

FAMILY PROMISE, INC.
**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**
YEAR ENDED DECEMBER 31, 2025



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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 financial statements of Family Promise, Inc. (the Organization), a nonprofit organization, which comprise the statement of financial position as of December 31, 2025, 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 accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2025, 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.

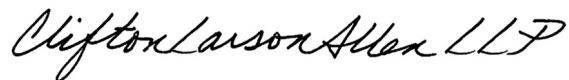
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Expenditures of Federal Awards and Schedule of Expenditures of State Awards are presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 26, 2026, 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

Livingston, New Jersey
March 26, 2026

FAMILY PROMISE, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2025

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents	\$ 2,657,262
Grants Receivable	28,832
Contributions and Other Receivables	66,887
Investments	4,607,998
Prepaid Expenses and Other Current Assets	138,168
Total Current Assets	7,499,147

OTHER ASSETS

Construction in Progress	815,956
Software in Progress	738,238
Cash and Cash Equivalents, Board-Designated	121,983
Investments, Board-Designated	5,102,859
Total Other Assets	6,779,036

Total Assets	\$ 14,278,183
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts Payable and Accrued Expenses	\$ 423,844
Deferred Revenue	1,443,282
Total Current Liabilities	1,867,126

NET ASSETS

Net Assets Without Donor Restrictions:	
Board-Designated	5,224,842
Undesignated	5,902,678
Total Net Assets Without Donor Restrictions	11,127,520
Net Assets With Donor Restrictions	1,283,537
Total Net Assets	12,411,057

Total Liabilities and Net Assets	\$ 14,278,183
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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, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND OTHER SUPPORT			
Individuals	\$ 929,889	\$ 18,000	\$ 947,889
Foundations	2,297,492	109,700	2,407,192
Corporations	4,074,221	2,306,695	6,380,916
Civic Organizations	74,908	-	74,908
Government Grants	1,880,320	-	1,880,320
Sales, Networks, and Other Income	863,375	-	863,375
Contributed Goods and Services	347,358	-	347,358
Interest and Dividends	264,266	-	264,266
Unrealized and Realized Gain on Investments	446,059	-	446,059
Net Assets Released from Restriction	2,388,603	(2,388,603)	-
Total Revenue and Other Support	13,566,491	45,792	13,612,283
EXPENSES			
Program Services	9,272,160	-	9,272,160
Management and General	692,264	-	692,264
Fundraising	475,868	-	475,868
Total Expenses	10,440,293	-	10,440,293
CHANGES IN NET ASSETS	3,126,198	45,792	3,171,990
Net Assets - Beginning of Year	8,001,322	1,237,745	9,239,067
NET ASSETS - END OF YEAR	\$ 11,127,520	\$ 1,283,537	\$ 12,411,057

See accompanying Notes to Financial Statements.

FAMILY PROMISE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2025

	Program Services	Support Services		Total
		Management and General	Fundraising	
Salaries and Related Expenses	\$ 3,271,996	\$ 523,586	\$ 359,860	\$ 4,155,442
Facility Rental and Meals	40,128	6,421	4,413	50,962
Office Supplies and Expense	149,421	23,910	16,509	189,840
Utilities	28,020	4,484	3,083	35,587
Travel Expenses	124,129	19,863	13,652	157,644
Insurance	20,894	3,344	2,298	26,536
Telephone	16,500	2,640	1,814	20,954
Professional Fees and Consultants	385,408	61,673	42,388	489,469
Rent Expense	59,055	9,450	6,495	75,000
Interns and Regional Representatives	71,972	-	-	71,972
Rental Assistance	426,186	-	-	426,186
Emergency Fund for Families	432,900	-	-	432,900
Network Grants and Other Donations	4,014,646	-	-	4,014,646
Technology	131,291	21,009	14,440	166,740
Bad Debt	2,213	354	243	2,811
Training	89,564	14,332	9,850	113,746
Childcare and Daycenter	350	-	-	350
Total Expenses Before Depreciation and Amortization	9,264,673	691,066	475,045	10,430,785
Depreciation and Amortization	7,487	1,198	823	9,508
Total Expenses	<u>\$ 9,272,160</u>	<u>\$ 692,264</u>	<u>\$ 475,868</u>	<u>\$ 10,440,293</u>

See accompanying Notes to Financial Statements.

