

Family Promise of Collin County

**Audit Report
Financial Statements**

December 31, 2020

Wendy Dugall, CPA
Certified Public Accountant

FAMILY PROMISE OF COLLIN COUNTY

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Management
Family Promise of Collin County

Report on the Financial Statements

I have audited the accompanying financial statements of the Family Promise of Collin County which comprise of the statement of financial position as of December 31, 2020 and the related statements of activities, functional expenses and cash flows for the year then ended.

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 the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on the audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 judgement, 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 controls 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, I express no such opinion. An audit also includes evaluating the accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Family Promise of Collin County as of December 31, 2020, and their changes in net assets and their cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Wendy Dugall, CPA
September 30, 2021
McKinney, Texas

Wendy Dugall, CPA

FAMILY PROMISE OF COLLIN COUNTY
STATEMENT OF FINANCIAL POSITION
as of December 31, 2020

	No Donor Restrictions	With Donor Restrictions	Total Funds
<u>ASSETS</u>			
Cash	\$ 108,346	\$ 22,500	\$ 130,846
Prepaid Expenses	4,242	-	4,242
Fixed Assets, Net	256	-	256
Total Assets	<u>\$ 112,844</u>	<u>\$ 22,500</u>	<u>\$ 135,344</u>
<u>LIABILITIES</u>			
Current Liabilities	\$ -	\$ -	\$ -
Deferred Income	-	22,500	22,500
Total Liabilities	<u>\$ -</u>	<u>\$ 22,500</u>	<u>\$ 22,500</u>
<u>FUND BALANCES</u>			
Net Assets Without Donor Restrictions	\$ 112,844	\$ -	\$ 112,844
Net Assets With Donor Restrictions	-	-	-
Total Fund Balances	<u>112,844</u>	<u>0</u>	<u>112,844</u>
Total Liabilities And Net Assets	<u>\$ 112,844</u>	<u>\$ 22,500</u>	<u>\$ 135,344</u>

FAMILY PROMISE OF COLLIN COUNTY
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2020

	No Donor Restrictions	With Donor Restrictions	Total
<u>PUBLIC SUPPORT AND REVENUE</u>			
<u>Public Support:</u>			
Contributions, Individual and Business	\$ 85,786	\$ -	\$ 85,786
Special Events	20,600	-	20,600
Grants	-	13,382	13,382
Interest Income	28	-	28
Net Assets Released from Restrictions	13,382	(13,382)	0
Total Public Support	\$ 119,796	\$ -	\$ 119,796
<u>Program Service Revenue:</u>			
Program Ministries	19,008	24,501	43,509
Net Assets Released from Restrictions	24,501	(24,501)	-
Total Revenue	43,509	-	43,509
Total Public Support and Revenue	\$ 163,305	\$ -	\$ 163,305
<u>EXPENSES</u>			
<u>Program Services:</u>			
Almost Home	44,413	-	44,413
God's Wheels	36,370	-	36,370
Guest Services	12,713	-	12,713
Loved Well & Lived Well	478	-	478
Support Services	22,947	-	22,947
Total Program Services	116,921	-	116,921
<u>Supporting Services:</u>			
Management and general	31,474	-	31,474
Fundraising	10,653	-	10,653
Total Supporting Services	42,127	-	42,127
TOTAL EXPENSES	159,048	-	159,048
Subtotal Increase (Decrease) in Net Assets	4,257	-	4,257
Total Increase (Decrease) in Net Assets	4,257	-	4,257
NET ASSETS, beginning of year	\$ 108,587	\$ -	\$ 108,587
NET ASSETS, end of year	\$ 112,844	\$ -	\$ 112,844

FAMILY PROMISE OF COLLIN COUNTY
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2020

	Programs	Support Services		Total
	Programs	Mgmt & General	Fundraising	
Salaries and labor	\$ 62,779	\$ 22,025	\$ 6,642	\$ 91,446
Payroll taxes	4,803	1,685	508	6,996
Total Payroll Related Expenses	<u>\$ 67,582</u>	<u>\$ 23,710</u>	<u>\$ 7,150</u>	<u>\$ 98,442</u>
Rent and Utilities	16,381	2,288	690	19,359
Guest and Support Services	9,423	-	-	9,423
Insurance	7,066	964	291	8,321
Maintenance and repairs	4,499	-	-	4,499
Administrative expenses	3,060	-	-	3,060
Telephone	1,777	624	188	2,589
Affiliation fee	1,545	542	163	2,250
Fundraising and marketing	-	-	1,793	1,793
Automobile related	1,779	-	-	1,779
Accounting and professional fees	-	1,770	-	1,770
Equipment and software	1,047	367	111	1,525
Volunteer expenses	753	265	80	1,098
Office related	591	207	63	861
Alarm and Camera expense	508	178	54	740
Banking and related fees	382	134	40	556
Promotional	-	301	-	301
Depreciation	174	61	18	253
Childcare and after school care	136	-	-	136
Background checks	95	21	-	116
Staff reimbursements	53	19	6	78
Postage	38	13	4	55
Dues and Subscriptions	31	11	3	45
TOTAL EXPENSES	<u><u>\$ 116,921</u></u>	<u><u>\$ 31,474</u></u>	<u><u>\$ 10,653</u></u>	<u><u>\$ 159,048</u></u>

