

FAMILY PROMISE OF BREVARD, INC.

COMPILED FINANCIAL STATEMENTS

December 31, 2020



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INGRAM

CPAs and Advisors

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Family Promise of Brevard, Inc.
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ACCOUNTANTS' COMPILATION REPORT

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

Management is responsible for the accompanying financial statements of Family Promise of Brevard, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. We do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

We are not independent with respect to Family Promise of Brevard, Inc.

Carr, Riggs & Ingram, L.L.C.

Melbourne, Florida
April 29, 2021

Family Promise of Brevard, Inc.
Statement of Financial Position

<i>December 31,</i>	2020
ASSETS	
Cash and cash equivalents	\$ 491,531
Cash and cash equivalents, restricted	187,633
Certificate of deposit	79,192
Beneficial interest in community foundation	28,043
Total assets	\$ 786,399
LIABILITIES	
Accounts payable	\$ 264
Accrued payroll	4,746
Total liabilities	5,010
NET ASSETS	
Without donor restrictions	593,756
With donor restrictions	187,633
Total net assets	781,389
Total liabilities and net assets	\$ 786,399

See accompanying notes and accountants' compilation report.

Family Promise of Brevard, Inc.
Statement of Activities

<i>For the year ended December 31, 2020</i>	Without Donor Restrictions	With Donor Restrictions	Total
Public support and revenue			
Grants	\$ 7,000	\$ 140,234	\$ 147,234
Contributions	257,324	266,589	523,913
Special events proceeds	186,734		
Direct costs of special events	<u>(18,139)</u>		
Gain on special events	168,595	-	168,595
In-kind donations	91,945	-	91,945
Investment returns, net	14,053	-	14,053
Net assets released from restrictions:			
Satisfaction of program restrictions	271,963	(271,963)	-
Total public support and revenue	810,880	134,860	945,740
Expenses			
Program services			
Shelter	177,857	-	177,857
Stablization	84,919	-	84,919
Prevention	202,058	-	202,058
Total program services	464,834	-	464,834
Supporting services			
Management and general	83,837	-	83,837
Fundraising	134,012	-	134,012
Total supporting services	217,849		217,849
Unallocated payment to national affiliate	4,925	-	4,925
Total expenses	687,608	-	687,608
 Change in net assets	 123,272	 134,860	 258,132
 Net assets, beginning of year	 470,484	 52,773	 523,257
Net assets, end of year	\$ 593,756	\$ 187,633	\$ 781,389

See accompanying notes and accountants' compilation report.

PROGRAM SERVICES

<i>For the year ended December 31, 2020</i>	Shelter	Stablization	Prevention	Program Subtotal
Expenses				
Food	\$ 14,025	\$ -	\$ -	\$ 14,025
Insurance	1,534	1,534	1,534	4,602
Miscellaneous	67	-	-	67
Professional services	1,136	-	-	1,136
Rent and utilities for families	34,581	-	116,483	151,064
Rent and utilities	12,646	12,646	12,646	37,938
Repair and maintenance	92	92	92	276
Salaries and benefits	73,706	68,093	71,303	213,102
Supplies	30,298	113	-	30,411
Transportation	9,010	-	-	9,010
Travel	-	2,441	-	2,441
Subtotal expenses before depreciation	177,095	84,919	202,058	464,072
Depreciation	762	-	-	762
Total expenses reported by function	177,857	84,919	202,058	464,834
Unallocated payment to national affiliate	-	-	-	-
Total expenses	\$ 177,857	\$ 84,919	\$ 202,058	\$ 464,834

**Family Promise of Brevard, Inc.
Statement of Functional Expenses**

SUPPORTING SERVICES			
Management And General	Fundraising	Supporting Subtotal	Total Expenses
\$ -	\$ -	\$ -	\$ 14,025
600	274	874	5,476
3,058	23,431	26,489	26,556
19,077	3,414	22,491	23,627
-	-	-	151,064
4,969	2,258	7,227	45,165
36	17	53	329
55,645	104,618	160,263	373,365
-	-	-	30,411
-	-	-	9,010
452	-	452	2,893
83,837	134,012	217,849	681,921
-	-	-	762
83,837	134,012	217,849	682,683
-	-	-	4,925
\$ 83,837	\$ 134,012	\$ 217,849	\$ 687,608