**FAMILY PROMISE, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2025**

CASH FLOWS PROVIDED BY OPERATING ACTIVITIES

Changes in Net Assets	\$ 3,171,990
Adjustments to Reconcile Changes in Net Assets to Net Cash Provided by Operating Activities:	
Depreciation Expense	9,508
Bad Debt Expense	2,811
Loss on Disposal	343
Unrealized and Realized Gain on Investments	(446,059)
Changes in Operating Assets and Liabilities:	
Grants Receivable	(3,976)
Contributions and Other Receivables	(54,337)
Prepaid Expenses	(71,488)
Accounts Payable and Accrued Expenses	273,667
Deferred Revenue	(1,405,394)
Net Cash Provided by Operating Activities	1,477,065

CASH FLOWS FROM INVESTING ACTIVITIES

Purchases of Software	(494,434)
Purchases of Construction in Progress	(815,956)
(Purchases) Proceeds of Investments	(2,930,845)
Net Cash Used by Investing Activities	(4,241,235)

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

(2,764,170)

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

5,543,415

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

\$ 2,779,245

CASH, CASH EQUIVALENTS, AND BOARD-DESIGNATED CASH

Cash and Cash Equivalents	\$ 2,657,262
Cash and Cash Equivalents, Board-Designated	121,983
Total Cash, Cash Equivalents, and Board-Designated Cash	\$ 2,779,245

See accompanying Notes to Financial Statements.

FAMILY PROMISE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

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 nearly 200 Affiliates, mobilizing 80,000 volunteers, and serving over 188,000 family members across programs and community services 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, 2025

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, 2025

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.

Property and equipment consists solely of construction in progress as of December 31, 2025.

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, 2025, the project has not been placed in service and a balance of software in progress of \$738,238 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, 2025, no allowance was deemed necessary.

All grants, contributions, and other receivables are due within one year as of December 31, 2025.

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.

FAMILY PROMISE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions (Continued)

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.

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, 2025. At December 31, 2025, 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, 2025

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, 2025, through March 26, 2026, the date that the financial statements were available to be issued.

Effective January 1, 2026, subsequent to the year ended December 31, 2025, the Organization completed the spin-off of its Family Promise – Union County Program (the Program) into a newly formed, independent nonprofit entity. As part of the transaction, certain program-related assets, liabilities, net assets, and ongoing program activities were transferred to the new entity, and the Organization no longer retains control over the Program. Because the spin-off occurred after the statement of financial position date, the accompanying financial statements do not reflect the effects of this transaction. Management is currently evaluating the financial impact of the spin-off on future periods. At this time, an estimate of the financial effect on the Organization's future financial statements cannot be reasonably determined.

NOTE 3 LIQUIDITY AND AVAILABILITY OF RESOURCES

The following represents the Organization's financial assets at December 31, 2025, 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	\$ 2,779,245
Grants Receivable	28,832
Contributions and Other Receivables	66,887
Investments	9,710,857
Total Financial Assets	<u>12,585,821</u>
Less: Amounts Not Available to be Used Within One Year:	
Board-Designated Net Assets	(5,224,842)
Net Assets with Donor Restrictions	<u>(1,283,537)</u>
Subtotal	<u>(6,508,379)</u>
Financial Assets Available to Meet General Expenditures Over the Next 12 Months	<u><u>\$ 6,077,442</u></u>

FAMILY PROMISE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

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 \$5,224,842, which can be released with approval by the board of trustees.

