

Financial Statements

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

December 31, 2021

FAMILY PROMISE OF GREATER ORLANDO, INC.

Financial Statements

December 31, 2021

(With Independent Auditor's Report Thereon)

FAMILY PROMISE OF GREATER ORLANDO, INC.

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December 31, 2021

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Independent Auditor's Report

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

Opinion

We have audited the accompanying financial statements of Family Promise of Greater Orlando, Inc. (a nonprofit corporation), which comprise the statement of financial position as of December 31, 2021, and the related statements of 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 Greater Orlando, Inc. as of December 31, 2021, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Greater Orlando, 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 the 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 Greater Orlando, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities 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 and *Government 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 and *Government 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 Greater Orlando, 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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Family Promise of Greater Orlando, 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated April 13, 2022 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 solely 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 effectiveness of Family Promise of Greater Orlando, Inc.'s 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.

Schaefer, Tschoagg, Whittemore, Mitchell & Shuilen, LLP

Maitland, Florida
April 13, 2022

FAMILY PROMISE OF GREATER ORLANDO, INC.

Statement of Financial Position

December 31, 2021

Assets

Cash and cash equivalents	\$ 319,873
Accounts receivable	290,509
Pledges receivable (note 4)	303,357
Prepaid expenses	9,059
Note receivable (note 3)	94,000
Property and equipment	
Vehicles	29,454
Furniture, fixtures and equipment	9,319
Rental properties	326,747
Leasehold improvements	3,896
Accumulated depreciation	<u>(63,497)</u>
Total property and equipment, net	<u>305,919</u>
Total assets	<u><u>\$ 1,322,717</u></u>

Liabilities and Net Assets

Liabilities:	
Accounts payable and accrued expenses	\$ 39,022
Security deposits	733
Notes payable (note 6)	<u>211,928</u>
Total liabilities	<u>251,683</u>
Commitment (note 5)	
Net assets:	
Without donor restrictions	736,188
With donor restrictions (note 7)	<u>334,846</u>
Total net assets	<u>1,071,034</u>
Total liabilities and net assets	<u><u>\$ 1,322,717</u></u>

See accompanying notes to financial statements.

FAMILY PROMISE OF GREATER ORLANDO, INC.

Statement of Activities

Year ended December 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Public support and revenue:			
Public support:			
Contributions:			
Individuals	\$ 227,292	196,907	424,199
Community	9,877	-	9,877
Religious organizations	24,031	-	24,031
Fundraising event	8,045	-	8,045
Corporate	47,990	-	47,990
Foundations	153,673	23,489	177,162
Paycheck protection program grant	10,000	-	10,000
In-kind (note 1)	143,845	-	143,845
Rental income	17,688	-	17,688
Other	503	-	503
Revenue:			
Government grants	773,169	-	773,169
Net assets released from restrictions	110,259	(110,259)	-
	1,526,372	110,137	1,636,509
Expenses:			
Program services	1,177,337	-	1,177,337
Supporting services:			
Management and general	74,276	-	74,276
Fundraising	111,965	-	111,965
	1,363,578	-	1,363,578
Total expenses	1,363,578	-	1,363,578
Change in net assets	162,794	110,137	272,931
Net assets at beginning of year	573,394	224,709	798,103
Net assets at end of year	\$ 736,188	334,846	1,071,034

See accompanying notes to financial statements.

FAMILY PROMISE OF GREATER ORLANDO, INC.

Statement of Functional Expenses

Year ended December 31, 2021

	Program Services					Management and General	Fund Raising	Total
	Prevention & Diversion	Shelter	Housing	Stabilization	Total			
Payroll and related expenses	\$ 102,242	172,194	275,366	9,907	559,709	57,489	54,850	672,048
Client assistance	92,772	179,259	98,681	18,937	389,649	-	-	389,649
In-kind services	20,406	10,192	200	-	30,798	-	-	30,798
In-kind goods and gift cards	19,504	19,504	6,205	-	45,213	-	-	45,213
In-kind meals	24,620	42,476	-	738	67,834	-	-	67,834
Business and office	3,494	7,275	11,054	-	21,823	7,024	6,230	35,077
Professional development	39	78	452	-	569	279	80	928
Facility costs	1,500	13,481	13,983	-	28,964	4,992	-	33,956
Depreciation	-	2,148	10,891	-	13,039	-	-	13,039
Insurance	500	5,693	471	-	6,664	1,795	-	8,459
Information technology	1,100	2,169	3,507	-	6,776	919	-	7,695
Professional fees	500	4,725	500	-	5,725	625	-	6,350
Promotions	-	25	-	-	25	80	10,572	10,677
Event costs	-	-	46	-	46	88	23,233	23,367
Uncollectible pledges	-	-	-	-	-	-	17,000	17,000
Other	-	13	490	-	503	985	-	1,488
	<u>\$ 266,677</u>	<u>459,232</u>	<u>421,846</u>	<u>29,582</u>	<u>1,177,337</u>	<u>74,276</u>	<u>111,965</u>	<u>1,363,578</u>