Family Promise of Brevard, Inc.
Statement of Cash Flows

For the year ended December 31, **2020**

Cash flows from operating activities:		
Cash received from granting agencies	\$	147,234
Contributions, donations and fundraising received		705,525
Cash paid to vendors		(240,077)
Cash paid to employees		(378,262)
Interest received		7,705
Net cash provided by operating activities		242,125

Cash flows from investing activities:		
Proceeds from redemptions of certificates of deposits		91,610
Net cash provided by investing activities		91,610

Net increase in cash and cash equivalents		333,735
Net cash and cash equivalents at the beginning of the year		345,429
Net cash and cash equivalents at the end of the year	\$	679,164

Cash and cash equivalents	\$	491,531
Cash and cash equivalents, restricted		187,633
Cash and cash equivalents total	\$	679,164

RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:

Change in net assets	\$	258,132
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Adjustments to reconcile change in net assets to net cash provided by operating activities:

Depreciation expense		762
Unrealized earnings on certificates of deposit		(1,740)
Increase in beneficial interest in community foundation		(4,608)
Decrease in accounts payable		(402)
Decrease in accrued expenses		(4,897)
Decrease in contract liabilities		(5,122)
Net cash provided by operating activities	\$	242,125

NOTE 1: DESCRIPTION OF THE ORGANIZATION

Family Promise of Brevard, Inc. (the "Organization") is a Florida not-for-profit committed to ending family homelessness in Brevard County by collaborating with our community to provide families the support and resources they need to put themselves on a path towards long-term housing stability.

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 (U.S. GAAP). The Financial Accounting Standards Board (FASB) provides authoritative guidance regarding U.S. GAAP through the Accounting Standards Codification (ASC) and related Accounting Standards Updates (ASUs).

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Certificate Of Deposit

The certificate has a maturity of eighteen months, with penalties for early withdrawal. Any penalties for early withdrawal would not have a material effect on the financial statements. The certificate had an interest rate of 2.176% at December 31, 2020. The certificate is measured at cost plus accrued interest.

Property, Plant and Equipment

Fixed assets are recorded at cost. The Organization capitalizes all property greater than \$1,000. Expenses which materially increase values, change capacities, or extend useful lives are capitalized. Donations of property and equipment are recorded at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Depreciation is computed on the straight-line method over the following estimated useful lives:

	<u>Years</u>
Equipment	5

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Assets

The Organization reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve and relocation reserve.

Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature; such as those that are restricted by a donor that the resources be maintained in perpetuity.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

Revenue Recognition

Ticket sales for special events are accounted for under ASC Topic 606, *Revenue from Contracts with Customers* (ASC 606), recognizing revenue when performance obligations under the terms of the contracts with customers are satisfied.

Contributions and grants are recognized when cash, other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met or the donor has explicitly released the restriction.

Donated Assets

Donated investments and other noncash donations are recorded as contributions at their fair values at the date of donation.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Donated Services

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. Volunteers also provided program services throughout the year that are not recognized as contributions in the financial statements since the recognition criteria were not met. For the year ending December 31, 2020, volunteers provided \$123,000 of services for the shelter program that was not recorded in the financial statements.

Functional Allocation of Expense

Directly identifiable expenses are charged to programs services, management and general or fundraising. Expenses that are allocated include equipment, professional services, rent and utilities, repair and maintenance, salaries and benefits, supplies, and travel, which are allocated on the basis of time and effort.

Income Taxes

The Organization is exempt from income tax under Section 501(c)(3) of the U.S. Internal Revenue Code and has been determined to be an organization which is not a private foundation. Contributions to the Organization qualify as charitable contributions.

