

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

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

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

## 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 .....	6-10

# 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, 2020, 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, 2020, 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  
March 12, 2021

FAMILY PROMISE OF SOUTH SARASOTA COUNTY, INC.  
STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2020

ASSETS			
	Without Restriction	With Donor Restriction	Total
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	\$ 512,184	\$ 31,098	\$ 543,282
Grants receivable	11,974	-	11,974
Prepaid expenses	2,731	-	2,731
Total Current Assets	526,889	31,098	557,987
<b>NON-CURRENT ASSETS</b>			
Security deposits	1,808	-	1,808
Property and equipment, net of \$81,934 accumulated depreciation	247,958	-	247,958
Total Non-current Assets	249,766	-	249,766
<b>TOTAL ASSETS</b>	<b>\$ 776,655</b>	<b>\$ 31,098</b>	<b>\$ 807,753</b>
LIABILITIES AND NET ASSETS			
<b>CURRENT LIABILITIES</b>			
Accounts payable	\$ 7,313	\$ -	\$ 7,313
Accrued expenses	5,509	-	5,509
PPP loans	42,901	-	42,901
Total Current Liabilities	55,723	-	55,723
<b>NON-CURRENT LIABILITIES</b>			
Mortgage payable	200,000	-	200,000
Total Non-current Liabilities	200,000	-	200,000
<b>TOTAL LIABILITIES</b>	255,723	-	255,723
<b>NET ASSETS</b>			
Without Restrictions	520,932	-	520,932
With Donor Restrictions (Note G)	-	31,098	31,098
<b>TOTAL NET ASSETS</b>	520,932	31,098	552,030
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 776,655</b>	<b>\$ 31,098</b>	<b>\$ 807,753</b>

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, 2020

	Without Restriction	With Donor Restriction	Total
Revenues and Support:			
Donations	\$ 311,536	\$ -	\$ 311,536
Grants	281,659	31,098	312,757
County contract	45,243	-	45,243
Fundraising	88,976	-	88,976
Interest & dividends	103	-	103
Net assets released from restrictions	-	-	-
<b>Total Revenues and Support</b>	<b>727,517</b>	<b>31,098</b>	<b>758,615</b>
Expenses:			
Program - Bridge Housing	233,892	-	233,892
Program - Opening Doors	248,258	-	248,258
Program - Pathways Home	3,450	-	3,450
Supporting services	21,667	-	21,667
Fundraising expenses	5,731	-	5,731
<b>Total Expenses</b>	<b>512,998</b>	<b>-</b>	<b>512,998</b>
<b>TOTAL INCREASE IN NET ASSETS</b>	<b>214,519</b>	<b>31,098</b>	<b>245,617</b>
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<b>306,413</b>	<b>-</b>	<b>306,413</b>
<b>NET ASSETS AT END OF YEAR</b>	<b>\$ 520,932</b>	<b>\$ 31,098</b>	<b>\$ 552,030</b>

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, 2020

	Program Services			Supporting Services	Totals
	Bridge Housing	Opening Doors	Pathways Home		
Advertising	\$ 57	\$ 57	\$ -	\$ -	\$ 114
Auto expenses	3,270	1,384	-	-	4,654
Background checks	243	-	-	-	243
Bank service fees	36	264	-	-	300
Depreciation	9,332	9,333	-	-	18,665
Diversion	-	27,673	-	-	27,673
Dues and subscriptions	1,172	1,072	-	-	2,244
Emergency shelter	10,552	10,496	-	-	21,048
Emergency funds	2,092	3,122	-	-	5,214
Employee benefits	10,376	3,680	-	2,514	16,570
Fundraising	-	-	-	5,731	5,731
Grant writer	6,757	6,756	-	-	13,513
Housing services	-	-	3,450	-	3,450
Legal and professional	5,726	5,726	-	1,231	12,683
Insurance expenses	4,755	3,505	-	155	8,415
Meals and entertainment	793	793	-	57	1,643
Office supplies	2,175	1,307	-	1,906	5,388
Postage	908	961	-	17	1,886
Program supplies	113	-	-	-	113
Property taxes	221	221	-	-	442
Rent	6,382	6,381	-	-	12,763
Rent assistance	3,152	85,017	-	-	88,169
Repairs and maintenance	2,313	2,313	-	513	5,139
Security	3,287	-	-	-	3,287
Software	5,030	5,030	-	1,000	11,060
Taxes & licenses	104	104	-	-	208
Travel	1,346	1,499	-	91	2,936
Utilities	6,670	4,914	-	1,098	12,682
Wages	137,609	62,049	-	12,221	211,879
Wages - taxes	9,421	4,601	-	864	14,886
	<u>\$ 233,892</u>	<u>\$ 248,258</u>	<u>\$ 3,450</u>	<u>\$ 27,398</u>	<u>\$ 512,998</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, 2020