FAMILY PROMISE OF COLLIN COUNTY
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2020

	No Donor Restrictions	With Donor Restrictions	Total
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Excess of income (loss)	\$ 4,257	\$ -	\$ 4,257
Change In Net Assets	\$ 4,257	\$ -	\$ 4,257
Adjustments to reconcile change in net assets to net cash used by operating activities:			
(Increase) decrease in:			
Prepaid Expenses	(4,242)	-	(4,242)
Deposits	400	-	400
Depreciation	253	-	253
Increase (decrease) in:			
Cash received for restricted purpose	-	5,000	5,000
Accounts payable and accrued expenses	(135)	-	(135)
Net Cash Provided (Used) By Operating Activities	(3,724)	5,000	1,276
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Purchase of property and equipment	-	-	-
Net Cash Provided (Used) By Investing Activities	-	-	-
Net Increase (Decrease) in Cash	533	5,000	5,533
Cash at Beginning of the Year	107,813	17,500	125,313
Cash at End of the Year	\$ 108,346	\$ 22,500	\$ 130,846

FAMILY PROMISE OF COLLIN COUNTY
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2020

NOTE 1—NATURE OF ORGANIZATION

The Family Promise of Collin County (FPOCC) is the local affiliate of a national organization that has helped families in need since 1986. FPOCC utilizes an existing resource model to mobilize community resources. Through a strategic alliance facilitated by FPOCC, area congregations join forces to help Collin County families who are in a homeless circumstance regain self-sufficiency. The FPOCC provides food, shelter, and support services to families with children as they regain sustainable independence.

The FPOCC recognizes that poverty is a multifaceted problem that requires a multifaceted response. The FPOCC responds by integrating educational outreach, smart programming, effective policies, and the hands-on work of thousands of volunteers. They provide advice and advocacy for at-risk families to prevent their becoming homeless.

The four phases of the FPOCC program for homeless prevention and support are:

Phase I – Support Services: Participants are provided with or connected to resources that meet urgent and basic needs.

Phase II – Transitional Shelter: In addition to all Phase I Support Services, families in Phase II receive 24-hour shelter, three meals per day, transportation assistance, critical support services and directional case management. Families are assigned private rooms. Their stay is approved on a 30-day incremental basis and is tied to successful program participation.

Phase III – Transitional Housing: In this phase, participants may qualify to live in private single-family homes as an independent living situation. Case management emphasizing budgeting and home economics continues a weekly basis for the first 90 days. Thereafter it is twice monthly from day 90 to 180, and then to monthly for the remainder of the family's stay. Length of stay is determined by income level and continued accountability and participation in case management.

Phase IV – Aftercare: This is the mentoring and continued sustainability phase. Participants are offered continued support via case management, budgeting, life skills classes and access to some support services based on demonstrated need and accountability.

NOTE 2—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of Family Promise of Collin County are prepared on the cash basis of accounting. Under this method of accounting, income and related expenses are recognized when received and expenses and related liabilities are recognized when incurred. Revenue at Family Promise is generated from grants, fundraising events and solicitations, and the generosity of its donors. Additional funding is received through Family Promise of Collin County's designated funds and program ministries; expenses consist mainly of staff related, client services and the support of the FPOCC's program ministries.

Fund Accounting

FPOCC's governing documents provide certain guidelines for its financial activities. To ensure observance of limitations and restrictions on the use of financial resources, the entity maintains its accounts using fund accounting. Financial resources are classified for accounting and reporting purposes in the following funds established according to their nature and purpose. Separate accounts are maintained for each fund.

FAMILY PROMISE OF COLLIN COUNTY
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2020

For reporting purposes, however, Family Promise of Collin County's financial statements have been prepared to focus on the organization as a whole and to present balances and transactions classified based upon the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported into two classes, as follows:

Net Assets Without Donor Restrictions – The part of net assets of a not-for-profit entity that is not subject to donor-imposed restrictions. These net assets are available for the overall operations of Family Promise of Collin County and certain amounts have been designated for use by management (i.e., self-imposed).

