

**FAMILY PROMISE OF
BREVARD, INC.**

(a nonprofit organization)

**Audited Financial Statements
and Supplementary
Information**

December 31, 2022

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Family Promise of Brevard, Inc. (the "Organization"), a nonprofit organization, which comprise the statement of financial position as of December 31, 2022, 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 our opinion, the financial statements present fairly, in all material respects, the financial position of Family Promise of Brevard, Inc. as of December 31, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Family Promise of Brevard, Inc. 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 opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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 Family Promise of Brevard, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's 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 auditor's 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 generally accepted auditing standards 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.

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

In performing an audit in accordance with generally accepted auditing standards 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 Family Promise of Brevard, Inc.'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 Family Promise of Brevard, Inc.'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 accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is 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 auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards 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 August 30, 2023, 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.

Moss, Krusick & Associates, LLC

Winter Park, Florida
August 30, 2023

FAMILY PROMISE OF BREVARD, INC
STATEMENT OF FINANCIAL POSITION

December 31, 2022

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 927,187
Cash and cash equivalents, restricted	21,361
Accounts receivable	220,821
Grants receivable	6,697
Prepaid expenses	<u>3,665</u>
Total current assets	<u>1,179,731</u>
Beneficial interest in quasi-endowment	25,255
Property and equipment, net	<u>1,514,122</u>
Total assets	<u><u>\$ 2,719,108</u></u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$ 22,942
Accrued expenses	<u>11,499</u>
Total current liabilities	<u>34,441</u>

NET ASSETS

Without donor restrictions	1,956,208
Without donor restrictions - board designated	380,357
With donor restrictions	<u>348,102</u>
Total net assets	<u>2,684,667</u>
Total liabilities and net assets	<u><u>\$ 2,719,108</u></u>

The accompanying notes are an integral part of these financial statements.

FAMILY PROMISE OF BREVARD, INC.

STATEMENT OF ACTIVITIES

Year Ended December 31, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUE AND SUPPORT			
Federal grants	\$ 1,485,833	\$ -	\$ 1,485,833
State grants	10,219	-	10,219
Corporate grants	22,737	312,261	334,998
Contributions	537,229	254,341	791,570
Special events	97,548	-	97,548
Other income	49	-	49
Contributions of non-financial assets	126,558	-	126,558
Investment income (loss)	(3,890)	-	(3,890)
Net assets released from restrictions	461,720	(461,720)	-
Total revenue and support	<u>2,738,003</u>	<u>104,882</u>	<u>2,842,885</u>
EXPENSES			
Special program services	176,107	-	176,107
Program services	709,410	-	709,410
Supporting services	250,837	-	250,837
Total expenses	<u>1,136,354</u>	<u>-</u>	<u>1,136,354</u>
Change in net assets	1,601,649	104,882	1,706,531
Net assets, beginning of year	<u>734,916</u>	<u>243,220</u>	<u>978,136</u>
Net assets, end of year	<u>\$ 2,336,565</u>	<u>\$ 348,102</u>	<u>\$ 2,684,667</u>

The accompanying notes are an integral part of these financial statements.

FAMILY PROMISE OF BREVARD, INC.

