

FAMILY PROMISE OF GAINESVILLE, FLORIDA, INC.

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED DECEMBER 31, 2019**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Family Promise of Gainesville, Inc.

We have audited the accompanying financial statements of Family Promise of Gainesville, Inc., (a nonprofit organization), which comprise the Statement of Financial Position as of December 31, 2019, and the related Statements of Activities, Cash flows and Statement of Functional Expenses for the year then ended, and the related notes to the financial statements.

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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Family Promise of Gainesville, Inc. as of December 31, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

SEXTON & SCHNOLL
Certified Public Accountants
Gainesville, Florida
October 29, 2020

FAMILY PROMISE OF GAINESVILLE, FLORIDA, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2019

ASSETS

Current Assets	
Cash and Cash Equivalents	\$ 406,884
Grants Receivable	36,060
Other Current Assets	5,543
Total Current Assets	<u>448,487</u>
Fixed Assets	
Furniture and fixtures	13,734
Equipment	4,163
Vehicles	12,059
Rental properties	80,501
Less: Accumulated depreciation & amortization	<u>(44,252)</u>
Net Fixed Assets	<u>66,205</u>
Total Assets	<u><u>\$ 514,692</u></u>

LIABILITIES AND NET ASSETS

Current Liabilities	
Accounts Payable	2,158
Payroll Liabilities	10,290
Total Current Liabilities	<u>12,448</u>
Total Liabilities	<u>12,448</u>
Net Assets	
With Donor Restriction	49,008
Without Donor Restriction	453,236
Total Net Assets	<u>502,244</u>
Total Liabilities and Net Assets	<u><u>\$ 514,692</u></u>

See accompanying notes to financial statements and Independent Auditor's Report.

FAMILY PROMISE OF GAINESVILLE, FLORIDA, INC.
STATEMENT OF ACTIVITIES
DECEMBER 31, 2019

	Without Donor Restriction	With Donor Restriction	Total
	<u> </u>	<u> </u>	<u> </u>
Support and Revenues			
Contributions	\$ 216,979	\$ 250	\$ 217,229
Grants	204,124	21,847	225,970
Fundraising	57,000	-	57,000
Investment Income	3,346	-	3,346
Rental Income	18,659	-	18,659
Gain on Sale of Fixed Assets	52,255	-	52,255
Net assets released from restriction	22,730	(22,730)	-
Total Support and Revenues	<u>575,092</u>	<u>(633)</u>	<u>574,459</u>
Expenses			
Program services	422,023	-	422,023
Fundraising	21,651	-	21,651
General & administrative	37,423	-	37,423
Total Expenses	<u>481,097</u>	<u>-</u>	<u>481,097</u>
Change in Net Assets	93,995	(633)	93,362
Net Assets, beginning of the year	<u>359,241</u>	<u>49,641</u>	<u>408,882</u>
Net Assets, end of the year	<u>\$ 453,236</u>	<u>\$ 49,008</u>	<u>\$ 502,244</u>

See accompanying notes to financial statements and Independent Auditor's Report.

FAMILY PROMISE OF GAINESVILLE, FLORIDA, INC.
STATEMENT OF CASH FLOWS
DECEMBER 31, 2019

CASH FLOWS FROM OPERATING ACTIVITIES

Change in Net Assets	\$ 93,362
Adjustments to reconcile changes in net assets to net cash provided by operating activities:	
Depreciation & amortization	4,666
Gain on sale of fixed assets	(52,255)
Increase in grants receivable	(8,744)
Increase in other current assets	(3,078)
Increase in other current liabilities	3,297
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>37,249</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of fixed assets	(3,831)
Proceeds from sale of fixed assets	73,309
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>69,478</u>

NET INCREASE IN CASH AND CASH EQUIVALENTS	<u>106,727</u>
CASH AND CASH EQUIVALENTS, Beginning of Period	<u>300,157</u>
CASH AND CASH EQUIVALENTS, End of Period	<u>\$ 406,884</u>

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Cash paid during the year for interest	<u>\$ -</u>
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See accompanying notes to financial statements and Independent Auditor's Report.

FAMILY PROMISE OF GAINESVILLE, FLORIDA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
DECEMBER 31, 2019

	Program Services	Supporting Services			Total
	All Programs	Fundraising	Administrative	Total Support	Program and Support Expense
Credit card fees	\$ -	\$ -	\$ 5,746	\$ 5,746	\$ 5,746
Depreciation and amortization	1,882	-	209	209	2,091
Event/Conference expense	-	-	3,118	3,118	3,118
Fundraising	-	7,977	-	7,977	7,977
Guest expenses	144,016	-	-	-	144,016
Insurance	8,468	-	876	876	9,344
Meals and entertainment	-	-	390	390	390
Miscellaneous expenses	1,906	-	6,050	6,050	7,956
Non capitalizable furniture and equipment	365	-	41	41	406
Office expense	4,202	896	723	1,619	5,821
Postage	368	221	147	368	736
Professional fees	16,146	898	898	1,796	17,942
Promotional expense	3,513	-	-	-	3,513
Rent and housing	27,000	1,500	1,500	3,000	30,000
Rental properties expenses	17,551	-	-	-	17,551
Repairs and maintenance	2,201	16	228	244	2,445
Salaries	178,662	9,736	17,090	26,826	205,488
Telephone, internet and cable	4,223	235	235	470	4,693
Travel and transportation	8,427	-	-	-	8,427
Utilities	3,094	172	172	344	3,438
Total Expenses	\$ 422,023	\$ 21,651	\$ 37,423	\$ 59,074	\$ 481,097

See accompanying notes to financial statements and Independent Auditor's Report.

