

FAMILY PROMISE, INC.
FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023



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**FAMILY PROMISE, INC.
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YEAR ENDED DECEMBER 31, 2023**

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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Family Promise, Inc.
Summit, New Jersey

Report on Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Family Promise, Inc. (Organization), a nonprofit organization, which comprise the statement of financial position as of December 31, 2023, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year 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 Organization as of December 31, 2023, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit 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.

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 Organization'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 is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

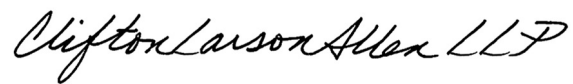
- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, 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 Organization'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 Organization'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.

Board of Trustees
Family Promise, Inc.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 22, 2024, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Livingston, New Jersey
April 22, 2024

FAMILY PROMISE, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2023

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents	\$ 1,964,887
Grants Receivable	89,292
Contributions and Other Receivables	7,358
Loan Receivable	20,000
Investments	960,033
Prepaid Expenses and Other Current Assets	91,331
Total Current Assets	3,132,901

OTHER ASSETS

Property and Equipment, Net	20,956
Cash and Cash Equivalents, Board-Designated	174,142
Investments, Board-Designated	4,232,644
Total Other Assets	4,427,742

Total Assets	\$ 7,560,643
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts Payable and Accrued Expenses	\$ 171,531
Deferred Revenue	278,200
Total Current Liabilities	449,731

NET ASSETS

Net Assets Without Donor Restrictions:	
Board-Designated	4,406,786
Undesignated	2,522,509
Total Net Assets Without Donor Restrictions	6,929,295
Net Assets With Donor Restrictions	181,617
Total Net Assets	7,110,912

Total Liabilities and Net Assets	\$ 7,560,643
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See accompanying Notes to Financial Statements.

FAMILY PROMISE, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND OTHER SUPPORT			
Individuals	\$ 1,605,915	\$ 31,263	\$ 1,637,178
Congregations	68,648	-	68,648
Foundations	842,064	118,649	960,713
Corporations	2,558,432	22,500	2,580,932
Civic Organizations	1,645	-	1,645
Government Grants	524,920	-	524,920
Sales, Networks, and Other Income	740,326	-	740,326
Contributed Goods and Services	308,750	-	308,750
Interest and Dividends	27,742	-	27,742
Unrealized and Realized Loss on Investments	443,284	-	443,284
Net Assets Released from Restriction	182,724	(182,724)	-
Total Revenue and Other Support	7,304,450	(10,312)	7,294,138
EXPENSES			
Program Services	5,350,580	-	5,350,580
Management and General	379,611	-	379,611
Fundraising	264,777	-	264,777
Total Expenses	5,994,968	-	5,994,968
CHANGES IN NET ASSETS	1,309,482	(10,312)	1,299,170
Net Assets - Beginning of Year	5,619,813	191,929	5,811,742
NET ASSETS - END OF YEAR	\$ 6,929,295	\$ 181,617	\$ 7,110,912

See accompanying Notes to Financial Statements.

FAMILY PROMISE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2023

	Program Services	Support Services		Total
		Management and General	Fundraising	
Salaries and Related Expenses	\$ 2,042,043	\$ 297,176	\$ 207,161	\$ 2,546,380
Facility Rental and Meals	28,002	2,222	1,549	31,773
Office Supplies and Expense	135,553	18,399	12,976	166,928
Utilities	20,799	3,027	2,110	25,936
Travel Expenses	75,746	4,393	3,063	83,202
Insurance	19,079	2,777	1,936	23,792
Telephone	14,170	2,062	1,438	17,670
Professional Fees and Consultants	234,515	29,289	20,417	284,221
Rent Expense	61,108	8,893	6,199	76,200
Interns and Regional Representatives	18,052	-	-	18,052
Rental Assistance	420,142	-	-	420,142
Emergency Fund for Families	308,277	-	-	308,277
Network Grants and Other Donations	1,876,352	169	117	1,876,638
Technology	67,268	9,790	6,825	83,883
Training	14,999	-	-	14,999
Childcare and Daycenter	4,757	-	-	4,757
Total Expenses Before Depreciation and Amortization	<u>5,340,862</u>	<u>378,197</u>	<u>263,791</u>	<u>5,982,850</u>
Depreciation and Amortization	<u>9,718</u>	<u>1,414</u>	<u>986</u>	<u>12,118</u>
Total Expenses	<u>\$ 5,350,580</u>	<u>\$ 379,611</u>	<u>\$ 264,777</u>	<u>\$ 5,994,968</u>

See accompanying Notes to Financial Statements.

