FAMILY PROMISE, INC.

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2024

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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 Family Promise, Inc. (the Organization), a nonprofit organization, which comprise the statement of financial position as of December 31, 2024, 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, 2024, 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 March 31, 2025, 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, and grant agreements and other matters. The purpose of that report is solely 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 the effectiveness of the Organization's 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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Livingston, New Jersey
March 31, 2025

FAMILY PROMISE, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2024

ASSETS

CURRENT ASSETS		
Cash and Cash Equivalents	$	4,731,947
Grants Receivable		27,667
Contributions and Other Receivables		12,550
Investments		2,269,954
Prepaid Expenses and Other Current Assets		66,680
Total Current Assets		7,108,798
OTHER ASSETS		
Property and Equipment, Net		9,851
Software in Progress		243,804
Cash and Cash Equivalents, Board-Designated		811,468
Investments, Board-Designated		4,063,999
Total Other Assets		5,129,122
Total Assets	$	12,237,920

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts Payable and Accrued Expenses	$	150,177
Deferred Revenue		2,848,676
Total Current Liabilities		2,998,853
NET ASSETS		
Net Assets Without Donor Restrictions:		
Board-Designated		4,875,467
Undesignated		3,125,855
Total Net Assets Without Donor Restrictions		8,001,322
Net Assets With Donor Restrictions		1,237,745
Total Net Assets		9,239,067
Total Liabilities and Net Assets	$	12,237,920

See accompanying Notes to Financial Statements.

FAMILY PROMISE, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND OTHER SUPPORT			
Individuals	$ 1,361,087	$ 750,000	$ 2,111,087
Foundations	2,475,470	188,428	2,663,898
Corporations	2,634,975	351,489	2,986,464
Civic Organizations	65,884	-	65,884
Government Grants	386,362	-	386,362
Sales, Networks, and Other Income	949,305	-	949,305
Contributed Goods and Services	395,824	-	395,824
Interest and Dividends	122,726	-	122,726
Unrealized and Realized Loss on Investments	302,594	-	302,594
Net Assets Released from Restriction	233,789	(233,789)	-
Total Revenue and Other Support	8,928,016	1,056,128	9,984,144
EXPENSES			
Program Services	6,921,996	-	6,921,996
Management and General	569,551	-	569,551
Fundraising	364,442	-	364,442
Total Expenses	7,855,989	-	7,855,989
CHANGES IN NET ASSETS	1,072,027	1,056,128	2,128,155
Net Assets - Beginning of Year	6,929,295	181,617	7,110,912
NET ASSETS - END OF YEAR	$ 8,001,322	$ 1,237,745	$ 9,239,067

See accompanying Notes to Financial Statements.

FAMILY PROMISE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2024

	Program Services	Support Services: Management and General	Support Services: Fundraising	Total
Salaries and Related Expenses	$ 2,480,927	$ 398,710	$ 253,371	$ 3,133,008
Facility Rental and Meals	185,946	29,883	18,990	234,819
Office Supplies and Expense	119,234	19,162	14,683	153,079
Utilities	20,231	3,251	2,067	25,549
Travel Expenses	106,018	17,038	10,827	133,883
Insurance	20,972	3,370	2,142	26,484
Telephone	15,095	2,426	1,541	19,062
Professional Fees and Consultants	380,803	61,199	38,890	480,892
Rent Expense	59,390	9,545	6,065	75,000
Interns and Regional Representatives	15,488	-	-	15,488
Rental Assistance	421,572	-	-	421,572
Emergency Fund for Families	432,233	-	-	432,233
Network Grants and Other Donations	2,451,332	-	-	2,451,332
Technology	98,792	15,877	10,089	124,758
Training	97,769	7,677	4,879	110,325
Childcare and Daycenter	7,400	-	-	7,400
Total Expenses Before Depreciation and Amortization	6,913,202	568,138	363,544	7,844,884
Depreciation and Amortization	8,794	1,413	898	11,105
Total Expenses	$ 6,921,996	$ 569,551	$ 364,442	$ 7,855,989

See accompanying Notes to Financial Statements.

FAMILY PROMISE, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2024

CASH FLOWS PROVIDED BY OPERATING ACTIVITIES	
Changes in Net Assets	$ 2,128,155
Adjustments to Reconcile Changes in Net Assets to Net Cash Provided by Operating Activities:	
Depreciation Expense	11,105
Unrealized and Realized Gain on Investments	(302,594)
Changes in Operating Assets and Liabilities:	
Grants Receivable	61,625
Contributions and Other Receivables	(5,192)
Loan Receivable	20,000
Prepaid Expenses	24,651
Accounts Payable and Accrued Expenses	(21,354)
Deferred Revenue	2,570,476
Net Cash Provided by Operating Activities	4,486,872
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchases of Software	(243,804)
Purchases of Investments	(3,515,842)
Proceeds from Sale of Investments	2,677,160
Net Cash Used by Investing Activities	(1,082,486)
NET INCREASE IN CASH, CASH EQUIVALENTS, AND BOARD DESIGNATED CASH	3,404,386
Cash, Cash Equivalents, and Board-Designated Cash - Beginning of Year	2,139,029
CASH, CASH EQUIVALENTS, AND BOARD-DESIGNATED CASH - END OF YEAR	$ 5,543,415
CASH, CASH EQUIVALENTS, AND BOARD-DESIGNATED CASH	
Cash and Cash Equivalents	$ 4,731,947
Cash and Cash Equivalents, Board-Designated	811,468
Total Cash, Cash Equivalents, and Board-Designated Cash	$ 5,543,415

See accompanying Notes to Financial Statements.

