing Board of a nonprofit organization may designate a portion of net assets without donor restrictions for a specific purpose as a management tool. Those Board designations are not donor restrictions because the designations may be reversed by the Board, and they do not alter the nature of unrestricted contributions.

During the year ended December 31, 2017, the Board of Directors designated \$60,000 of net assets without donor restrictions to the Growth Initiatives Fund. Funds will be used for new initiatives to expand the mission of the Organization. The balance of the Growth Initiatives Fund was \$60,000 at both December 31, 2023 and 2022.

During the year ended December 31, 2020, the Board of Directors designated \$119,844 of net assets without donor restrictions to an Operating Reserve. Effective December 31, 2021, the Board has also reserved the 2021 surplus of \$87,629. Funds will be held in reserve in the event of unforeseen circumstances so that operations may continue. The balance of the Operating Reserve was \$207,473 and \$207,473 at December 31, 2023 and 2022, respectively.

FAMILY PROMISE OF SOUTHERN CHESTER COUNTY

Notes to the Financial Statements

December 31, 2023, and 2022

(See Independent Accountants' Review Report)

NOTE 5 - REVENUE RECOGNITION

Performance Obligations

Revenue and support received for the Organization's special events are comprised of an exchange element based upon the benefits provided to the participants and a contribution element for the portion of the payment received in excess of the participant benefits.

The Organization recognizes exchange revenue from its special events at a point in time to which the fundraiser relates. The performance obligation consists of providing participants with access to the special event.

For the years ended December 31, 2023 and 2022, net exchange revenues of \$54,129 and \$89,251, respectively, from the Organization's special events are reported as fundraising event revenue on the statement of activities.

Disaggregation of Revenue

The disaggregation of the timing of recognizing revenue from contracts with customers for the year ended December 31, 2023 and 2022, is as follows:

	<u>Point in Time</u>	<u>Over Time</u>	<u>Total</u>
2023			
Special events revenue	\$ <u>54,129</u>	\$ <u>-</u>	\$ <u>54,129</u>
2022			
Special events revenue	\$ <u>89,251</u>	\$ <u>-</u>	\$ <u>89,251</u>

NOTE 6 – LEASE COMMITMENT

The Organization has lease agreements with terms of one year or less for office and residential use. The Organization has elected to apply the short-term lease exception to all leases with a term of one year or less. At December 31, 2023 and 2022, there were no leases required to be recorded as right-of-use (ROU) assets. Rent expense for the years ended December 31, 2023, and 2022 was \$137,692 and \$45,925, respectively.