**FAMILY PROMISE, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2023**

CASH FLOWS PROVIDED BY OPERATING ACTIVITIES

Changes in Net Assets	\$ 1,299,170
Adjustments to Reconcile Changes in Net Assets to Net Cash Provided by Operating Activities:	
Depreciation Expense	12,118
Unrealized and Realized Gain on Investments	(443,284)
Changes in Operating Assets and Liabilities:	
Grants Receivable	369,016
Contributions and Other Receivables	193,428
Loan Receivable	(20,000)
Prepaid Expenses	(5,647)
Accounts Payable and Accrued Expenses	(271,843)
Deferred Revenue	278,200
Net Cash Provided by Operating Activities	<u>1,411,158</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchases of Investments	(1,769,956)
Proceeds from Sale of Investments	225,047
Net Cash Used by Investing Activities	<u>(1,544,909)</u>

NET DECREASE IN CASH, CASH EQUIVALENTS, AND BOARD DESIGNATED CASH

(133,751)

Cash, Cash Equivalents, and Board-Designated Cash - Beginning of Year

2,272,780

CASH, CASH EQUIVALENTS, AND BOARD-DESIGNATED CASH - END OF YEAR

\$ 2,139,029

CASH, CASH EQUIVALENTS, AND BOARD-DESIGNATED CASH

Cash and Cash Equivalents	\$ 1,964,887
Cash and Cash Equivalents, Board-Designated	174,142
Total Cash, Cash Equivalents, and Board-Designated Cash	<u><u>\$ 2,139,029</u></u>

See accompanying Notes to Financial Statements.

FAMILY PROMISE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 NATURE OF ORGANIZATION

Family Promise, Inc. (the Organization), organizes the development of community-based affiliate programs that serve children and families experiencing, and at risk of, homelessness through shelter, prevention services, and stabilization programs, and provides ongoing support for these affiliates with the goal of empowering families to achieve and maintain their sustainable independence. Family Promise, Inc., provides technical assistance and expertise to a national network of more than 200 affiliate organizations in 43 states, mobilizing 200,000 volunteers and serving approximately 120,000 homeless family members each year.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

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

Financial Statement Presentation

Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions - Net assets not subject to donor-imposed stipulations.

Net Assets With Donor Restrictions - Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time. Also, other net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on any related investments for general or specific purposes. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities and changes in net assets as net assets released from restrictions.

Fair Value

Fair value measurements are defined as the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. There are three defined hierarchical levels based on the quality of inputs used that directly relate to the amount of subjectivity associated with the determination of fair value.

FAMILY PROMISE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value (Continued)

The fair value hierarchy defines the three levels as follows:

Level 1 - Valuations based on quoted prices (unadjusted) in an active market that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.

Level 2 - Valuations based on observable inputs other than Level 1 prices, such as: quoted prices for similar assets or liabilities; quoted prices in inactive markets; or model-derived valuations in which all significant inputs are observable or can be derived principally from, or corroborated by, observable market data.

Level 3 - Valuations based on unobservable inputs used when little or no market is available. The fair value hierarchy gives lowest priority to Level 3 inputs.

The fair values of investments are as follows:

Certificates of Deposit – Valued at cost plus accrued interest.

Mutual Funds - Valued at the net asset value of shares held by the Organization at year-end.

Exchange Traded Funds - Valued at the closing price reported in the active market in which the funds are traded.

Equity Securities - Shares in companies traded on national securities exchanges are valued at the closing price reported in the active market in which the individual securities are traded.

Cash and Cash Equivalents

The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Property and Equipment

Property and equipment are stated at cost or fair value at the date of gift for donated assets. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed into service as instructed by the donor. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

FAMILY PROMISE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment (Continued)

Depreciation and amortization are provided under the straight-line method based upon the following estimated useful lives:

<u>Description</u>	<u>Estimated Life</u>
Leasehold Improvements	5 to 20 Years
Furniture and Equipment	3 to 7 Years

The Organization's policy is to capitalize expenditures above \$3,000 per item. When assets are retired, or otherwise disposed of, the cost and accumulated depreciation are removed from the accounts, and any resulting gain or loss is reflected in income for the period. The cost of maintenance and repairs is charged to expense as incurred; significant renewals and betterments that extend the useful lives of the assets are capitalized.

