

**FAMILY PROMISE OF SOUTH
SARASOTA COUNTY, INC.**

**Independent Auditor's Report
and Financial Statements**

For the year ended December 31, 2022

TABLE OF CONTENTS

Independent Auditor's Report.....	1-2
Financial Statements:	
Statement of Financial Position	3
Statement of Activities.....	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to the Financial Statements	7-13

Peacock, Ellison & French, CPAs, P.A.

Certified Public Accountants

Frank Ray Peacock, CPA
Kristin S. Ellison, 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

Opinion

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, 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 referred to above present fairly, in all material respects, the financial position of Family Promise of South Sarasota County, 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. 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 South Sarasota County, 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 opinion.

Responsibilities of Management 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; 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 South Sarasota County, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibility 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 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 generally accepted 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 South Sarasota County, 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 South Sarasota County, 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.

Peacock Ellison & French CPAs P.A.

Peacock, Ellison & French, CPAs, P.A.
Venice, Florida
August 22, 2023

FAMILY PROMISE OF SOUTH SARASOTA COUNTY, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2022

	ASSETS		
	Without Restriction	With Donor Restriction	Total
CURRENT ASSETS			
Cash and cash equivalents	\$ 416,360	\$ 5,000	\$ 421,360
Grants & fees receivable	25,838	-	25,838
Prepaid expenses	26,670	-	26,670
Total Current Assets	468,868	5,000	473,868
NON-CURRENT ASSETS			
Security deposits	3,108	-	3,108
Right of use asset - operating lease	38,665	-	38,665
Property and equipment, net of \$149,268 accumulated depreciation	3,451,194	-	3,451,194
Total Non-current Assets	3,492,967	-	3,492,967
TOTAL ASSETS	\$ 3,961,835	\$ 5,000	\$ 3,966,835
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Accounts payable & accrued expenses	\$ 23,290	\$ -	\$ 23,290
Prepaid program fees	7,200	-	7,200
Program participant deposits	7,200	-	7,200
Right of Use liability - operating lease	12,000	-	12,000
Total Current Liabilities	49,690	-	49,690
NON-CURRENT LIABILITIES			
Right of use liability - operating lease	26,665	-	26,665
Mortgages payable	1,100,000	-	1,100,000
Total Non-current Liabilities	1,126,665	-	1,126,665
TOTAL LIABILITIES	1,176,355	-	1,176,355
NET ASSETS			
Without Restrictions	2,785,480	-	2,785,480
With Donor Restrictions (Note G)	-	5,000	5,000
TOTAL NET ASSETS	2,785,480	5,000	2,790,480
TOTAL LIABILITIES AND NET ASSETS	\$ 3,961,835	\$ 5,000	\$ 3,966,835

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

FAMILY PROMISE OF SOUTH SARASOTA COUNTY, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022

	Without Restriction	With Donor Restriction	Total
Revenues and Support:			
Donations & grants	\$ 1,290,359	\$ 5,000	\$ 1,295,359
Donations & grants - county	500,000	-	500,000
Program fees - county contract	55,858	-	55,858
Program fees	47,703	-	47,703
Fundraising	51,402	-	51,402
In-kind revenues	25,318	-	25,318
Interest & dividends	648	-	648
Net assets released from restrictions	1,235,765	(1,235,765)	-
Total Revenues and Support	3,207,053	(1,230,765)	1,976,288
Expenses:			
Program - Bridge Housing	193,072	-	193,072
Program - Opening Doors	220,746	-	220,746
Program - Pathways Home	224,332	-	224,332
Fundraising expenses	142,207	-	142,207
Supporting services	88,884	-	88,884
Total Expenses	869,241	-	869,241
TOTAL INCREASE IN NET ASSETS	2,337,812	(1,230,765)	1,107,047
NET ASSETS AT BEGINNING OF YEAR	447,668	1,235,765	1,683,433
NET ASSETS AT END OF YEAR	\$ 2,785,480	\$ 5,000	\$ 2,790,480

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

FAMILY PROMISE OF SOUTH SARASOTA COUNTY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022

