

FAMILY PROMISE OF SOUTH
SARASOTA COUNTY, INC.

Independent Auditor's Report
and Financial Statements

For the year ended December 31, 2019

TABLE OF CONTENTS

Independent Auditor's Report	1
Financial Statements:	
Statement of Financial Position	2
Statement of Activities	3
Statement of Functional Expenses.....	4
Statement of Cash Flows	5
Notes to the Financial Statements	6-9

Peacock & French, CPAs, P.A.

Certified Public Accountants

Frank Ray Peacock, CPA
Jeff R. French, CPA

Members
American Institute of Certified Public Accountants
Florida Institute of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Family Promise of South Sarasota County, Inc.
Venice, FL

We have audited the accompanying financial statements of Family Promise of South Sarasota County, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2019, and the related statements of activities, statement of functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

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.

Auditor's Responsibility

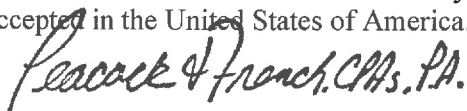
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Family Promise of South Sarasota County, Inc. as of December 31, 2019, 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.



Peacock & French, CPAs, P.A.
Venice, FL
February 17, 2020

FAMILY PROMISE OF SOUTH SARASOTA COUNTY, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2019

ASSETS			
	Without Restriction	With Donor Restriction	Total
CURRENT ASSETS			
Cash and cash equivalents	\$ 236,976	\$ -	\$ 236,976
Grants receivable	7,139	-	7,139
Prepaid expenses	4,938	-	4,938
Total Current Assets	249,053	-	249,053
NON-CURRENT ASSETS			
Security deposits	1,808	-	1,808
Property and equipment, net of \$63,269 accumulated depreciation	260,784	-	260,784
Total Non-current Assets	262,592	-	262,592
TOTAL ASSETS	511,645	-	511,645
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Accounts Payable	-	-	-
Accrued Expenses	5,232	-	5,232
Total Current Liabilities	5,232	-	5,232
NON-CURRENT LIABILITIES			
Mortgage Payable	200,000	-	200,000
Total Non-current Liabilities	200,000	-	200,000
TOTAL LIABILITIES	205,232	-	205,232
NET ASSETS			
Without Restrictions	306,413	-	306,413
With Donor Restrictions (Note D)	-	-	-
TOTAL NET ASSETS	306,413	-	306,413
TOTAL LIABILITIES AND NET ASSETS	\$ 511,645	\$ -	\$ 511,645

The accompanying notes are an integral part of this financial statement.

FAMILY PROMISE OF SOUTH SARASOTA, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2019

	Without Restriction	With Donor Restriction	Total
Revenues and Support:			
Donations	\$ 93,102	\$ -	\$ 93,102
Grants	168,292	-	168,292
County contract	26,827	-	26,827
Fundraising	78,509	-	78,509
Interest & dividends	177	-	177
Net assets released from restrictions	84,665	(84,665)	-
Total Revenues and Support	451,572	(84,665)	366,907
Expenses:			
Program - Bridge Housing	231,552	-	231,552
Program - Opening Doors	153,149	-	153,149
Supporting services	19,635	-	19,635
Fundraising expenses	6,163	-	6,163
Total Expenses	410,499	-	410,499
TOTAL INCREASE IN NET ASSETS	41,073	(84,665)	(43,592)
NET ASSETS AT BEGINNING OF YEAR	265,340	84,665	350,005
NET ASSETS AT END OF YEAR	\$ 306,413	\$ -	\$ 306,413

The accompanying notes are an integral part of this financial statement.