The Organization utilizes the accounting requirements associated with uncertainty in income taxes using the provisions of Financial Accounting Standards Board (FASB) ASC 740, *Income Taxes*. Using that guidance, tax positions initially need to be recognized in the financial statements when it is more-likely-than-not the positions will be sustained upon examination by the tax authorities. It also provides guidance for derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. As of December 31, 2020, the Organization has no uncertain tax provisions that qualify for recognition or disclosure in the financial statements. The Organization believes it is no longer subject to income tax examinations for years prior to 2017.

Subsequent Events

Management has evaluated subsequent events through April 29, 2021, the date which the financial statements were made available to be issued, and determined there were no events that occurred that required disclosure.

Recent Accounting Pronouncements Not Yet Adopted

In February 2016, the FASB issued ASU 2016-02, *Leases* (Topic 842). The guidance in this ASU and its amendments superseded the leasing guidance in Topic 840, entitled *Leases*. Under the guidance, lessees are required to recognize lease assets and lease liabilities on the statement of financial position for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of activities. For nonpublic entities, the standard is effective for fiscal years beginning after December 15, 2021. Early adoption is permitted. The Organization is currently evaluating the impact of the guidance on its financial statements.

Family Promise of Brevard, Inc.
Notes to Financial Statements

NOTE 3: FINANCIAL ASSET AVAILABILITY

The Organization's liquidity management has structured its financial assets to be available for its general expenditures and other obligations that come due. There is an operating reserve established by the Board of Directors that may be drawn upon in the event of financial distress or immediate liquidity need upon approval of the Board of Directors. In the event of an unanticipated liquidity need, the Organization also could draw upon the quasi-endowment with a two-third vote by the Organization's Board of Directors.

Financial Assets at December 31, 2020	\$ 786,399
Less those available for general expenditures within one year, due to :	
Restricted by donors with purpose restrictions	(187,633)
Board Designations:	
Quasi-endowment fund, primarily for long-term investing	(28,043)
Operating reserve	(171,902)
Relocation	(171,902)
Financial assets available to meet cash needs for general expenditures within one year	\$ 226,919

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, are comprised of the following:

Cash and cash equivalents	\$ 226,919
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NOTE 4: EQUIPMENT

Equipment at December 31, 2020 consisted of the following:

Equipment	\$ 4,574
Less: accumulated depreciation	(4,574)
Equipment, net	\$ -

Depreciation expense for the year ended December 31, 2020 was \$762.

NOTE 5: NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at December 31, 2020 consisted of the following:

Subject to expenditure for specified purpose	
Prevention program	\$ 93,433
Technology	25,000
Relocation	69,200
Total net assets with donor restrictions	\$ 187,633

Family Promise of Brevard, Inc.
Notes to Financial Statements

NOTE 5: NET ASSETS WITH DONOR RESTRICTIONS (Continued)

The following net assets were released from restrictions during the year ended December 31, 2020:

Purpose		
Shelter	\$	51,845
Stabilization		8,231
Prevention		154,987
Healthcare for families in shelter program		16,000
Payroll		40,500
Transportation		300
Childcare		100
Total released from restrictions	\$	271,963

NOTE 6: NET ASSETS WITHOUT DONOR RESTRICTIONS

The Board of Directors of the Organization has established an operating reserve with the objective of setting funds aside to be drawn upon in the event of financial distress or an immediate liquidity need. The operating reserve is set at 3 months of the prior fiscal year's expenses. For the year ended December 31, 2020, the operating reserve balance totaled \$171,902.

The Board of Directors of the Organization has designated funds for relocation of the resource center equal to 3 month's of the 2020 fiscal year's operating expenses. For the year ended December 31, 2020, the relocation reserve balance totaled \$171,902.

The Board of Directors of the Organization has also designated funds for a quasi- endowment, to be long-term investments. The board designated net assets for the quasi-endowment totaling \$28,043 as of December 31, 2020 (See Note 8).