Accounts Receivable

The Organization charges uncollectible accounts receivable to an allowance for credit losses after all reasonable efforts to collect such accounts have been applied. The company uses a combination of historical loss experience, current economic conditions, and forward-looking information to estimate credit losses for financial assets. At December 31, 2023, no allowance was deemed necessary.

All accounts receivable are due within one year as of December 31, 2023.

Contributions

Contributions that are restricted by a donor are reported as an increase in net assets without donor restrictions if the restrictions expire in the year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. Conditional contributions are not recognized as revenue until the conditions are met or explicitly waived.

Funds received from various government agencies represent grants awarded to the Organization to provide program services. Revenue with respect to these awards is recognized to the extent of expenses incurred under the award terms. Upon completion or expiration of a grant, unexpended funds are not available to the Organization.

FAMILY PROMISE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

The Organization derives the affiliate revenue (included in from sales, networks, and other income) primarily through providing branding rights with similar organizations. Revenues are recognized when control of these rights are transferred to the Organization's affiliates in an amount that reflects the consideration the Organization expects to be entitled to in exchange for those products. The affiliate agreements typically require the affiliate to pay continuing fees on an annual basis based upon a percentage of the affiliate's prior year's operating budget. For performance obligation related to affiliate fees, control transfers to the customer over time as the customer simultaneously receives and consumes the branding rights over the year. There are no significant financing components or variable considerations as part of the transaction price nor incurred in relation to completing the performance obligation.

Contributed Goods and Services

The Organization receives voluntary donations of goods and services. Amounts are reported in the financial statements for voluntary donations of services when those services create or enhance nonfinancial assets or require specialized skills provided by individuals possessing those skills and which would be typically purchased if not provided by donation. Contributed goods and services are recorded as contributions at their estimated fair value at the date of donation.

Numerous unpaid volunteers have made significant contributions of their time in support of various program activities of the Organization; however, since the services do not require specialized skills, and do not enhance nonfinancial assets, no amounts have been reflected in the accompanying financial statements.

Income Taxes

The Organization is a nonprofit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and, accordingly, is not liable for federal and state income taxes.

The Organization follows accounting standards that provide clarification on accounting for uncertainty in income taxes recognized in the Organization's financial statements. The guidance prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken, or expected to be taken, in a tax return, and also provides guidance on derecognition, classification, interest and penalties, disclosure and transition. No interest and penalties were recorded during the year ended December 31, 2023. At December 31, 2023, there are no significant income tax uncertainties that are expected to have a material impact on the Organization's financial statements.

FAMILY PROMISE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Adoption of New Accounting Standards

The Organization has adopted the current expected credit losses (CECL) methodology for estimating credit losses on financial assets, effective January 1, 2023, utilizing the modified retrospective transition method. The adoption of CECL resulted in changes to the Organization's accounting policies, including the recognition of credit losses based on expected future credit losses rather than incurred credit losses. The company also updated its accounting policies for determining the recoverability of trade receivables, loans, and other financial assets. The adoption of this Standard did not have a material impact on the Organization's financial statements but did change how the allowance for credit losses is determined.

Use of Estimates

In preparing financial statements in conformity with GAAP, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the 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. These estimates and assumptions are based on management's best estimates and judgment. Actual results could differ from those estimates.

Subsequent Events

The Organization has evaluated events subsequent to the statement of financial position date as of December 31, 2023, through April 22, 2024, the date that the financial statements were available to be issued.

NOTE 3 LIQUIDITY AND AVAILABILITY OF RESOURCES

The following represents the Organization's financial assets at December 31, 2023, reduced by amounts not available for general use within one year of the statement of financial position date due to contractual or donor-imposed restrictions or internal designations. Internal designations include amounts set aside by the board of trustees available to be drawn upon pending board approval.