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2022

	Special Program Services				Program Services				Supporting Services			Total Expenses
	Firehouse Relocation	Elevate Brevard	Elevate Brevard FPOB	Special Program Subtotal	Shelter	Stabilization	Prevention	Program Subtotal	Management and General	Fundraising	Supporting Subtotal	
Salaries and benefits	\$ -	\$ 76,666	\$ 24,356	\$ 101,022	\$ 101,213	\$ 127,147	\$ 104,238	\$ 332,598	\$ 84,878	\$ 87,388	\$ 172,266	\$ 605,886
Rent and utilities for families	-	9,632	-	9,632	21,983	86,012	125,288	233,283	-	151	151	243,066
Non-financial expenses	-	13,289	13,289	26,578	26,577	26,577	26,577	79,731	13,921	6,328	20,249	126,558
Rent and utilities	1,270	58	8,841	10,169	8,899	8,899	8,899	26,697	1,457	2,119	3,576	40,442
Professional services	5,535	3,000	386	8,921	236	236	1,056	1,528	14,754	5,921	20,675	31,124
Travel	-	6,015	-	6,015	6,248	4,588	2,886	13,722	604	3,037	3,641	23,378
License, dues and subscriptions	-	2,197	1,548	3,745	2,686	1,256	2,737	6,679	1,210	8,272	9,482	19,906
Insurance	-	-	4,329	4,329	1,624	4,329	4,329	10,282	1,862	1,031	2,893	17,504
Miscellaneous expense	-	4,224	239	4,463	-	-	-	-	1,970	4,963	6,933	11,396
Supplies	-	-	709	709	744	709	888	2,341	2,630	2,376	5,006	8,056
Advertising	-	-	-	-	-	-	-	-	-	5,507	5,507	5,507
Communication	-	-	524	524	793	878	878	2,549	328	130	458	3,531
Total expenses	\$ 6,805	\$ 115,081	\$ 54,221	\$ 176,107	\$ 171,003	\$ 260,631	\$ 277,776	\$ 709,410	\$ 123,614	\$ 127,223	\$ 250,837	\$ 1,136,354

The accompanying notes are an integral part of these financial statements.

FAMILY PROMISE OF BREVARD, INC.

STATEMENT OF CASH FLOWS

Year Ended December 31, 2022

CASH FLOWS FROM OPERATING ACTIVITIES

Increase in net assets	\$ 1,706,531
Adjustments to reconcile net increase in net assets to net cash provided by operating activities:	
(Increase) decrease in assets:	
Accounts receivable	(209,421)
Grants receivable	7,033
Prepaid expenses	(3,087)
Quasi endowment fund	5,383
Increase (decrease) in liabilities:	
Accounts payable	16,805
Accrued expenses	4,304
Contract liabilities	(5,505)
	<hr/>
Net cash provided by operating activities	1,522,043

CASH FLOWS FROM INVESTING ACTIVITIES

Construction in progress expenditures	<hr/> (1,508,402)
Net cash used in investing activities	<hr/> (1,508,402)

Net change in cash, cash equivalents and restricted cash 13,641

Cash, cash equivalents and restricted cash and
cash equivalents at beginning of year

934,907

Cash, cash equivalents and restricted cash and
cash equivalents at end of year

\$ 948,548

**RECONCILIATION OF CASH, CASH EQUIVALENTS AND
RESTRICTED CASH AND CASH EQUIVALENTS**

Cash and cash equivalents	\$ 927,187
Restricted cash	21,361
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Cash, cash equivalents and restricted cash
and cash equivalents at end of year

\$ 948,548

The accompanying notes are an integral part of these financial statements.

Family Promise of Brevard, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of significant accounting policies followed by the Organization is as follows.

1. Nature and Purpose

Family Promise of Brevard, Inc. (the "Organization") was incorporated on August 3, 2007 and is a not-for-profit corporation located in Brevard County within the State of Florida. The Organization's purpose is to promote partnerships that will reduce and prevent homelessness. The Organization is committed to ending family homelessness in Brevard County by collaborating with the community to provide families the support and resources they need to put themselves on a path toward long-term housing stability.

2. 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 the U.S. GAAP through the Accounting Standards Codification (ASC) and related Accounting Standards Updates (ASUs).

3. Use of Estimates

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

4. Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all cash and other highly-liquid investments available for current use with an initial maturity of 90 days or less to be cash equivalents.

5. Restricted Cash and Cash Equivalents

Cash and cash equivalents has been restricted by donors in the amount of \$21,361 at year end and is not available for general operations. Restricted cash decreased by \$221,859 during the year.

6. Accounts and Grants Receivables

Accounts receivable consist of amounts due from contributions from individuals, foundations, and ticket sales and are recorded when collectible. Grants receivable consist of amount due from federal, state, and local entities and are recorded when services are provided. Based on current and historical experience, management considers all receivables to be fully collectible, and as such, no allowance for uncollectible receivables has been reported on the accompanying statement of financial position as of December 31, 2022. At December 31, 2022, the Organization has recorded accounts receivable in the amount of \$220,821 and grants receivable of \$6,697.