FAMILY PROMISE OF GAINESVILLE, FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 1 - Organization and Operations

Family Promise of Gainesville, Florida, Inc., (the Organization) is a not-for-profit agency incorporated on September 5, 1996. It mobilizes community resources and local congregations to provide comprehensive support to families without homes. With staff support, it unites and coordinates the collaborative efforts of volunteers from all faiths to house, feed and transport homeless families.

NOTE 2 - Summary of Significant Accounting Policies

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. Therefore, revenues are recognized when earned and expenses are recognized when incurred.

Financial Statement Presentation:

Financial statement presentation conforms to relevant standards. The Organization is thus required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions as follows:

Net assets without donor restrictions - net assets which represent resources generated from operations or that are not subject to donor-imposed stipulations. Unrestricted net assets include contributions designated to a particular program for which the use or purpose is unrestricted.

Net assets with donor restrictions - net assets subject to donor-imposed stipulations that may or will be met by actions of the Organization or the passage of time.

Cash and Cash Equivalents:

Cash and cash equivalents consist of cash in checking accounts and money market account with a local banking institution.

Statement of Functional Expenses:

Costs of providing various programs and supporting services have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the program and supporting services benefited on the basis of estimates made by management.

See Auditor's Report.

FAMILY PROMISE OF GAINESVILLE, FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 2 - Summary of Significant Accounting Policies (Continued)

Statement of Functional Expenses: (Continued)

Fundraising:

The direct fundraising costs were \$7,977 and the remainder of the expenses were indirect costs as described above.

Use of Estimates:

Preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Grant Contract Support:

Grants received from Federal, State and local sources are recorded as support when performance occurs under the terms of the grant contract. A receivable is recorded in the event that support earned exceeds grant funds received; conversely, a liability (unearned support) is recorded when grant funds received apply to a future contract period.

Revenue Recognition:

In accordance with the relevant standards, contributions received are recorded as with or without donor restriction depending on the existence or nature of any donor restrictions.

Contributions that are restricted by the donor are reported as an increase in net assets without donor restriction if the restriction expires in the reporting period in which the contribution is recognized. All other donor-restricted contributions are reported as an increase in net assets with donor restriction.

When a donor restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, net assets with donor restriction are reclassified to net assets without donor restriction and reported in the statement of activities as net assets released from restriction.

See Auditor's Report.

FAMILY PROMISE OF GAINESVILLE, FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 2 - Summary of Significant Accounting Policies (Continued)

Contributed Services:

Unpaid volunteers have made significant contributions of their time to support the operations of the organization. The value of these service donations is only partially recorded when possible to do so, and most of the services are not recorded in the accompanying financial statements because they do not meet the requirements for recognition.

Vacation Leave:

Employee vacation leave is accrued based upon each employee's rate of pay and length of employment. Unused vacation leave for up to 5 days may be carried forward by the employee. As of December 31, 2019, there was no accrued vacation or sick leave payable to employees.

NOTE 3 - Buildings and Equipment

The Organization capitalizes assets at cost on the date of acquisition for amounts over \$500. Lesser amounts are expensed. Depreciation of furniture, fixtures and equipment is computed using the straight-line method over the estimated useful lives of the assets, from five to seven years. Depreciation of buildings is also computed using the straight-line method over 27 ½ years.

NOTE 4 - Concentration of Credit Risk

The Organization maintains its cash in brokerage companies and local branches of commercial banks. Only bank deposit accounts were insured by the Federal Deposit Insurance Company (FDIC) for up to \$250,000. As of December 31, 2019, its cash balances were fully insured. The Organization's money market account amounting to \$258,885 was not insured by FDIC.

NOTE 5 - Economic Dependency and Loss of Funding

In 2019, approximately 38% of the Organization's support was derived from contributions from the public. 34% was derived from grants from government agencies and 10% of support was derived from fundraising events and direct mail solicitations. The grants made to the Organization are at the discretion of the funding sources.

The Organization conducts its operations in Alachua County, Florida and is dependent on the region's economy for its revenues.

See Auditor's Report.

FAMILY PROMISE OF GAINESVILLE, FLORIDA, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 6 - Commitments and Contingencies

The Organization entered into a non-cancelable, irrevocable agreement with Zeno Office Solutions for a copier in November 2018. The lease term is 63 months, ending in February 2024, and the lease calls for payments of \$160 per month. As of December 31, 2019, the total amount of the commitment was \$8,000 for the duration of the lease.

NOTE 7 - In-kind Contributions

The Organization is provided its day shelter and administrative space from a local church each year. Accordingly, an in-kind contribution and rental expense has been recorded in the financial statements at an estimated value of \$2,500 per month.

The Organization is provided bookkeeping services from a volunteer. Accordingly, an in-kind contribution and accounting expense have been recorded in the financial statements at an estimated value of \$8,489.

The Organization received an in-kind donation of services from Sexton & Schnoll, CPAs. Accordingly, an in-kind contribution and accounting expense has been recorded in the financial statements at an estimated value of \$1,500

The Organization is provided legal services from a volunteer. Accordingly, an in-kind contribution and legal expense has been recorded in the financial statements at an estimated value of \$2,450.

NOTE 8 - Income Taxes

The Organization is a nonprofit corporation that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. In addition, it has been determined by the Internal Revenue Service not to be a “private foundation” within the meaning of Section 509(a) of the Internal Revenue Code.

As of December 31, 2019, the Organization had no uncertain tax positions that qualify for either recognition or disclosure in the financial statements. The following tax years remain open for examination by the Internal Revenue Service: 2016, 2017, 2018 and 2019.

NOTE 9 - Subsequent Events

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through October 29, 2020, which is the date the financial statements were available to be issued.

See Auditor’s Report.