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.

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.

Government Securities – Valued at cost plus accrued interest.

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.

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:

Description	Estimated Life
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.

Software Development Cost – Internal

Costs related to the development of internal-use software during the preliminary project and post implementation stages are expensed as incurred. Costs incurred during the application development stage are capitalized as software. These costs consist primarily of software, hardware, consulting fees, and related costs. Capitalized software costs, upon being placed in service, are depreciated using the straight-line method over the estimated useful life of the related software.

As of December 31, 2024, the project has not been placed in service and a balance of software in progress of $243,804 is reflected in the statement of financial position.

Grants, Contributions, and Other Receivables

The Organization charges uncollectible grants, contributions, and other receivables to an allowance for doubtful accounts after all reasonable efforts to collect such accounts have been applied. At December 31, 2024, no allowance was deemed necessary.

All grants, contributions, and other receivables are due within one year as of December 31, 2024.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, 2024. At December 31, 2024, there are no significant income tax uncertainties that are expected to have a material impact on the Organization’s financial statements.

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, 2024, through March 31, 2025, the date that the financial statements were available to be issued.

- Building Purchase: The Organization purchased a building for its Family Promise – Union County Program in Plainfield, New Jersey in January 2025. The purchase was funded by a government grant received from the United States Department of Housing and Urban Development.

NOTE 3 LIQUIDITY AND AVAILABILITY OF RESOURCES

The following represents the Organization's financial assets at December 31, 2024, 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	$ 5,543,415
Grants Receivable	27,667
Contributions and Other Receivables	12,550
Investments	6,333,953
Total Financial Assets	11,917,585
Less: Amounts Not Available to be Used Within One Year	
Board-Designated Net Assets	(4,875,467)
Net Assets with Donor Restrictions	(1,237,745)
Subtotal	(6,113,212)
Financial Assets Available to Meet General Expenditures Over the Next 12 Months	$ 5,804,373

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 $4,875,467, which can be released with approval by the board of trustees.

NOTE 4 INVESTMENTS

Investments are categorized as follows as of December 31, 2024:

	Fair Value Measurements			
	Level 1	Level 2	Level 3	Total
Mutual Funds	$ 2,107,037	$ -	$ -	$ 2,107,037
Government Securities	391,980	-	-	391,980
Equities	2,297,148	-	-	2,297,148
Exchange Traded Funds	161,918	-	-	161,918
Investments at Fair Value	$ 4,958,083	$ -	$ -	$ 4,958,083

The Organization also has certificates of deposits valued at $1,375,870 as of December 31, 2024.

NOTE 5 PROPERTY AND EQUIPMENT

Property and equipment consist of the following as of December 31, 2024:

Leasehold Improvements	$ 751,548
Office Equipment and Furniture	395,414
Website	45,140
Transportation Equipment	84,535
Subtotal	1,276,637
Less: Accumulated Depreciation	(1,266,786)
Property and Equipment, Net	$ 9,851

NOTE 6 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 2024. Rent expense, including donated rent, for the year ended December 31, 2024, 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 continued to occupy the leased premises rent-free and was obligated to pay $1,600 per month for utilities on a month to month basis. In September 2024, the Organization signed a rental agreement with the church, requiring monthly payments of $1,600 on a month to month basis, not to exceed December 31, 2025.

NOTE 7 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, 2024 are as follows:

Operating Reserve Fund	$ 2,489,234
Future Stability Fund	2,386,233
Total Board-Designated Net Assets	$ 4,875,467

NOTE 8 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions comprised of the following as of December 31, 2024:

Healthy Kitchens	$ 10,536
Family Wellness	3,650
Healthy Homes	2,794
Bring Joy to Children Facing Homlessness	1,000
Furniture	18,865
Spanish Lessons	2,213
Meadows Foundation	100,000
Developing Affiliate	21,664
Car Purchases	21,831
Affiliate Shelter Diversion Program	903
Affiliate Grants	304,289
Advocacy	365,000
Housing	385,000
Total Net Assets with Donor Restrictions	$ 1,237,745

NOTE 8 NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

Net assets with donor restrictions released from restriction were as follows as of December 31, 2024:

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 Homes		12,206
Healthy Kitchens		1,463
Family Wellness		1,350
Open Table		34,116
Bring Joy to Children Facing Homlessness		4,000
Online Career Exploration Training		15,000
Furniture		11,160
Spanish Lessons		287
Affiliate Development		536
Car Purchases		7,799
Affiliate Grants		7,500
Future Begins at Home		40,000
Home is where the art is		776
Total Net Assets Released from Restrictions	$	233,789

NOTE 9 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 90 days of employment. The participant is 100% vested after 90 days of employment. The Organization's contribution for the year ended December 31, 2024, was $118,422 and is included in salaries and related expenses on the statement of functional expenses.

NOTE 10 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, 2024, approximately 25% of revenue was received from two donors.

NOTE 11 CONTRIBUTED NONFINANCIAL ASSETS

Contributed nonfinancial assets received during the year ended December 31, 2024 consisted of the following:

Gift Cards Distributed to Clients	$ 14,565
Meals, Clothing, Toys, and Personal Care Products	64,327
Furniture and Mattresses	4,000
Professional Services	237,932
Rent	75,000
Total Contributed Nonfinancial Assets	$ 395,824

NOTE 11 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, 2024 were considered without donor restrictions and able to be used by the Organization as determined by management.

NOTE 12 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 13 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, 2024, 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.
Summit, 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. (the Organization), which comprise the statement of financial position as of December 31, 2024, 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 March 31, 2025.

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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Livingston, New Jersey
March 31, 2025