Family Promise of Brevard, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

7. Property, Plant, and Equipment

Fixed assets are recorded at cost. The Organization capitalizes all property greater than \$2,500. 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 useful lives:

<u>Asset Class</u>	<u>Estimated Useful Life</u>
Property under lease	20
Equipment	5

8. 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: 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 contractual agreements with creditors and others that are entered into in the course of its operations. The governing board designated, from net assets without donor restrictions, net assets for an operation reserve and relocation reserve.

- Net assets with donor restrictions: 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. When a restriction is satisfied in the same period as received, it is recorded as without restrictions.

9. Revenue Sources

The Organization receives significant support through federal, state, and local grants. In addition, the Organization receives support from donations from corporations, foundations, and individuals. Lastly, the Organization hosts fundraising events annually to provide awareness to the public, sells tickets to these events, and receives donations related to the fundraising.

Family Promise of Brevard, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

10. Revenue Recognition

The Organization follows Accounting Standards Update (ASU) 2014-09 Revenue from Contracts with Customers (ASC 606), which outlines a five-step model whereby revenue is recognized as performance obligations within a contract are satisfied, and ASU 2018-08, Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (ASC 958-605), which clarifies how transactions should be accounted or as contributions (nonreciprocal transactions) or exchange transactions and whether a contribution is conditional.

Ticket sales for special events are recognized as revenue when the event is held. Advance ticket sales are recorded as deferred revenue.

Revenue from government grants is recorded when earned, which is generally when the allowable costs of the specific grant provisions have been incurred or the performance of services rendered.

Contributions are recognized when cash, other assets, and 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. Contributions generally do not have a right of return.

Deferred grant revenue represents grant income which has been received by the Organization but has not yet been earned.

11. Donated Assets

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

12. Donated Services and Goods

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) requires specialized skills, are performed by the people with those skills, and would otherwise be purchased by the Organization. Donated goods are recorded at the fair value of the items received. For the year ending, December 31, 2022, the Organization recognized service and donated goods revenue, and recorded \$126,558 related to the contributions. In addition, the Organization has incurred expenses of \$126,558 related to these contributed services.

Volunteers also provide 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, 2022, volunteers provided \$104,958 of services for the shelter program that was not recorded in the financial statements.

13. Advertising Costs

Advertising costs are expensed as incurred. The total advertising cost for December 31, 2022 was \$5,507.

Family Promise of Brevard, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

14. Functional Allocation of Expenses

Directly identifiable expenses are charged to each programs services, management and general or fundraising. Expenses that are not directly identifiable are allocated to functional area and 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 of staff.

15. Tax Status

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 income taxes using the provisions of Financial Accounting Standards Board (FASB) ASC 704, Income Taxes. Using the 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, disclosure and transition, As of December 31, 2022, the Organization has no uncertain tax provisions that qualify for recognition or disclosure in the financial statements.

16. Subsequent Events

Management has evaluated subsequent events through August 30, 2023, the date which the financial statements were made available to be issued, and determined there were no events that occurred that required disclosure.

17. Recent Accounting Pronouncements Applicable for 2022

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. The standard was effective for 2022 and its adoption had no impact on the financial statements.

In September 2020, the FASB issued ASU No. 2020-07, *Not-for-Profit Entities* (Topic 958): *Presentation and Disclosures by Not-for-Profit Entities for Contributed Non-financial Assets*, which requires the monitoring and tracking of gifts in kind by asset category, while also noting any donor-imposed restrictions. The standard was effective for 2022 and its adoption had no impact on the financial statements.

NOTE B – CONCENTRATION OF CREDIT RISKS

The Organization maintains its cash in deposit accounts in a bank, which is covered by the Federal Deposit Insurance Corporation (FDIC). The FDIC insures the first \$250,000 of balances per depositor per institution. At December 31, 2022, the Organization had an uninsured balance of \$563,911.

Family Promise of Brevard, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE B – CONCENTRATION OF CREDIT RISKS (continued)

During 2022, the Organization received \$1,485,833 and \$10,219 of federal and state grants, respectively, under cost reimbursement agreements which are designated for specific purposes. Federal and state grants provide 53% of total revenue and support for 2022. Federal and state grant amounts received are subject to audit and adjustment at the discretion of those entities. If expenditures are disallowed as a result of these audits, the claims for reimbursement would be a liability to the Organization.