	Program Services				Supporting Services	Fundraising	Totals
	Bridge Housing	Opening Doors	Pathways Home	Program Total			
Advertising	\$ 1,776	\$ 1,343	\$ 1,343	\$ 4,462	\$ 119	\$ 13,086	\$ 17,667
Affiliate fees	-	-	-	-	6,750	-	6,750
Auto expenses	3,162	-	-	3,162	-	-	3,162
Background checks	660	-	-	660	-	-	660
Bank service fees	326	264	481	1,071	14	561	1,646
Capital campaign	-	-	-	-	9,017	-	9,017
Depreciation	7,903	7,902	40,252	56,057	-	-	56,057
Diversion	-	20,377	-	20,377	-	-	20,377
Dues and subscriptions	912	835	835	2,582	-	-	2,582
Emergency shelter	18,820	301	-	19,121	-	-	19,121
Emergency funds	15,535	1,640	-	17,175	-	-	17,175
Employee benefits	6,778	5,423	7,111	19,312	3,475	2,284	25,071
Fundraising	-	-	-	-	-	5,454	5,454
Grant writer	-	-	-	-	-	17,929	17,929
Home goods	15,318	-	-	15,318	-	-	15,318
Interest	-	-	-	-	28,027	-	28,027
IT service	-	-	-	-	11,203	-	11,203
Legal and professional	3,400	3,300	13,300	20,000	-	-	20,000
Insurance expenses	4,072	4,370	21,467	29,909	920	1,397	32,226
Meals & meetings	566	642	639	1,847	667	-	2,514
Office lease	3,000	3,000	3,000	9,000	3,000	-	12,000
Office supplies	2,908	2,627	2,564	8,099	1,437	-	9,536
Postage & printing	407	398	398	1,203	187	10,872	12,262
Rents & rent assistance	2,000	58,114	24,723	84,837	-	-	84,837
Repairs and maintenance	4,266	1,027	15,971	21,264	820	-	22,084
Security	3,071	-	2,921	5,992	-	-	5,992
Software	3,247	3,247	3,247	9,741	1,449	1,750	12,940
Taxes & licenses	143	139	139	421	-	-	421
Travel	1,361	1,320	1,320	4,001	-	-	4,001
Utilities	11,425	4,096	16,840	32,361	1,354	-	33,715
Wages	76,164	93,497	63,357	233,018	19,084	82,799	334,901
Wages - taxes	5,852	6,884	4,424	17,160	1,361	6,075	24,596
	<u>\$ 193,072</u>	<u>\$ 220,746</u>	<u>\$ 224,332</u>	<u>\$ 638,150</u>	<u>\$ 88,884</u>	<u>\$ 142,207</u>	<u>\$ 869,241</u>

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

FAMILY PROMISE OF SOUTH SARASOTA COUNTY, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022

CASH FLOWS FROM OPERATING ACTIVITIES	
Increase in net assets	\$ 1,107,047
Adjustments to reconcile decrease in net assets to cash provided by operating activities	
Depreciation	56,057
(Increase) decrease in receivables	(22,202)
(Increase) decrease in prepaid expenses	79,228
(Increase) decrease in security deposits	(1,300)
(Decrease) increase in accounts payable & accrued expenses	5,107
(Decrease) increase in prepaid program fees	7,200
(Decrease) increase in participant deposits	7,200
Total Adjustments	<u>131,290</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	1,238,337
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of fixed assets	<u>(3,255,596)</u>
NET CASH USED BY INVESTING ACTIVITIES	(3,255,596)
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from issuance of debt	1,500,000
Payments of debt principal	<u>(600,000)</u>
NET CASH USED BY FINANCING ACTIVITIES	900,000
NET INCREASE IN CASH AND CASH EQUIVALENTS	<u>(1,117,259)</u>
BEGINNING CASH	<u>1,538,619</u>
ENDING CASH	<u><u>\$ 421,360</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, 2022
(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 three programs to meet our mission, Bridge Housing, Open Doors and Pathways Home. A fourth program, Sustainable Housing is in development.

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.

Open Doors – Provides the initial contact for 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.

Pathways Home - Provides an affordable place to live while clients work toward improved financial skills and income. Family Promise SSC will lease and own property for which the client family pays a small program fee to live in while working with case managers to overcome roadblocks to greater income and prosperity. Our goal is not simply getting families into housing; it is keeping them in housing.