See accompanying notes to financial statements.

FAMILY PROMISE OF GREATER ORLANDO, INC.

Statement of Cash Flows

Year ended December 31, 2021

Cash flows from operating activities:	
Change in net assets	\$ 272,931
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	13,039
Forgiveness of payroll protection advance	(10,000)
Change in operating assets and liabilities:	
Accounts receivable	(51,794)
Pledges receivable	(148,265)
Prepaid expenses	(4,172)
Accounts payable and accrued expenses	13,769
Security deposits	625
Net cash provided by operating activities	<u>86,133</u>
Change in cash and cash equivalents	86,133
Cash and cash equivalents at beginning of year	<u>233,740</u>
Cash and cash equivalents at end of year	<u><u>\$ 319,873</u></u>

See accompanying notes to financial statements.

FAMILY PROMISE OF GREATER ORLANDO, INC.

Notes to Financial Statements

December 31, 2021

(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 mission of the Organization is to end family homelessness in Central Florida by collaborating with community and religious organizations to provide families the support and resources they need to put themselves on a path toward long term housing stability. The Organization offers emergency shelter, housing assistance and success coaching to support and empower families as they overcome the crisis of homelessness and achieve sustainable housing.

(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, 2021

(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, 2021, in-kind contributions consisted of services, goods and gift cards, 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, 2021

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

(b) Basis of Presentation (Continued)

A summary of donated services, goods and gift cards, and meals included in revenue and support in the accompanying statement of activities is as follows:

Meals	\$ 67,834
Services	30,798
Goods and gift cards	<u>45,213</u>
	<u>\$ 143,845</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 \$1,500 are capitalized; maintenance and renewals are charged to expense as incurred.

FAMILY PROMISE OF GREATER ORLANDO, INC.

Notes to Financial Statements

December 31, 2021

(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, 2021

(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, 2021, 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, 2018.

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, accounts receivable, short-term contributions receivable, long-term contributions receivable, prepaid expenses, note receivable, accounts payable and accrued expenses, security deposits, and notes payable.

The recorded values of cash and cash equivalents, accounts receivable, short-term contributions receivable, prepaid expenses, accounts payable and accrued expenses, and security deposits approximate fair value based on their short-term nature.

FAMILY PROMISE OF GREATER ORLANDO, INC.

Notes to Financial Statements

December 31, 2021

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

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

The recorded net present value of long-term contributions receivable approximates fair value, as the discount rate approximates market rates.

The carrying amount reported in the accompanying statement of financial position for note receivable approximates fair value because actual interest rates do not significantly differ from current rates offered for instruments with similar characteristics.

The carrying amount reported in the accompanying statement of financial position for notes payable approximates fair value because actual interest rates do not significantly differ from current rates offered for instruments with similar characteristics.

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 April 13, 2022, which is the date the financial statements were available to be issued.

(2) Liquidity and Availability

As of December 31, 2021, the Organization has \$720,340 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 \$193,399 as of December 31, 2021. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Organization receives contributions and promises to give restricted by donors, and considers contributions restricted for programs which are ongoing, major, and central to its annual operations and will be met in less than one year to be available to meet cash needs for general expenditures.

FAMILY PROMISE OF GREATER ORLANDO, INC.