NOTE C – FINANCIAL ASSETS AND AVAILABILITY OF RESOURCES

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 event of financial distress or immediate liquidity need upon approval of the Board of Directors. Also, the Board has established a reserve for relocation expenses related to the renovation of a new facility. In the event of an unanticipated liquidity need, the Organization also could draw upon the quasi-endowment with a two-third vote by the Board.

Financial Assets at December 31, 2022:	\$ 2,719,108
Less those not available for general expenditures within one year,	
Prepaid expenses	(3,665)
Property and equipment, net	(1,514,122)
Restricted by donors with purpose restrictions	(348,102)
Board Designations:	
Quasi-endowment fund, primarily for long-term investing	(25,255)
Operating reserve	(177,551)
Relocation reserve	<u>(177,551)</u>
Financial assets available to meet cash needs for general expenditures due within one year	<u>\$ 472,862</u>

NOTE D – RELATED PARTIES

The Organization purchased printing and mailing services from a company that a Board member worked for during the year ended December 31, 2022 in the amount of \$5,016.

NOTE E – PROPERTY AND EQUIPMENT

At December 31, 2022 consists of the following:

Construction in progress	\$ 1,514,102
Property under lease	20
Equipment	4,574
Less accumulated depreciation	<u>(4,574)</u>
Property and equipment, net	<u>\$ 1,514,122</u>

Family Promise of Brevard, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE E – PROPERTY AND EQUIPMENT (continued)

On August 27, 2021, the Organization entered into a facility lease agreement to provide families support and resources to achieve long-term housing stability. The facility has an effective 20-year term with payments of \$1 per year. In order to bring the facility into operational conditions, the Organization has been approved for a reimbursable grant for \$1.4 million to renovate the facility. As of December 31, 2022, the Organization has been reimbursed \$1,514,102 of the grant for renovation and relocation expenses, which are included in construction in progress. Depreciation expense for the year ended December 31, 2022 was \$0.

NOTE F – NET ASSETS WITH DONOR RESTRICTIONS

As of December 31, 2022, net assets were comprised of the following:

Subject to expenditure for specified purpose:

Shelter program	\$ 12,950
Stabilization program	18,821
Prevention program	12,065
Operations	130,000
Elevate Brevard	71,152
Relocation	103,114
Total net assets with donor restrictions	<u>\$ 348,102</u>

The following net assets were released from restrictions during the year ended December 31, 2022:

Purpose:

Shelter	\$ 22,625
Prevention	109,588
Stabilization	26,929
Firehouse Relocation	223,200
Technology	5,117
Operations	74,261
Net assets released from restrictions	<u>\$ 461,720</u>

Family Promise of Brevard, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE G – BOARD DESIGNATIONS

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 approximately three months of prior fiscal years expenses. At December 31, 2022, the operating reserve balance totaled \$177,551.

The Board of Directors of the Organization has designated funds for relocation of the resource center equal to three months of the 2022 fiscal year's operating expenses. At December 31, 2022, the relocation reserve balance totaled \$177,551.

The Board of Directors of the Organization has also designated funds for the quasi-endowment to be long-term investments. The Board designated net assets for the quasi-endowment totaling \$25,255 as of December 31, 2022 (See Note J).

NOTE H – LEASE

The Organization leases equipment, office and storage space under short-term leases for monthly payments ranging from \$2,940 to \$3,087. All other leases will continue into the future until the completion of the firehouse project. The Organization incurred lease expenses of \$36,603 in 2022. Future minimum lease payments for the year ended December 31, 2022 are \$6,174.

NOTE I – SPECIAL EVENT REVENUE

The Organization is recognizing revenue as the performance obligations are met at a point in time for its special event revenue. A summary of disaggregated ticket revenue information for the year ended December 31, 2022 follows:

Emerald City	\$	12,910
Golf Tournament		<u>32,276</u>
Total ticket revenues		45,186
Sponsorship revenues		<u>102,428</u>
Special events revenues		147,614
Less special event expenses		<u>(50,066)</u>
Special events revenues, net	\$	<u>97,548</u>

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

Family Promise of Brevard, Inc.