FAMILY PROMISE SOUTH SARASOTA COUNTY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2019

	Program Services		Supporting Services	Totals
	Bridge Housing	Opening Doors		
Advertising	\$ 3,441	\$ 3,441	\$ -	\$ 6,882
Affiliate fees	1,500	1,500	-	3,000
Auto expenses	1,721	1,527	-	3,248
Background checks	513	80	-	593
Bank service fees	-	-	90	90
Depreciation	7,039	7,039	3,519	17,597
Dues and subscriptions	891	790	-	1,681
Emergency Shelter	-	7,161	-	7,161
Employee benefits	12,956	6,619	1,499	21,074
Fundraising	-	-	6,163	6,163
Grant writer	5,936	5,936	-	11,872
Guest program services	4,042	3,086	-	7,128
Guest transportation	325	-	-	325
Host church support	1,665	-	-	1,665
Host coordinators	191	-	-	191
Legal and professional	2,223	2,223	-	4,446
Insurance expenses	4,246	4,246	-	8,492
Meals and entertainment	-	-	188	188
Office supplies	1,184	1,169	344	2,697
Postage	135	126	-	261
Payroll taxes	7,639	3,764	668	12,071
Rent	6,210	6,210	-	12,420
Rent assistance	-	33,942	-	33,942
Rent subsidies	28,701	-	-	28,701
Repairs and maintenance	3,366	287	-	3,653
Software	2,376	2,376	813	5,565
Property taxes	218	219	-	437
Taxes & licenses	135	135	-	270
Travel	2,626	2,185	1,051	5,862
Utilities	7,695	4,627	-	12,322
Wages	123,978	53,861	11,234	189,073
Miscellaneous	600	600	229	1,429
	<u>\$ 231,552</u>	<u>\$ 153,149</u>	<u>\$ 25,798</u>	<u>\$ 410,499</u>

The accompanying notes are an integral part of this financial statement.

FAMILY PROMISE SOUTH SARASOTA COUNTY, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2019

CASH FLOWS FROM OPERATING ACTIVITIES	
Increase in net assets	\$ (43,592)
Adjustments to reconcile decrease in net assets to cash provided by operating activities	
Depreciation	17,597
Increase in receivables	(5,355)
Increase in prepaid expenses	(768)
Increase in accrued expenses	1,024
Total Adjustments	<u>12,498</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	(31,094)
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of fixed assets	<u>(4,700)</u>
NET CASH USED BY INVESTING ACTIVITIES	(4,700)
NET INCREASE IN CASH AND CASH EQUIVALENTS	(35,794)
BEGINNING CASH	<u>272,770</u>
ENDING CASH	<u><u>\$ 236,976</u></u>

The accompanying notes are an integral part of this financial statement.

FAMILY PROMISE OF SOUTH SARASOTA COUNTY, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019
(See Independent Auditor's Report)

NOTE A – NATURE OF ACTIVITIES

Family Promise of South Sarasota County, Inc. (the Organization) is a not-for-profit corporation formed under Internal Revenue Code Section 501(c)(3), located in Venice, Florida. Our mission is to provide temporary shelter, meals and comprehensive services to homeless children and families helping them to achieve lasting self-sufficiency. We have developed two programs to meet our mission, Bridge Housing and Open Doors.

Bridge Housing – Combines a volunteer network of local host congregations for meals and overnight shelter along with use of the Day center for a permanent address, training and case management services. Keeping the Promise is a 'post-shelter' program offering continuing case management and support.

Opening Doors – provides the initial contact with homeless families with children and involves referrals to the appropriate agency for assistance. This program also offers Case Management, Emergency Shelter, Diversion & Prevention along with Rental Assistance.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

ASU 2016-14 requires significant changes to the financial reporting model of organizations that follow the not-for-profit reporting model. Under ASU 2016-14, classes of net assets are reduced from three (unrestricted, temporarily restricted and permanently restricted) to two. In accordance with U.S. generally accepted accounting principles ("US GAAP") the Organization now reports information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Organization's management and board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions unless the restriction is met during the current year. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the Statements of Activities.

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

FAMILY PROMISE OF SOUTH SARASOTA COUNTY, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019
(See Independent Auditor's Report)

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

For the 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.

Contributions Receivable

Unconditional promises to give are recorded at their fair market value in the period in which the Organization was notified of the promise. Conditional promises to give are not included in support until such time as the conditions are substantially met. Allowances are provided for uncollectible pledges based upon prior experience, current economic factors and knowledge of donors and their characteristics. All amounts deemed to be uncollectible are charged against the allowance for doubtful accounts in the period the determination is made. All pledges receivable are due within one fiscal year. Management considered all contributions receivable to be collectible; therefore, no allowance for doubtful accounts has been recorded as of December 31, 2019.

