

*Financial Statements*

**FAMILY PROMISE OF GREATER  
ORLANDO, INC.**

**December 31, 2018**

**FAMILY PROMISE OF GREATER ORLANDO, INC.**

**Financial Statements**

**December 31, 2018**

**(With Independent Auditor's Report Thereon)**

FAMILY PROMISE OF GREATER ORLANDO, INC.

Financial Statements

December 31, 2018

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## **Independent Auditor's Report**

The Board of Directors  
Family Promise of Greater Orlando, Inc.:

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Family Promise of Greater Orlando, Inc. which comprise the statement of financial position as of December 31, 2018, and the related statements of activities, 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 and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we 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 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 Greater Orlando, Inc. as of December 31, 2018, 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.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a report dated February 1, 2019 on our consideration of the Family Promise of Greater Orlando, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Family Promise of Greater Orlando, Inc.'s internal control over financial reporting and compliance.

*Schater, Tschagg, Whiternut, Mitchell & Shuikan, LLP*

Maitland, Florida  
February 1, 2019

FAMILY PROMISE OF GREATER ORLANDO, INC.

**Statement of Financial Position**

December 31, 2018

**Assets**

Cash and cash equivalents	\$ 101,742
Accounts receivable	55,040
Pledges receivable (note 3)	246,111
Prepaid expenses and other assets	116
Property and equipment	
Vehicles	29,454
Furniture, fixtures and equipment	15,880
Accumulated depreciation	<u>(28,959)</u>
Total property and equipment, net	16,375
Other assets (note 4)	<u>113,000</u>
Total assets	<u><u>\$ 532,384</u></u>

**Liabilities and Net Assets**

Liabilities:	
Accounts payable and accrued expenses	<u>\$ 17,753</u>
Total liabilities	<u>17,753</u>
Net assets:	
Without donor restrictions	268,520
With donor restrictions (note 3)	<u>246,111</u>
Total net assets	<u>514,631</u>
Total liabilities and net assets	<u><u>\$ 532,384</u></u>

See accompanying notes to financial statements.

FAMILY PROMISE OF GREATER ORLANDO, INC.

Statement of Activities

Year ended December 31, 2018

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Public support and revenue:			
Public support:			
Contributions:			
Individuals	\$ 144,199	101,750	245,949
Community	15,617	-	15,617
Religious organizations	31,445	-	31,445
Corporate	24,838	-	24,838
Foundations	61,832	-	61,832
In-kind	117,533	-	117,533
Other	5,359	-	5,359
Revenue:			
Government grants	232,366	-	232,366
Net assets released from restrictions	62,410	(62,410)	-
	<u>695,599</u>	<u>39,340</u>	<u>734,939</u>
Expenses:			
Program services	616,156	-	616,156
Supporting services:			
Management and general	37,334	-	37,334
Fundraising	115,434	-	115,434
Total expenses	<u>768,924</u>	<u>-</u>	<u>768,924</u>
Change in net assets	(73,325)	39,340	(33,985)
Net assets at beginning of year	<u>341,845</u>	<u>206,771</u>	<u>548,616</u>
Net assets at end of year	<u>\$ 268,520</u>	<u>246,111</u>	<u>514,631</u>

See accompanying notes to financial statements.

FAMILY PROMISE OF GREATER ORLANDO, INC.

Statement of Functional Expenses

Year ended December 31, 2018

	Program Services			Management and General	Fund Raising	Total
	Shelter/ Case Management	Housing/ Case Management	Total			
Payroll and related expenses	\$ 101,827	181,549	283,376	28,770	64,897	377,043
Client assistance	40,304	86,393	126,697	-	-	126,697
In-kind shelter facilities	56,745	-	56,745	-	-	56,745
Goods and gift cards	10,366	10,366	20,732	-	-	20,732
Meals	25,056	-	25,056	-	-	25,056
Day Center space	7,500	7,500	15,000	-	-	15,000
Business and office	19,962	15,337	35,299	2,056	6,516	43,871
Professional development	576	982	1,558	164	381	2,103
Facility costs	15,704	4,832	20,536	2,416	1,208	24,160
Depreciation	1,962	3,345	5,307	558	1,298	7,163
Insurance	6,946	2,137	9,083	1,603	-	10,686
Professional fees	5,600	9,543	15,143	1,594	3,705	20,442
Promotions	-	-	-	-	19,450	19,450
Event costs	-	-	-	-	17,576	17,576
Other	609	1,015	1,624	173	403	2,200
	<u>\$ 293,157</u>	<u>322,999</u>	<u>616,156</u>	<u>37,334</u>	<u>115,434</u>	<u>768,924</u>