Cash and Cash Equivalents	\$ 2,139,029
Grants Receivable	89,292
Contributions and Other Receivables	7,358
Loan Receivable	20,000
Investments	5,192,677
Total Financial Assets	7,448,356
Less: Amounts Not Available to be Used Within One Year	
Board-Designated Net Assets	(4,406,786)
Net Assets with Donor Restrictions	(181,617)
Subtotal	(4,588,403)
Financial Assets Available to Meet General Expenditures Over the Next 12 Months	\$ 2,859,953

FAMILY PROMISE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 3 LIQUIDITY AND AVAILABILITY OF RESOURCES (CONTINUED)

The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. As part of its liquidity plan, excess cash is invested in level one investments, such as mutual funds and equities. The Organization also has additional board-designated net assets of \$4,406,786, which can be released with approval by the board of trustees.

NOTE 4 LOAN RECEIVABLE

During the year ended December 31, 2023, the Organization entered into an agreement with an affiliate to provide \$20,000 in start up costs. Repayments are due in installments outlined in the loan agreement with the final payment due in July 2024. The loan bears no interest. As of December 31, 2023, the loan receivable is \$20,000.

NOTE 5 INVESTMENTS

Investments are categorized as follows:

	Fair Value Measurements			Total
	Level 1	Level 2	Level 3	
Certificate of Deposits	\$ 1,560,425	\$ -	\$ -	\$ 1,560,425
Mutual Funds	1,438,627	-	-	1,438,627
Equities	2,070,550	-	-	2,070,550
Exchange Traded Funds	123,075	-	-	123,075
Investments at Fair Value	<u>\$ 5,192,677</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,192,677</u>

The cost basis of the Organization's investments is approximately \$3,220,000.

NOTE 6 PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

Leasehold Improvements	\$ 751,548
Office Equipment and Furniture	395,414
Website	45,140
Transportation Equipment	84,535
Subtotal	<u>1,276,637</u>
Less: Accumulated Depreciation	<u>(1,255,681)</u>
Property and Equipment, Net	<u>\$ 20,956</u>

FAMILY PROMISE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 7 COMMITMENTS AND CONTINGENCIES

Leases

The Organization rented space beginning in February 1999 on the second floor of a facility in downtown Summit, New Jersey, under an operating lease. In June 2005, the Organization leased additional space on the first floor of the facility. The lease agreements expired on December 31, 2019, and the original security deposit was refunded to the Organization in 2020. The Organization transferred their purchasing rights to another nonprofit organization that purchased the building in February 2020. A board member of the Organization is also the President of the nonprofit organization that purchased the building. The two organizations are therefore considered related parties. The Organization has occupied the space rent-free throughout 2023. Rent expense, including donated rent, for the year ended December 31, 2023, amounted to \$75,000.

The Organization also leases space for its Family Promise - Union County Program in a church in Elizabeth, New Jersey. The term of the lease was from January 1, 2013, to December 31, 2017. In consideration of the cost of the renovations made by the Organization in the amount of \$52,918, the Organization continues to occupy the leased premises rent-free. The Organization is obligated to pay \$1,500 per month for utilities. The Organization is currently paying month-to-month in utilities expenses and is in the process of negotiating the lease renewal.

NOTE 8 BOARD-DESIGNATED NET ASSETS

The Organization has an operating reserve fund to ensure the stability of the mission, programs, employment, and ongoing operations of the organization. Withdrawal from this fund requires approval from the Organization's board of trustees.

The Organization also has a Future Stability Fund to ensure the stability of the mission, programs, employment, and ongoing operations of the organization. Withdrawal of earnings from this fund requires approval from the Organization's board of trustees.

Board-designated net assets as of December 31, 2023 are as follows:

Operating Reserve Fund	\$ 2,341,193
Future Stability Fund	<u>2,065,593</u>
Total Board-Designated Net Assets	<u><u>\$ 4,406,786</u></u>

FAMILY PROMISE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 9 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions comprised of the following as of December 31, 2023:

Florida Affiliate Programming	\$	25,000
New Jersey Affiliate Programming		10,000
MidCoast Maine Affiliate Development		216
Black Hills Affiliate Development		331
FP NW Arkansas Affiliate Development		31,000
Hillsdale Affiliate Development		30,000
Affiliate Shelter Diversion		1,049
Healthy Kitchens		11,999
Family Wellness		5,000
Open Table		34,116
Bring Joy to Children Facing Homelessness		5,000
Online Career Exploration Training		15,000
Car Purchases		4,630
Affiliate Grants		7,500
Home is where the art is		776
Total Net Assets with Donor Restrictions	<u>\$</u>	<u>181,617</u>