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE J – 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-third vote by the Organization's Board. 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 expected a 5% annual rate of return. Investment activity for the year ended December 31, 2022 are as follows:

	With Donor Restrictions	Accumulated Earnings	Total Quasi- Endowment
Beginning balance - January 1, 2022	\$ 20,250	\$ 10,388	\$ 30,638
Investment returns, net	-	(5,383)	(5,383)
Ending Balance - December 31, 2022	<u>\$ 20,250</u>	<u>\$ 5,005</u>	<u>\$ 25,255</u>

NOTE K – CONTRIBUTED NON-FINANCIAL ASSETS

Donated goods include groceries, cleaning supplies, and other household items for program purposes. Other donated services include clinical hours and meals provided for families. For the year ended December 31, 2022, contributed non-financial assets recognized within the statements of activities included:

Household Items	\$ 42,127
Meals for Families	40,572
Hotel/Transportation	20,736
Inter Hours Clinical	15,028
Other	8,095
	<u>\$ 126,558</u>

NOTE L – COMMITMENTS AND CONTINGENCIES

During 2021 and 2022, the Organization entered into cost reimbursement agreements with Brevard Homeless Coalition, Inc. (BHC) expiring through June 30, 2023. The agreements include awards for coronavirus and homeless activities, emergency shelter activities, rapid rehousing activities, approved renovations, service activities, financial assistance, and case management. The largest component of the agreement includes renovations for up to \$1,273,570, which the Organization has used for the construction of a firehouse.

Under the agreements, the Organization must perform community services outlined in the agreements for up to one year. In addition, renovations to the Organization's firehouse qualifies the structure as a permanent homeless shelter and is subject to a minimum period of use. Minimum period of use requires continued operation of the structure as a shelter for homeless individuals or families for minimum periods of three to ten years.

SUPPLEMENTARY INFORMATION



Partners

W. Ed Moss, Jr.
Joe M. Krusick
Cori G. Cameron
Bob P. Marchewka
Ric Perez
Renee C. Varga
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American Institute of
Certified Public
Accountants

Florida Institute of
Certified Public
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INDEPENDENT AUDITOR'S 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

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

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 of Brevard, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, 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 August 30, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Family Promise of Brevard, Inc.'s internal control over financial reporting (internal control) as a basis for designing 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 Family Promise of Brevard, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Family Promise of Brevard, Inc.'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 Family Promise of Brevard, Inc.'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 Family Promise of Brevard, Inc.'s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Family Promise of Brevard, Inc.'s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Moss, Krusick & Associates, LLC

Winter Park, Florida
August 30, 2023



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**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE
UNIFORM GUIDANCE**

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Family Promise of Brevard, Inc.’s compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Family Promise of Brevard, Inc.’s major federal programs for the year ended December 31, 2022. The Family Promise of Brevard, Inc.’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Family Promise of Brevard, Inc.’s complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Family Promise of Brevard, Inc. and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of Family Promise of Brevard, Inc.’s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Family Promise of Brevard, Inc.’s federal programs.

Auditor’s Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Family Promise of Brevard, Inc.’s compliance based on our audit. 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 generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material

Auditor's Responsibilities for the Audit of Compliance (continued)

noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Family Promise of Brevard, Inc.'s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Family Promise of Brevard, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Family Promise of Brevard, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Family Promise of Brevard, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Moss, Krusick & Associates, LLC

Winter Park, Florida
August 30, 2023

Family Promise of Brevard, Inc.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FEDERAL PROGRAMS
December 31, 2022

Section I – Summary of Auditor’s Results

Financial Statements

- | | |
|---|---------------|
| 1. Type of Auditor’s report issued: | Unmodified |
| 2. Internal control over financial reporting: | |
| a. Material weakness(es) identified? | No |
| b. Significant deficiencies identified that are not considered to be material weaknesses? | None reported |
| 3. Noncompliance material to financial statements noted? | No |