See accompanying notes to financial statements.



FAMILY PROMISE OF GREATER ORLANDO, INC.

**Statement of Cash Flows**

Year ended December 31, 2018

Cash flows from operating activities:	
Change in net assets	\$ (33,985)
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Depreciation	7,163
Change in operating assets and liabilities:	
Accounts receivable	10,764
Pledges receivable	(39,340)
Prepaid expenses and other assets	1,709
Accounts payable and accrued expenses	<u>2,089</u>
Net cash used in operating activities	<u>(51,600)</u>
Cash flows from investing activities:	
Purchase of furniture and equipment	<u>(4,999)</u>
Net cash used in investing activities	<u>(4,999)</u>
Change in cash and cash equivalents	(56,599)
Cash and cash equivalents at beginning of year	<u>158,341</u>
Cash and cash equivalents at end of year	<u><u>\$ 101,742</u></u>

See accompanying notes to financial statements.

FAMILY PROMISE OF GREATER ORLANDO, INC.

**Notes to Financial Statements**

December 31, 2018

(1) **Organization and Summary of Significant Accounting Policies**

(a) **Organization and Purpose**

Family Promise of Greater Orlando, Inc. (the Organization) is a not-for-profit Florida corporation, incorporated in 2000. The Organization seeks to alleviate homelessness by uniting religious and community organizations to provide shelter, meals, and compassionate assistance to families without homes. The mission of the Organization is to help low-income families achieve and sustain independence, while increasing volunteer involvement in direct service and advocacy. In support of this mission Orange and Seminole County faith communities have committed the hearts and hands of their members, their financial resources, and/or the use of their facilities to provide safe and dignified refuge for the Organization families.

(b) **Basis of Presentation**

The accompanying financial statements are presented on the accrual basis and represent the financial position and results of operations of the Organization.

The Organization has adopted the provisions of FASB Accounting Standards Codification Topic 958, Not-for-Profit Entities.

The Organization prepares its financial statements on an entity wide basis, focusing on the organization as a whole and presents balances and transactions according to the existence or absence of donor-imposed restrictions. Net assets and revenue, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

- Net assets without donor restrictions---Net assets that are not subject to donor-imposed stipulations.
- Net assets with donor restrictions---Some donors impose restrictions that are temporary in nature, for example, stipulating that resources be used after a specified date, for particular programs or services, or to acquire buildings or equipment. Other donor-imposed restrictions that are perpetual in nature, for example, stipulating that resources be maintained in perpetuity. Laws may extend those limits to investment returns from those resources and to other enhancements (diminishments) of those resources. Thus, those laws extend donor-imposed restrictions.

FAMILY PROMISE OF GREATER ORLANDO, INC.

**Notes to Financial Statements**

December 31, 2018

(1) **Organization and Summary of Significant Accounting Policies (Continued)**

(b) **Basis of Presentation (Continued)**

Under generally accepted accounting principles, contributions are generally recognized as revenue when the gift is made and are recorded as with or without donor restrictions, depending on the presence or absence and type of donor-imposed restrictions or conditions.

The Organization displays revenue in the following two natural classifications:

Revenue---Fees earned for the performance of Organization services.

Public Support---Unconditional gifts to the Organization of cash or other assets in a voluntary nonreciprocal transfer by another entity.

