

# **Family Promise of Collin County**

## **Audit Report Financial Statements**

***December 31, 2023***

**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, 2023 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, 2023, 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 23, 2024  
McKinney, Texas

FAMILY PROMISE OF COLLIN COUNTY  
STATEMENT OF FINANCIAL POSITION  
as of December 31, 2023

	No Donor Restrictions	With Donor Restrictions	Total Funds
<b><u>ASSETS</u></b>			
Cash	\$ 75,134	\$ 37,750	\$ 112,884
Prepaid Expenses	127	-	127
Fixed Assets, Net	-	-	-
Total Assets	<u>\$ 75,261</u>	<u>\$ 37,750</u>	<u>\$ 113,011</u>
<b><u>LIABILITIES</u></b>			
Current Liabilities	\$ -	\$ -	\$ -
Deferred Income	-	37,750	37,750
Total Liabilities	\$ -	\$ 37,750	\$ 37,750
<b><u>FUND BALANCES</u></b>			
Net Assets Without Donor Restrictions	\$ 75,261	\$ -	\$ 75,261
Net Assets With Donor Restrictions	-	-	-
Total Fund Balances	<u>\$ 75,261</u>	<u>\$ -</u>	<u>\$ 75,261</u>
Total Liabilities And Net Assets	<u>\$ 75,261</u>	<u>\$ 37,750</u>	<u>\$ 113,011</u>



FAMILY PROMISE OF COLLIN COUNTY  
STATEMENT OF ACTIVITIES  
For the Year Ended December 31, 2023

	No Donor Restrictions	With Donor Restrictions	Total
<b><u>PUBLIC SUPPORT AND REVENUE</u></b>			
<b><u>Public Support:</u></b>			
Contributions, Individual and Business	\$ 119,309	\$ -	\$ 119,309
Special Events	46,332	-	46,332
Grants	6,500	-	6,500
Interest Income	410	-	410
Net Assets Released from Restrictions	-	-	0
Total Public Support	\$ 172,551	\$ -	\$ 172,551
<b><u>Program Service Revenue:</u></b>			
Program Ministries	11,880	15,210	27,090
Net Assets Released from Restrictions	15,210	(15,210)	-
Total Revenue	27,090	-	27,090
Total Public Support and Revenue	\$ 199,641	\$ -	\$ 199,641
<b><u>EXPENSES</u></b>			
<b><u>Program Services:</u></b>			
Almost Home	26,195	-	26,195
God's Wheels	5,215	-	5,215
Guest Services	5,667	-	5,667
Diversions	29,921	-	29,921
Support Services	14,748	-	14,748
Total Program Services	81,746	-	81,746
<b><u>Supporting Services:</u></b>			
Management and general	41,492	-	41,492
Fundraising	60,837	-	60,837
Total Supporting Services	102,329	-	102,329
TOTAL EXPENSES	184,075	-	184,075
Subtotal Increase (Decrease) in Net Assets	15,566	-	15,566
Total Increase (Decrease) in Net Assets	15,566	-	15,566
NET ASSETS, beginning of year	\$ 59,695	\$ -	\$ 59,695
NET ASSETS, end of year	\$ 75,261	\$ -	\$ 75,261

FAMILY PROMISE OF COLLIN COUNTY  
STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended December 31, 2023

	Programs	Support Services		
	Programs	Mgmt & General	Fundraising	Total
Salaries and labor	\$ 47,637	\$ 28,144	\$ 29,165	\$ 104,946
Payroll taxes	3,687	2,179	2,258	8,124
Total Payroll Related Expenses	\$ 51,324	\$ 30,323	\$ 31,423	\$ 113,070
Fundraising	-	-	20,164	20,164
Rent and Utilities	10,263	3,201	3,318	16,782
Diversion expense	5,605	-	-	5,605
Advertising and promotional	2,472	1,460	1,514	5,446
Insurance	2,207	1,304	1,350	4,861
Guest and Support Services	3,662	-	-	3,662
Affiliation fee	1,021	603	626	2,250
Professional fees	-	2,170	-	2,170
Office related	899	531	551	1,981
Telephone and Internet	874	516	535	1,925
Conferences and Travel	814	481	498	1,793
Automobile related	877	-	-	877
Volunteer expense	364	215	223	802
Alarm and Camera expense	298	176	182	656
Equipment	243	144	149	536
Dues and Subscriptions	179	106	110	395
Banking and related fees	127	75	77	279
Background checks	163	73	-	236
Postage	94	56	57	207
Maintenance and repairs	163	-	-	163
Software	56	33	35	124
Payroll Processing fees	41	24	26	91
TOTAL EXPENSES	\$ 81,746	\$ 41,492	\$ 60,837	\$ 184,075

See Auditors' Report

The Notes to Financial Statements Are An Integral Part of This Statement

FAMILY PROMISE OF COLLIN COUNTY  
STATEMENT OF CASH FLOWS  
For the Year Ended December 31, 2023

	No Donor Restrictions	With Donor Restrictions	Total
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>			
Excess of income (loss)	\$ 15,566	\$ -	\$ 15,566
Prior period adjustments	(74)	-	(74)
Change In Net Assets	<u>\$ 15,492</u>	<u>\$ -</u>	<u>\$ 15,492</u>
Adjustments to reconcile change in net assets to net cash used by operating activities:			
(Increase) decrease in:			
Prepaid Expenses	2,498	-	2,498
Deposits	-	-	-
Depreciation	-	-	-
Increase (decrease) in:			
Cash received for restricted purpose	-	(2,000)	(2,000)
Accounts payable and accrued expenses	-	(11,750)	(11,750)
Net Cash Provided (Used) By Operating Activities	<u>2,498</u>	<u>(13,750)</u>	<u>(11,252)</u>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>			
Purchase of property and equipment	<u>-</u>	<u>-</u>	<u>-</u>
Net Cash Provided (Used) By Investing Activities	<u>-</u>	<u>-</u>	<u>-</u>
Net Increase (Decrease) in Cash	17,990	(13,750)	4,240
Cash at Beginning of the Year	<u>57,144</u>	<u>51,500</u>	<u>108,644</u>
Cash at End of the Year	<u><u>\$ 75,134</u></u>	<u><u>\$ 37,750</u></u>	<u><u>\$ 112,884</u></u>



# FAMILY PROMISE OF COLLIN COUNTY

## NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2023

### 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. FPOCC provides food, shelter, and support services along with Shelter Diversion services, helping to prevent families from enduring the trauma of entering a shelter. FPOCC serves families with children 18 years of age and younger as they regain sustainable independence.

The FPOCC recognizes that poverty is a multifaceted problem that requires a multifaceted response. FPOCC responds by integrating educational outreach, smart programming, effective policies, and the hands-on work of thousands of volunteers. They provide case management and advocacy for families experiencing situational homelessness in Collin County.

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 – Shelter Services: 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 on 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, expenses are recorded when paid with the related revenues are recorded when received. 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, 2023

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 by 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

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, 2023

#### 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 5 years for computer related equipment and other related equipment.

Fixed Assets consist of the following at December 31:

#### Computer and Related

Computers	\$1,410
Accumulated Depreciation	<u>(\$1,410)</u>
Net Computer and Related	\$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.

#### 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.



**FAMILY PROMISE OF COLLIN COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2023**

**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, 2023, Family Promise of Collin County received \$6,500 in Foundation, Trust, Local and Congregational grants, which accounts for 3% of the total income received in 2023.

**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 \$900 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 2023 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.