Federal Awards

- | | |
|---|---------------|
| 1. Type of Auditor’s report issued on compliance for major programs: | Unmodified |
| 2. Internal control over major programs: | |
| a. Material weakness(es) identified? | No |
| b. Significant deficiencies identified that are not considered to be material weaknesses? | None reported |
| 3. Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance? | No |
| 4. Dollar threshold used to distinguish between type A and type B programs: | \$750,000 |
| 5. Auditee qualified as low-risk auditee? | No |

Identification of major programs:

<u>Name of Federal Program or Cluster</u>	<u>ALN</u>
U.S. Department of Housing and Urban Development - - Emergency Solutions Grant	14.231

Section II – Financial Statement Findings

There were no matters related to the financial statements reported for the year ended December 31, 2022 which *Government Auditing Standards* requires to be reported in a Uniform Guidance audit.

Family Promise of Brevard, Inc.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FEDERAL PROGRAMS
December 31, 2022

Section III – Federal Award Findings and Questioned Costs

There were no matters involving federal awards that are material to a major program for the year ended December 31, 2022 which requires to be reported in a Uniform Guidance audit.

Section IV – Status of Prior Year Audit Findings

There were no findings related to federal programs reported be reported in a *Uniform Guidance* audit.

FAMILY PROMISE OF BREVARD, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2022

<u>Grantor/Program Title/Pass Through Entities</u>	<u>ALN</u>	<u>Grant Number</u>	<u>Federal Expenditures</u>
Federal Awards:			
U.S. Department of Health and Human Services			
<i>Passed through Brevard Homeless Coalition, Inc.</i>			
Temporary Assistance for Needy Families	93.558	GPZ48_FY22_FPOB (21-22)	\$ 2,659
Temporary Assistance for Needy Families	93.558	GPZ48_FY23_FPOB (22-23)	<u>8,813</u>
Total U.S. Department of Health and Human Services			11,472
U.S. Department of Housing and Urban Development			
<i>Passed through Brevard Homeless Coalition, Inc.</i>			
<i>Emergency Solutions Grant COVID</i>			
Shelter Grants (COVID-19)	14.231	GPZ48_FY22_FPOB (21-22)	220,532
Shelter Grants (COVID-19) Emergency Shelter	14.231	GPZ48_FY23_FPOB (22-23)	2,032
Shelter Grants (COVID-19) Renovation	14.231	GPZ48_FY23_FPOB (22-23)	1,130,275
<i>Emergency Solutions Grants Program</i>			
Shelter Operations	14.231	GPZ48_FY22_FPOB (21-22)	25,117
Emergency Shelter	14.231	GPZ48_FY23_FPOB (22-23)	12,356
<i>Community Development Block Grants/Entitlement Grants</i>			
Coronavirus FY 22 Melbourne	14.218	CDBGCV3_FY22_FPOB	32,439
<i>Passed through City of Cocoa</i>			
Community Development Block Grants/Entitlement Grants			
Coronavirus Cocoa	14.218	PO#79304	12,331
<i>Passed through City of Palm Bay</i>			
Community Development Block Grants/Entitlement Grants			
Coronavirus Palm Bay	14.218	FY 19-20 CDBG-CV1	26,400
Palm Bay	14.218	FY 2021-2022 CDBG	8,890
<i>Passed through City of Melbourne</i>			
Community Development Block Grants/Entitlement Grants			
Coronavirus FY 22 Melbourne	14.218	PO#23000632	895
<i>Passed through City of Titusville</i>			
Community Development Block Grants/Entitlement Grants			
Titusville	14.218	FPOB FY21/22 CDBG	<u>3,094</u>
Total Community Development Block Grants/Entitlement Grants Cluster			<u>84,049</u>
Total U.S. Department of Health and Human Services			<u>1,474,361</u>
Total Expenditures of Federal Awards			<u>\$ 1,485,833</u>

See independent auditor's report

Family Promise of Brevard, Inc.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

December 31, 2022

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of the Organization under programs of the federal government for the year ended December 31, 2022. The information in this schedule 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). Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets or cash flows of the Organization.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in 2 CFR, Part 200, Subpart E *Uniform Guidance*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown, if any, on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures.

NOTE 3 – INDIRECT COST RATES

The Organization has elected to not use the 10% de minimis indirect cost rate for its federal programs for the year ended December 31, 2022.