NOTE 4 INVESTMENTS

Investments are categorized as follows as of December 31, 2025:

	Fair Value Measurements			Total
	Level 1	Level 2	Level 3	
Mutual Funds	\$ 4,028,662	\$ -	\$ -	\$ 4,028,662
Certificates of Deposit	-	3,051,530	-	3,051,530
Equities	2,195,051	-	-	2,195,051
Exchange Traded Funds	435,614	-	-	435,614
Investments at Fair Value	<u>\$ 6,659,327</u>	<u>\$ 3,051,530</u>	<u>\$ -</u>	<u>\$ 9,710,857</u>

NOTE 5 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 2025. Rent expense, including donated rent, for the year ended December 31, 2025, 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. The lease was not renewed.

FAMILY PROMISE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 6 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, 2025 are as follows:

Operating Reserve Fund	\$ 2,708,011
Future Stability Fund	2,516,831
Total Board-Designated Net Assets	<u>\$ 5,224,842</u>

NOTE 7 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions comprised of the following as of December 31, 2025:

Family Wellness	\$ 3,650
Cause Marketing	40,000
Developing Affiliate	71,445
Master Leasing	28,000
Rent	22,500
ER Shelter	52,290
Car Purchases	1,592
Conference and Related Expenses	310,000
Affiliate Grants	178,871
Prevention	25,000
Advocacy	256,410
Housing	293,779
Total Net Assets with Donor Restrictions	<u>\$ 1,283,537</u>

FAMILY PROMISE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 7 NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

Net assets with donor restrictions released from restriction were as follows as of December 31, 2025:

Affiliate Development	\$ 83,624
Affiliate Shelter Diversion Program	903
Affiliate Grants	1,905,418
Master Leasing	18,000
Advocacy	108,590
Housing	91,221
Meadows Foundation	100,000
Healthy Homes	2,794
Healthy Kitchens	10,536
Bring Joy to Children Facing Homelessness	1,000
Furniture	18,865
Spanish Lessons	2,213
Car Purchases	38,239
Rent	7,200
Total Net Assets Released from Restrictions	<u>\$ 2,388,603</u>

NOTE 8 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, 2025, was \$143,507, and is included in salaries and related expenses on the statement of functional expenses.

NOTE 9 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, 2025, approximately 27% of revenue was received from two donors.

FAMILY PROMISE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 10 CONTRIBUTED NONFINANCIAL ASSETS

Contributed nonfinancial assets received during the year ended December 31, 2025 consisted of the following:

Gift Cards Distributed to Clients	\$ 23,120
Meals, Clothing, Toys, and Personal Care Products	131,206
Furniture and Mattresses	31,965
Professional Services	86,067
Rent	75,000
Total Contributed Nonfinancial Assets	<u>\$ 347,358</u>

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

<u>Contributed Nonfinancial Asset</u>	<u>Valuation Techniques and Inputs</u>
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, 2025 were considered without donor restrictions and able to be used by the Organization as determined by management.

NOTE 11 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.

FAMILY PROMISE, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 11 FUNCTIONAL EXPENSES (CONTINUED)

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 12 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, 2025, or paid subsequent to year-end.

NOTE 13 EMPLOYEE RETENTION CREDITS

During the year ended December 31, 2025, the Organization recognized revenue from Employee Retention Credits (ERC) totaling \$361,645 and \$59,884 in related interest revenue. The CARES Act Employee Retention Credits are refundable, federal payroll tax credits available to eligible employers whose business had been financially impacted by COVID-19. The Employee Retention Credits are included in Sales, Networks, and Other Income on the statement of activities and changes in net assets for the year ended December 31, 2025. As of December 31, 2025, the full amount of these credits has been collected.