NOTE 7: REVENUE

The Organization is recognizing revenue as the performance obligations are satisfied at a point in time for its special events revenue. Contract liabilities are recognized for payments received in advance of the performance obligations being satisfied for the special events. The Organization had no contracts assets at the beginning or end of the year.

Family Promise of Brevard, Inc.
Notes to Financial Statements

NOTE 7: REVENUE (Continued)

Disaggregated Revenue

A summary of disaggregated revenue information follows:

<i>For the year ended December 31,</i>	2020
Emerald City	\$ 158,689
Golf Tournament	28,045
Total revenue	\$ 186,734

The Organization's customers are primarily businesses and the general public.

<i>December 31,</i>	2020
Contract liabilities, beginning of year	\$ 5,122
Contract liabilities, end of year	\$ -

NOTE 8: QUASI-ENDOWMENT

In 2017, the Organization's board of directors designated funds of \$10,250 for the quasi-endowment, which were subsequently deposited into the Community Foundation of Brevard, Inc. In 2018, the Organization's board of directors designated another \$10,000 to be moved into the quasi-endowment. All of the accumulated investment gains are without donor restrictions. The Organization can withdraw its contributions with a two-thirds vote by the Organization's board of directors. The Community Foundation has variance power over the funds while they are invested. The Board's spending policy is that all the earnings will be voted on annually if they are to be spent or reinvested, and they expect a 5% annual rate of return. As of December 31, 2020, all earnings are to be reinvested.

Changes in the beneficial interest in community foundation for the year ended December 31, 2020 are as follows:

	Without Donor Restrictions	Accumulated Earnings	Total Quasi- Endowment
Beginning balance	\$ 20,250	\$ 3,185	\$ 23,435
Investment returns, net	-	4,608	4,608
Total	\$ 20,250	\$ 7,793	\$ 28,043

NOTE 9: CONCENTRATION OF CREDIT RISK

The Organization maintains cash accounts with several financial institutions, which are insured by the Federal Deposit Insurance Corporation (FDIC). All deposit accounts are insured up to \$250,000 by the FDIC in aggregate per financial institution. The Organization had \$175,741 in excess of the FDIC limitation as of December 31, 2020.

NOTE 10: LEASE

The Organization leases equipment, office and storage space for monthly payments ranging from \$110 to \$2,800. The leases will expire in 2021. The minimum lease payments are \$33,710 for the year ending December 31, 2021. The rent expense, including in-kind donations of \$19,719, for the year ended December 31, 2020 was \$40,639.

NOTE 11: RELATED PARTIES

The Organization purchased accounting services from a company that a Board member worked for during the year ended December 31, 2020 for \$450.

The Organization purchased printing and mailing services from a company that a Board member worked for during the year ended December 31, 2020 for \$7,984.

NOTE 12: UNCERTAINTIES

In March 2020, the World Health Organization made the assessment that the outbreak of a novel coronavirus (COVID-19) can be characterized as a pandemic. As a result, uncertainties have arisen that may have a significant negative impact on the operating activities and results of the Organization. The occurrence and extent of such an impact will depend on future developments, including (i) the duration and spread of the virus, (ii) government quarantine measures, (iii) voluntary and precautionary restrictions on travel or meetings, (iv) the effects on the financial markets, and (v) the effects on the economy overall, all of which are uncertain.

NOTE 13: CARES FUNDING

During 2020, the Organization received a Paycheck Protection Program (“PPP”) loan for \$40,500 through the CARES act. The Organization is electing to treat the PPP loan as a conditional contribution. The Organization believes it has met all the conditions for forgiveness and the entire amount is included in contributions for the year ended December 31, 2020.

During 2020, the Organization received \$7,000 from the Small Business Administration as an advance on an economic injury disaster loan, which converted into a grant and had no conditions to be met. The Organization did not execute or receive any additional loan proceeds. The \$7,000 is included in grant revenue for the year ended December 31, 2020.