Contributed Services

No amounts have been reflected in the financial statement for donated services. The Organization generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization at the host congregations and day center facility, but these services do not meet the criteria for recognition as contributed services. The Organization receives more than 13,000 volunteer hours per year.

Estimates

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

Property and Equipment

The Organization capitalizes all property and equipment with a purchase cost or fair value at date of donation of \$1,000 and a useful life of more than one year. Donations of property and equipment are recorded as support at their estimated fair value. 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 stipulation regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time. During the fiscal year ended December 31, 2019, the Organization did not receive any donated property or equipment. Property and equipment are depreciated using the straight-line method over the estimated useful lives of the assets.

FAMILY PROMISE OF SOUTH SARASOTA COUNTY, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019
(See Independent Auditor's Report)

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The Organization is a not-for-profit organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Income, if any, from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. For the year ended December 31, 2019, the Organization did not have any unrelated business income.

Functional Allocation of Expenses

The Organization allocates its expenses on a functional basis among its program and support services. Expenses that can be specifically identified with a program or support services are coded directly according to their natural classifications. Other expenses that are common to several functions are allocated based upon estimates made by management.

Concentrations of Credit Risk

Financial instruments that potentially subject the Organization to credit risk include cash, accounts receivable and investments. The Organization's management attempts to prudently manage cash and cash equivalents and monitor outstanding receivables. Deposit accounts at each commercial banking institution are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000. At December 31, 2019 no amounts were uninsured.

NOTE C – PROPERTY & EQUIPMENT

At December 31, 2019 the property and equipment consisted of:

Building	\$ 211,644
Improvements	4,700
Furniture & fixtures	13,850
Vehicles	29,674
Playground	<u>64,185</u>
Total property and equipment	\$ 324,053
Less accumulated depreciation	<u>(63,269)</u>
Total Net Property and Equipment	<u>\$ 260,784</u>

Depreciation expense for the year ended December 31, 2019 was \$17,597.

NOTE D – DONOR RESTRICTED NET ASSETS

The Organization had no net assets with Donor Restrictions as of December 31, 2019.

FAMILY PROMISE OF SOUTH SARASOTA COUNTY, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2019
(See Independent Auditor's Report)

NOTE E – MORTGAGE PAYABLE

In March 2015 the Organization entered into a Sub-Recipient Agreement with Sarasota County, Florida, to utilize Community Development Block Grant funds to acquire/renovate a facility in south Sarasota County that will be used as a day resource center for homeless families. All funds provided under this agreement will be in the form of a 0%, deferred interest rate loan. The loan must be repaid to the County at the time the property is sold, transferred, no longer used to assist homeless families or 30 years, whichever occurs first.

In May 2015, the Organization purchased a building, under the terms of the Sarasota County Sub-Recipient Agreement to be used as its Day Center. Under the agreement, a \$200,000 promissory note and mortgage payable was entered with terms of 0% interest and the balance is due when either the property is sold, transferred, no longer used to assist homeless families or 30 years, whichever occurs first.

Generally accepted accounting principles require that notes exchanged for property be accounted for at the present value of the consideration exchanged between the parties at the date of the transaction. In circumstances where interest is not stated; the note, the sales price and the cost of the property exchanged for the notes shall be recorded at the fair value of the property or an amount that reasonably approximates the fair value of the note, whichever is more clearly determinable. Since the terms of the note with the county has neither an interest rate nor a set due date, it was determined that the fair value of the property was more clearly determinable. Since the Organization purchased the building from a third party in an arms-length transaction, the purchase price approximated its fair value. Therefore, the original purchase of the building and the mortgage payable are recorded at \$200,000.

NOTE F – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization has \$249,053 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditures. The financial assets consist of; cash of \$236,976, grants receivable of \$7,139, and prepaid expenses of \$4,938. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable within one year of the balance sheet date. The contributions receivable are subject to implied time restrictions but are expected to be collected within one year.

NOTE G – EVALUATION OF SUBSEQUENT EVENTS

The Organization has evaluated subsequent events after December 31, 2019 through February 17, 2020 (the date the financial statements were available for issuance) for potential recognition and disclosure. No items requiring disclosure were noted.