Revenue and public support are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions unless their use is limited by donor-imposed restrictions. Expirations with donor restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets. Donor restricted contributions, whose restrictions are met in the same reporting period, are reported as support without donor restrictions.

Contributions, including unconditional promises to give, are recognized as revenue in the period made or received. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. Contributions of assets, materials, and facilities are recorded at their estimated fair value at the date of gift. Such values are recorded in the financial statements as an asset or expense and revenue. For the year ended December 31, 2018, in-kind contributions consisted of donated use of facilities and meals provided to client families.

Contributed services are reported as contributions at their fair market value if such services create or enhance nonfinancial assets, or would have been purchased if not provided by donation, require specialized skills, and are provided by individuals possessing such specialized skills.

FAMILY PROMISE OF GREATER ORLANDO, INC.

**Notes to Financial Statements**

December 31, 2018

(1) **Organization and Summary of Significant Accounting Policies (Continued)**

(b) **Basis of Presentation (Continued)**

A summary of donated facilities and services included in revenue and support in the accompanying statement of activities is as follows:

Day Center Space	\$ 15,000
Meals	25,056
Shelter Nights	56,745
Goods and gift cards	<u>20,732</u>
	<u>\$ 117,533</u>

A substantial number of unpaid volunteers have donated significant amounts of their time to the Organization's program and administrative services. However, due primarily to the nature of the services provided, the value of such services has not been reflected in the accompanying financial statements.

(c) **Accounts Receivable**

Accounts receivable are carried at their estimated collectible amounts and are recorded net of an allowance for doubtful accounts. The allowance for doubtful accounts is estimated by management based on the Organization's prior years' experience and a review of the current status of the existing receivables. Adjustments to the allowance for doubtful accounts are recorded to an expense account. When management determines that a receivable is uncollectible, it is removed from accounts receivable and is charged to the allowance for doubtful accounts.

(d) **Property and Equipment**

Property and equipment are stated at cost, or estimated market value at the date of receipt if donated, less accumulated depreciation. Depreciation is provided using the straight-line method over the estimated useful lives of the assets. All property expenditures in excess of \$500 are capitalized; maintenance and renewals are charged to expense as incurred.

FAMILY PROMISE OF GREATER ORLANDO, INC.

Notes to Financial Statements

December 31, 2018

(1) **Organization and Summary of Significant Accounting Policies (Continued)**

(e) **Long-Lived Assets**

The Organization follows the policy of lifting restrictions on contributions of cash and other assets received for the acquisition of long-lived assets when the long-lived assets are acquired.

In accordance with generally accepted accounting principles, long-lived assets, such as property and equipment, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If circumstances require a long-lived asset be tested for possible impairment, the Organization first compares undiscounted cash flows expected to be generated by an asset to the carrying value of the asset. If the carrying value of the long-lived asset is not recoverable on an undiscounted cash flow basis, an impairment is recognized to the extent that the carrying value exceeds its fair value. Fair value is determined through various valuation techniques including discounted cash flow models, quoted market value and third-party independent appraisals, as considered necessary. No impairment charges have been recorded in the accompanying financial statements related to long-lived assets.

(f) **Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

(g) **Functional Allocation of Expenses**

The costs of providing Organization programs and the administration of the Organization have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

(h) **Cash and Cash Equivalents**

The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

FAMILY PROMISE OF GREATER ORLANDO, INC.

**Notes to Financial Statements**

December 31, 2018

**(1) Organization and Summary of Significant Accounting Policies (Continued)**

**(i) Income Taxes**

The Organization is exempt from federal income tax under provisions of Section 501(c)(3) of the Internal Revenue Code. In addition, the Organization has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509(a) of the Code. Consequently, no provision for income taxes has been included in the accompanying financial statements.

In accordance with “Income Taxes” FASB Accounting Standards Codification Topic 740 (Topic 740), all entities are required to evaluate and disclose income tax risks. Topic 740 clarifies the accounting for uncertainty in tax positions and prescribes guidance related to the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The tax benefit from an uncertain tax position is only recognized in the statement of financial position if the tax position is more likely than not to be sustained upon an examination, based on the technical merits of the position. Interest and penalties, if any, are included in expenses in the statement of activities. As of December 31, 2018, the Organization had no uncertain tax positions that qualify for recognition or disclosure in the financial statements.