Sustainable Housing – This program will provide affordable housing for the local workforce. The tenants will lease for up to a year, then can renew as long as they still qualify.

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.

FAMILY PROMISE OF SOUTH SARASOTA COUNTY, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022
(See Independent Auditor's Report)

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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, 2022.

Donated Services & Materials

Services - Contributions of time provided by legal professionals are recorded in these statements, as the criteria for recognition has been satisfied under accounting principles generally accepted in the United States of America. No amounts have been reflected in the financial statements for the many individuals that volunteer their time and perform a variety of task that assist the Organization at the host congregations and day center facility, but the services do not meet the criteria for recognition for contributed services. The Organization receives more than 13,000 volunteer hours per year.

Materials – Contributions of non-cash materials are received for the Bridge Housing home goods pantry. They are recorded at their fair value in the period received, in accordance with ASC Topic 958, Not for Profit Entities.

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, 2022, 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, 2022
(See Independent Auditor's Report)

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Leases, Right-of-Use Assets & Right-of-Use Liabilities

Effective on January 1, 2022, we adopted the provisions and expanded disclosure requirements described in Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 842, Leases. We adopted the standard using the modified retrospective method. Accordingly, the results for the prior period were not adjusted to conform to the current period measurement or recognition of results.

We determine if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use ("ROU") assets and current and noncurrent operating lease liabilities on our consolidated balance sheet.

ROU assets represent our right to use an underlying asset for the lease term and the corresponding lease liabilities represent our obligation to make lease payments arising from the lease. Lease ROU assets and lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at commencement date. The lease ROU asset is reduced for tenant incentives and excludes any initial direct costs incurred.

We have elected the package of practical expedients permitted in ASC Topic 842. Accordingly, we accounted for each of our existing operating leases as an operating lease under the new guidance, without reassessing (a) whether the contract contains a lease under ASC Topic 842, (b) whether classification of the operating lease would be different in accordance with ASC Topic 842 or (c) whether the unamortized initial direct costs before transition adjustment would have met the definition of initial direct costs in ASC Topic 842 at lease commencement. In addition, we did not elect the hindsight practical expedient to determine the reasonable certain lease term for existing leases. In addition, we do not recognize asset or least liabilities for leases with a term of 12 months or less for all of our asset classes.

Lease payments are recognized in the statement of activities on a straight-line basis over the lease term. Our lease terms may include options to extend or terminate the lease. These options are reflected in the ROU asset and lease liability when it is reasonable certain that we will exercise the option. We reassess the lease term if and when a significant event or change in circumstances occurs within our control, such as construction of significant leasehold improvements that are expected to have economic value when the option becomes exercisable.

As our leases do not provide an implicit rate, the net present value of future minimum lease payments is determined using our incremental borrowing rate. Our incremental borrowing rate is the borrowing rate on our fully amortizing term loans at the time of adoption.

FAMILY PROMISE OF SOUTH SARASOTA COUNTY, INC.
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2022
 (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, 2022, 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, 2022, \$169,969 was uninsured.

NOTE C – PROPERTY & EQUIPMENT

At December 31, 2022 the property and equipment consisted of:

Building	\$ 3,431,795
Improvements	54,288
Furniture & fixtures	17,221
Vehicles	32,973
Playground	<u>64,185</u>
Total property and equipment	\$ 3,600,462
Less accumulated depreciation	<u>(149,268)</u>
Total Net Property and Equipment	<u>\$ 3,451,194</u>

Depreciation expense for the year ended December 31, 2022 was \$56,057.

NOTE D – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization has \$442,188 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 \$416,360, and grant & fee receivable of \$25,838. None of these financial assets are subject to donor or other contractual restrictions that make them unavailable within one year of the balance sheet date. The contributions receivables are subject to implied time restrictions but are expected to be collected within one year.

FAMILY PROMISE OF SOUTH SARASOTA COUNTY, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022
(See Independent Auditor's Report)

NOTE E – LEASES

We recorded operating lease ROU assets and corresponding lease liabilities of approximately \$38,665 upon adoption of the lease standard on January 1, 2022. There was no impact on net assets.