FAMILY PROMISE, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2025

Federal Grantor Pass-through Grantor Program Title	Federal ALN	Grant Period	Pass-through Grantor's Number	Award Amount	Expenditures
United States Department of Housing and Urban Development					
<u>Passed through:</u>					
Union County Department of Human Services HEARTH Emergency Solutions (HES)	14.231	08/01/24-07/31/25	24-HES-103	\$ 46,884	\$ 24,691
<u>Passed through:</u>					
Union County Department of Human Services Division of Community Services Community Development Block Grant (CDBG)	14.218	09/01/24-08/31/25	024-219	10,000	6,465
Economic Development Initiative	14.251	07/01/23 - 8/31/31	B-23-CP-NJ-0978	875,000	<u>840,790</u>
Total United States Department of Housing and Urban Development					871,946
United States Department of Health and Human Services					
<u>Passed through:</u>					
NJ Department of Community Affairs Union County Department of Human Services Community Service Block Grant (CSBG)	93.569	07/01/25-12/31/25	25-CSB-108	11,417	11,417
Community Service Block Grant (CSBG)	93.569	01/01/25-06/30/25	25-CSB-100	13,084	<u>13,084</u>
					24,501
<u>Passed through:</u>					
NJ Department of Community Affairs NJ FamilyCare Housing Supports Provider Readiness 2025	93.778	03/01/25 - 02/28/26	2025-05277-0277-00	130,500	<u>87,391</u>
Total Expenditures of Federal Awards					<u>\$ 983,838</u>

See accompanying Notes to Schedules of Expenditures of Federal and State Awards.

FAMILY PROMISE, INC.
SCHEDULE OF EXPENDITURES OF STATE AWARDS
YEAR ENDED DECEMBER 31, 2025

State Grantor Pass-through Grantor Program Title	Grant Period	Pass-through Grantor's Number	Award Amount	Expenditures
New Jersey Department of Human Services				
<u>Passed through:</u>				
Union County Department of Human Services				
Social Services for the Homeless Grant (SSH)	01/01/25-06/30/25	25-SSH-103	\$ 8,624	\$ 8,624
Social Services for the Homeless Grant (SSH)	07/01/25-12/31/25	25-SSH-111	15,903	15,903
			<u>24,527</u>	<u>24,527</u>
New Jersey Department of Community Affairs				
Homelessness Diversion Pilot 2024	02/01/24-09/30/25	2024-05224-0124-00	310,000	112,033
Homelessness Diversion Pilot 2025	10/01/25-09/30/26	2025-05224-0885-00	254,762	34,955
NJ FamilyCare Housing Supports Provider Readiness 2025	03/01/25 - 02/28/26	100-156	119,500	80,024
			<u>684,262</u>	<u>227,012</u>
Total Expenditures of State Awards			<u>\$ 251,539</u>	

See accompanying Notes to Schedules of Expenditures of Federal and State Awards.

FAMILY PROMISE, INC.
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED DECEMBER 31, 2025

NOTE 1 BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards includes the federal and state grant activity of Family Promise, Inc. (Organization) and is presented on the accrual basis of accounting. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and the New Jersey State Grant Compliance Supplement. Therefore, some amounts presented in these schedules may differ from amounts presented in, or used in the preparation of, the financial statements.

NOTE 2 SUBRECIPIENTS

During the year ended December 31, 2025, the Organization did not provide any funds relating to their federal and state programs to subrecipients.

NOTE 3 INDIRECT COSTS

The Organization did not elect to use the de minimis cost rate when allocating indirect costs to federal and state programs.

NOTE 4 LOAN AND LOAN GUARANTEE PROGRAMS

As of December 31, 2025, the Organization did not have any federal or state loan or loan guarantee programs.



**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, 2025, 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 26, 2026.

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.

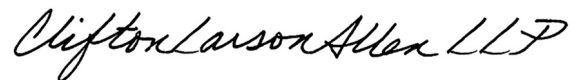
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not 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 black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

CliftonLarsonAllen LLP

Livingston, New Jersey
March 26, 2026



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