CASH FLOWS FROM OPERATING ACTIVITIES	
Increase in net assets	\$ 245,617
Adjustments to reconcile decrease in net assets to cash provided by operating activities	
Depreciation	18,665
Increase in receivables	(4,835)
Decrease in prepaid expenses	2,207
Increase in accounts payable	7,313
Increase in accrued expenses	277
Increase in PPP loan	42,901
Total Adjustments	<u>66,528</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	312,145
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of fixed assets	<u>(5,839)</u>
NET CASH USED BY INVESTING ACTIVITIES	(5,839)
NET INCREASE IN CASH AND CASH EQUIVALENTS	<u>306,306</u>
BEGINNING CASH	<u>236,976</u>
ENDING CASH	<u><u>\$ 543,282</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, 2020  
(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.

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.

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, 2020  
(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 receivables 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, 2020.

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, 2020, 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, 2020  
(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, 2020, 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, 2020, \$178,845 was uninsured.

NOTE C – PROPERTY & EQUIPMENT

At December 31, 2020 the property and equipment consisted of:

Building	\$ 211,644
Improvements	10,538
Furniture & fixtures	13,852
Vehicles	29,673
Playground	<u>64,185</u>
Total property and equipment	\$ 329,892
Less accumulated depreciation	<u>(81,934)</u>
Total Net Property and Equipment	<u>\$ 247,958</u>

Depreciation expense for the year ended December 31, 2020 was \$18,665.

FAMILY PROMISE OF SOUTH SARASOTA COUNTY, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2020  
(See Independent Auditor's Report)

NOTE D - PPP LOAN

On April 24, 2020, the Organization received loan proceeds in the amount of \$7,600 and on May 6, 2020, the Organization received loan proceeds in the amount of \$35,301 for a total of \$42,901; both loans were under the Paycheck Protection Program ("PPP").

The PPP was established as part of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act") provides for loans to qualifying businesses. The loans and accrued interest are forgivable if the borrower uses the loan proceeds for eligible purposes and maintain its payroll levels. The amount of the loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during the qualifying period.

Any unforgiven portion of the PPP loan would be payable over two years at an interest rate of 1%, with a deferral of payments up to the first ten months. While the Organization believes that its use of the loan proceeds meet the conditions for forgiveness of the loan, there is no guarantee the loan will be forgiven.

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.

FAMILY PROMISE OF SOUTH SARASOTA COUNTY, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2020  
(See Independent Auditor's Report)

NOTE F – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization has \$526,889 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 \$512,184, grants receivable of \$11,974, and prepaid expenses of \$2,731. 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 – DONOR RESTRICTED NET ASSETS

The Organization had the following donor restricted net assets as of December 31, 2020:

Open Doors	\$ 15,119
Open Doors – North Port specific	11,265
Bridge Housing and/or Open Doors	<u>4,714</u>
	<u>\$ 31,098</u>

NOTE H – EVALUATION OF SUBSEQUENT EVENTS

The Organization has evaluated subsequent events after December 31, 2020 through March 12, 2021 (the date the financial statements were available for issuance) for potential recognition and disclosure. No items requiring disclosure were noted.