Net assets with donor restrictions released from restriction were as follows as of December 31, 2023:

Florida Affiliate Programming	\$	25,000
New Jersey Affiliate Programming		10,000
Affiliate Shelter Diversion		6,018
Healthy Kitchens		8,001
Future Begins at Home		20,000
Car Purchases		663
Affiliate Grants		28,750
Open Table		12,517
Diversity, Equity, Inclusion and Accessibility		10,000
Equipment Purchases		8,912
Credit Repair Staff Trainings		52,863
Total Net Assets Released from Restrictions	<u>\$</u>	<u>182,724</u>

FAMILY PROMISE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 10 RETIREMENT PLAN

The Organization has a 403(b) Annuity Plan with an insurance company. An employee becomes a participant in the elective deferral portion of the Plan on his/her first day of employment with the employer. The participant is eligible for the matching and nonelective contribution after 12 months of employment. The participant is 100% vested after 12 months of employment. The Organization's contribution for the year ended December 31, 2023, was \$57,862 and is included in salaries and related expenses on the statement of functional expenses.

NOTE 11 CONCENTRATIONS

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents, and investments. The Organization maintains its cash in bank deposit accounts, the balances of which, at times, may exceed federally insured limits. Cash equivalents and investments are maintained with investment firms. Exposure to credit risk is reduced by placing such deposits and investments in high-quality financial institutions.

At December 31, 2023, approximately 17% of revenue was received from one donor.

NOTE 12 CONTRIBUTED NONFINANCIAL ASSETS

Contributed nonfinancial assets received during the year ended December 31, 2023 consisted of the following:

Gift Cards Distributed to Clients	\$ 27,390
Meals, Clothing, Toys, and Personal Care Products	59,362
Furniture and Mattresses	18,710
Professional Services	127,088
Rent	76,200
Total Contributed Nonfinancial Assets	<u>\$ 308,750</u>

FAMILY PROMISE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 12 CONTRIBUTED NONFINANCIAL ASSETS (CONTINUED)

Valuation techniques and inputs utilized in valuing these contributed nonfinancial assets are as follows:

Contributed Nonfinancial Asset	Valuation Techniques and Inputs
Gift Cards Distributed to Clients	Estimated based on estimates of retail values for similar products.
Meals, Clothing, Toys, and Personal Care Products	Estimated based on estimates of retail values for similar products.
Furniture and Mattresses	Estimated based on estimates of retail values for similar products.
Professional Services	Estimated based on estimates of retail values for similar products.
Rent	Estimated based on rental rates for similar properties in the same geographical market.

The Organization’s policy related to gifts-in-kind is to utilize the assets given to carry out the mission of the Organization. All gifts-in-kind received by the Organization for the year ended December 31, 2023 were considered without donor restrictions and able to be used by the Organization as determined by management.

NOTE 13 FUNCTIONAL EXPENSES

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities and changes in net assets. Costs that are not directly identifiable with a specific function have been allocated among the programs and supporting services according to the Organization’s cost allocation procedures.

Salaries and related expenses are allocated based on time and effort. The other expenses that are allocated include facility rental and meals, office supplies and expense, utilities, travel, insurance, telephone, professional fees and consultants, rent, investment fees, and depreciation and amortization. These costs are allocated to support functions based on a percentage of total salaries. Interns and regional representatives, manuals and merchandise, van maintenance, rental assistance, emergency fund for families, network grants and other donations, and childcare and day center expenses are charged directly to programs. Bad debt is charged directly to management and general.

NOTE 14 TAXES

All required tax returns have been timely filed and taxes (including, but not limited to, payroll taxes) were either paid prior to December 31, 2023, or paid subsequent to year-end.



**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***

Board of Trustees
Family Promise, Inc.
Newark, New Jersey

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 financial statements of Family Promise, Inc. (Organization), which comprise the statements of financial position as of December 31, 2023, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated April 22, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 the entity'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 audit 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 the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance 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 noncompliance 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 the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Livingston, New Jersey
April 22, 2024



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