The Organization’s income tax returns are subject to review and examination by federal authorities, generally for three years after they are filed. The Organization is no longer subject to examination by taxing authorities for the years ended before December 31, 2015.

The Organization is not aware of any activities that would jeopardize its tax-exempt status and is not aware of any activities that are subject to tax on unrelated business income, excise or other taxes.

**(j) Financial Instruments Fair Value, Concentration of Business and Credit Risks**

The Organization’s financial instruments are cash and cash equivalents, restricted cash, accounts receivable, pledges receivable, accounts payable and accrued expenses and family savings held in trust. Their recorded values approximate fair value based on their short-term nature.

FAMILY PROMISE OF GREATER ORLANDO, INC.

Notes to Financial Statements

December 31, 2018

(1) **Organization and Summary of Significant Accounting Policies (Continued)**

(j) **Financial Instruments Fair Value, Concentration of Business and Credit Risks (Continued)**

Grants and contracts receivable arise as a result of the agreements with third parties to provide specified services. The grants and contracts are monitored on a monthly basis and are not collateralized.

The Organization maintains its cash balances at certain financial institutions in which balances are insured by the Federal Deposit Insurance Corporation up to \$250,000.

(k) **Subsequent Events**

In preparing these financial statements, the Organization has evaluated subsequent events and transactions for potential recognition and disclosure through February 1, 2019, which is the date the financial statements were available to be issued.

(2) **Liquidity and Availability**

As of December 31, 2018, the Organization has \$235,612 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditure. Financial assets subject to donor or other restrictions that make them unavailable for general expenditure within one year of the balance sheet date were \$176,467 as of December 31, 2018. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

The following table reflects the Organization's financial assets as of December 31, 2018 reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date.

Cash and cash equivalents	\$ 101,742
Total pledges receivable, net	255,297
Accounts receivable	55,040
	<hr/>
Total financial assets	412,079
	<hr/>
Non-current pledges receivable, net	(176,467)
	<hr/>
Financial assets available to meet cash needs for general expenditures within one year	\$ 235,612
	<hr/>

FAMILY PROMISE OF GREATER ORLANDO, INC.

**Notes to Financial Statements**

December 31, 2018

(3) **Pledges Receivable**

Pledges receivable, net of discount to present value (at a rate of 3%) and allowance for uncollectible contributions are as follows as of December 31, 2018:

Receivable in less than one year	\$ 82,430
Receivable in one to five years	<u>192,338</u>
	274,768
Less: discount to present value	<u>(16,657)</u>
	258,111
Less: allowance for uncollectible contributions	<u>(12,000)</u>
Pledges receivable, net	<u>\$ 246,111</u>

Pledges receivable are recorded as net assets with donor restrictions in the accompanying statement of financial position.

(4) **Other Assets**

Other assets consist of manufactured homes used as temporary housing for needy families. The Organization donates these homes to these families upon successful completion of the partners in housing program.

(5) **Change in Accounting Principle**

On August 18, 2016, FASB issued Accounting Standards Update (ASU) 2016-14, Not-for-Profit Entities (Topic 958) – *Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. We have implemented ASU 2016-14 and have adjusted the presentation in these financial statements accordingly. The ASU has been applied retrospectively to all periods presented.



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## **Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

### **Independent Auditor's Report**

To the Board of Directors  
Family Promise of Greater Orlando, Inc.:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Family Promise of Greater Orlando, Inc., which comprise the statements of financial position as of December 31, 2018, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 1, 2019.

### **Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Family Promise of Greater Orlando, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Family Promise of Greater Orlando, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Family Promise of Greater Orlando, Inc.'s internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the organization's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Family Promise of Greater Orlando, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Schatz, Tschoff, Whitcomb, Mitchell & Shulman, LLP*

Maitland, Florida  
February 1, 2019