Notes to Financial Statements

December 31, 2021

(2) Liquidity and Availability (Continued)

The following table reflects the Organization’s financial assets as of December 31, 2021 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	\$ 319,873
Total pledges receivable, net	303,357
Accounts receivable	<u>290,509</u>
Total financial assets	913,739
Non-current pledges receivable, net	<u>(193,399)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u><u>\$ 720,340</u></u>

(3) Note Receivable

During 2019, the Organization transferred a home to a client in the amount of \$113,000 and recorded a mortgage deed and note receivable in the amount of \$94,000. The borrower and lender agree that so long as the borrower remains the fee simple owner of the property and continues to reside on the property during the entire term of the mortgage which ends on April 18, 2024, then the principal balance of the mortgage shall not be amortized and will be forgiven.

(4) Pledges Receivable

Pledges receivable, net of discount to present value (at a rate of 3.5%) and allowance for uncollectible contributions are as follows as of December 31, 2021:

Receivable in less than one year	\$ 109,958
Receivable in one to five years	<u>256,567</u>
	366,525
Less: discount to present value	<u>(25,188)</u>
	341,337
Less: allowance for uncollectible contributions	<u>(37,980)</u>
Pledges receivable, net	<u><u>\$ 303,357</u></u>

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

FAMILY PROMISE OF GREATER ORLANDO, INC.

Notes to Financial Statements

December 31, 2021

(5) Operating Lease

The Organization leases its administrative office and Day Center space located in Orlando, Florida under an operating lease agreement. The annual rent of \$21,600 is to be paid in two parts, guaranteed rent, and non-guaranteed rent. The total non-guaranteed rent for this agreement is \$33,000. The Organization will work towards receiving contributions of materials and/or labor to be applied to the non-guaranteed rent. Once the non-guaranteed rent is satisfied, any additional contributions of materials and/or labor may be applied toward the guaranteed rent. The annual guaranteed rent will be reduced by any additional contributions, with the remaining balance of guaranteed return to be paid in 12 equal consecutive monthly installments. The guaranteed rent cannot be reduced below zero.

Approximate future minimal rental payments of guaranteed rent in connection with the Orlando lease agreement are as follows:

<u>Year Ending December 31</u>	
2022	\$ 17,000
2023	20,000
2024	7,000

Total rent expense was approximately \$14,000 during 2021 for the operating lease in Orlando, Florida.

(6) Notes Payable

During 2019, the Organization entered into two agreements with the City of Orlando, whereby the City transferred two homes to the Organization. Per the agreement, a restrictive covenant will be recorded by the City in Orange County, Florida restricting the use of the properties to provide affordable housing to low-income households throughout the 15-year affordability period starting August 31, 2010 and ending on August 31, 2035, which includes an additional 10 years for the SHIP program. To secure the Neighborhood Stabilization Program (NSP) funds invested in the properties, the Organization will grant the City a mortgage on each property and issue two promissory notes in the amounts of \$103,855 and \$108,073, respectively, which is the estimated values of each property. No payment shall be due to the City as long as the Organization complies with the NSP requirements. The Organization's failure to comply with the terms of the agreements will be considered a default under the notes and mortgages which would require repayment of the amounts due under the agreements. At the end of the affordability period, the City will cancel the notes and restrictive covenants and satisfy the mortgages. The two homes and two notes payable were recorded in the financial statements on the accompanying statement of financial position in the amount of \$211,928. The two homes are being depreciated on the straight-line method over the estimated useful lives of the homes.

FAMILY PROMISE OF GREATER ORLANDO, INC.

Notes to Financial Statements

December 31, 2021

(7) Net Assets With Donor Restrictions

Net assets with donor restrictions at December 31, 2021 are restricted for the following:

Purpose restrictions:	
Cash	\$ 31,489
Time restrictions:	
For periods after December 31	<u>303,357</u>
	<u>\$ 334,846</u>

(8) Coronavirus Pandemic

In December 2019, an outbreak of a novel strain of coronavirus (COVID-19) originated in Wuhan, China and has since spread to other countries, including the United States. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. In addition, multiple jurisdictions in the United States have declared a state of emergency. It is anticipated that the effects of the pandemic will continue for some time. With respect to the Organization's operations, future potential impacts may include disruptions or restrictions on our employees' ability to work or on our community partners, agencies, and governmental funding sources to continue to provide a consistent level of support. Changes to the operating environment may also increase operating costs. The ultimate outcome of these matters on the Organization cannot be determined at this time.

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**Independent Auditor's 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, 2021, 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 April 13, 2022.

Report on 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.

Report on 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
April 13, 2022