Net Assets With Donor Restrictions – Net assets subject to donor-imposed restrictions that require that the assets be maintained by Family Promise of Collin County. Generally, the donors of these assets permit the non-profit to use all or part of the income earned on related investments for general or specific purposes. There are currently Net Assets restricted donors and by the Board as Net Assets With Donor Restrictions at Family Promise of Collin County.

Estimates

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

Contributions

Family Promise of Collin County accounts for contributions in accordance with SFAS No. 116, *Accounting for Contributions Received and Contributions Made*. Contributions received are recorded as donations with or without restrictions, depending on the existence or nature of any donor restrictions. When the donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and presented in the accompanying statement of activities as net assets released from restrictions.

Promises to Give

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in donor restricted net assets depending on the nature of the restrictions. When a restriction expires, donor restricted net assets are reclassified to net assets with no donor restrictions. Allowances for uncollectible promises to give are based on management's estimates based on prior collection history.

Investments

Family Promise of Collin County accounts for investments in accordance with SFAS No. 124, *Accounting for Certain Investments Held for Not-for-Profit Organizations*. Under SFAS No. 124, investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair values in the statement of financial position. Unrealized gains and losses are included in the Statement of Activities. Investments for Family Promise of Collin County consist of interest earning bank accounts.

Cash and Cash Equivalents

For purposes of the statement of cash flows, Family Promise of Collin County considers all currency on hand and demand deposits with banks or financial institutions to be cash and cash equivalents.

FAMILY PROMISE OF COLLIN COUNTY
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2020

Donated Services

No amounts have been reflected in the financial statements for donated services. Family Promise of Collin County pays for most services requiring expertise. However, Family Promise of Collin County relies on many individuals who volunteer their time and perform a variety of tasks that help Family Promise promote and coordinate the activities of the Family Promise of Collin County.

Grants and Awards

Family Promise of Collin County receives grants and contracts from Foundations, Trusts, Local government, and Congregations for its specified purpose. The grants and awards are recognized when funds are received.

Fixed Assets

Fixed assets are carried at original cost or estimated fair value at date of donation, if donated. Depreciation is calculated the same for financial statement and tax purposes over an estimated useful life of 3 years for software and 5 years for computer related equipment and other related equipment.

Fixed Assets consist of the following at December 31:

Computer and Related

Computers	\$2,610
Accumulated Depreciation	<u>(\$2,354)</u>
Net Computer and Related	\$256

Software

Software	\$519
Accumulated Depreciation	<u>(\$519)</u>
Net Software	\$0

Functional Expenses

Expenses are charged directly to Programs, Management and General, or Fundraising categories based on specific identification.

Income Tax Status

Family Promise of Collin County is a not-for-profit Texas Corporation that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and is not considered a private foundation. Accordingly, no provision for income taxes has been made in the financial statements.

NOTE 3—RESTRICTIONS ON NET ASSETS

Net Assets without Donor Restrictions

Net assets without donor restrictions are the part of net assets of a not-for profit that is not subject to donor-imposed restrictions. Thus, they include all net assets whose use has not been restricted by donors or by law. This includes all cash and marketable securities as well as fixed assets.

FAMILY PROMISE OF COLLIN COUNTY
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2020

Net Assets with Donor Restrictions

Net assets with donor restrictions consist of the part of net assets of a not-for-profit entity that is subject to donor-imposed restrictions. As these funds are expended, the restrictions expire, the net assets are classified as net assets without donor restrictions on the statement of activities.

NOTE 4—DONATED SERVICES, MATERIALS, AND FACILITIES

Family Promise of Collin County receives donated services from a variety of unpaid volunteers assisting Family Promise in the pursuit of its mission. No amounts have been recognized in the accompanying statement of activities because the criteria for recognition of such volunteer effort under SFAS No. 116 have not been satisfied.

Periodically a vehicle will be donated for use by the families in the Family Promise program. Previous vehicles have had minimal value and have therefore not been capitalized.

NOTE 5—GRANTS

For the year ended December 31, 2020, Family Promise of Collin County received \$13,382 in Foundation, Trust, Local and Congregational grants, which accounts for 8% of the total income received in 2020.

NOTE 6—LEASE COMMITMENTS

The FPOCC has a lease agreement with the Good Shepherd United Methodist Church for the building at 750 West Lucas Road, Lucas, TX for a fee of \$500 per month. The facility is used as a Day Center for the Family Promise of Collin County.

Additional residential leases have been entered into during 2020 to provide participants with transitional housing during their time with Family Promise of Collin County. These leases are short term in nature.

NOTE 7—SUBSEQUENT EVENTS

Management has evaluated subsequent events through the issuance of the financial statements.

The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of business in 2020 and into 2021. There continues to be considerable uncertainty around the ongoing impact on non-profit and business operations. The financial impact and duration cannot be reasonable estimated at this time.