At December 31, 2022, we had an operating lease for our office space with a remaining lease term of 40 months. Included in the expenses for the year ended December 31, 2022, office lease expense was \$12,000.

Supplemental cash flow information related to operating leases for the year ended December 31, 2022 consisted of a right-of-use asset obtained in the exchange for operating lease obligations of \$38,665.

Maturities of operating lease liabilities for the next five years and thereafter consist of the following:

Years ending December 31:

2023	\$12,000
2024	12,000
2025	12,000
2026	<u>2,665</u>
Minimum lease payments	\$38,665

NOTE F – MORTGAGE PAYABLE

DAY RESOURCE CENTER

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.

FAMILY PROMISE OF SOUTH SARASOTA COUNTY, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022
(See Independent Auditor's Report)

NOTE F – MORTGAGE PAYABLE (continued)

PARKSIDE COTTAGES UNITS 1-10

In January 2022, the Organization entered into a \$1,500,000 Commercial Mortgage, Security agreement and Promissory Note with a private lender as part of the purchase for the Parkside Cottages Units 1-10. The mortgage is due on December 31, 2024 and incurs simple interest at 2% per annum. Principal payments are to be made as the Organization raises money through its “Pathways Home” capital campaign and continue until the principal balance and any accrued interest is paid in full or until December 31, 2024 when any remaining balance is due.

NOTE G – DONOR RESTRICTED NET ASSETS

The Organization had the following donor restricted net assets as of December 31, 2022:

Open Doors – Englewood specific	\$ 5,000
---------------------------------	----------

NOTE H – CAPITAL CAMPAIGN

During 2021, the Organization raised \$1,230,765 during a public appeal. The capital campaign's focus was to raise funds for the purchase of homes to be used as affordable housing in the Bridge Housing program; specifically, 10 identified homes on Substation Road in Venice.

In January 2023, the Organization completed the purchase of the property known as Parkside Cottages (Bldgs 1-10), for the purchase price of \$2,574,000. The difference between the purchase price and the capital campaign funds raised was made with a low-interest mortgage loan of \$1,500,000 from a private lender (see Note F – Mortgage Payable above).

While securing funds for the purchase (Parkside Cottages Bldgs 1-10), the Organization granted Sarasota County a 10-year, ten percent (10%) equity and appreciation interest in the property and any improvements in return for the County's contribution. For as long as the County has the Equity Interest, the Organization cannot materially change its ownership interest in the property without at least a 30 calendar days prior written notice to the County. If the Organization receives any proceeds from any insurance, or sale of part or any disposition in all or part of the property, at any time during the 10-year period from the date of purchase, the Organization shall pay the County 10% of the gross proceeds from such sale or disposition.

During 2022, the Organization raised an additional \$1,263,172 for their capital campaign which was broadened to include the new Sustainable Housing program.

In September 2022, the Organization completed the purchase of the property known as Parkside Cottages (Bldg 11) or 550 Substation Road for the purchase price of \$575,000. This property consists of 2 units and will be utilized in the Sustainable Housing program. \$500,000 of this purchase was funded by a grant and a Land Use Restriction Agreement (LURA) from Sarasota County. The LURA stated that the funds were to be used to acquire this property which is to be used for affordable housing. Maximum allowable household income is 80% of the then current Area Median Income (AMI) for Sarasota County. The LURA terms and restriction of affordable housing runs for 30 years after the date of first occupancy, which were scheduled for January 2023.

FAMILY PROMISE OF SOUTH SARASOTA COUNTY, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022
(See Independent Auditor's Report)

NOTE I – EVALUATION OF SUBSEQUENT EVENTS

The Organization has evaluated subsequent events after December 31, 2022, through August 22, 2023 (the date the financial statements were available for issuance) for potential recognition and disclosure.

May 17, 2023 the Organization obtained an option to purchase approximately 2 acres of real property for \$1,250,000 by making a \$50,000 non-refundable deposit. Beginning on June 1, 2023 and continuing until closing, monthly payments of \$50,000 will be made and be applied to the purchase price. The purchase option expires on 4/1/2024. If the option is exercised the seller will carry the note at 3% for 14 years.