

FAMILY PROMISE OF THE MAIN LINE
FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2023
(WITH SUMMARIZED COMPARATIVE TOTALS AT JUNE 30, 2022)



**FAMILY PROMISE OF THE MAIN LINE
YEAR ENDED JUNE 30, 2023
(WITH SUMMARIZED COMPARATIVE TOTALS AT JUNE 30, 2022)
TABLE OF CONTENTS**

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1
FINANCIAL STATEMENTS	
Statement of Financial Position	4
Statement of Activities	5
Statement of Functional Expenses	6
Statement of Cash Flows	7
Notes to Financial Statements	8



INDEPENDENT AUDITOR'S REPORT

Board of Directors
Family Promise of the Main Line
Norristown, Pennsylvania

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Family Promise of the Main Line (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023, and the related 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 accompanying financial statements referred to above present fairly, in all material respects, the financial position of Family Promise of the Main Line as of June 30, 2023, 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 (GAAS). 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 the Main Line, and to meet our 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 these 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 the Main Line's ability to continue as a going concern within one year after the date of 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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than 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 GAAS, 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 the Main Line'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 judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Family Promise of the Main Line'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.

Board of Directors
Family Promise of the Main Line

Report on Summarized Comparative Information

The prior year summarized comparative information has been derived from Family Promise of the Main Line's 2022 financial statements and, in our report dated November 8, 2022, we expressed an unmodified opinion on the financial statements.

J. Miller & Associates, LLC

Philadelphia, Pennsylvania
December 4, 2023

FAMILY PROMISE OF THE MAIN LINE
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2023
(WITH SUMMARIZED COMPARATIVE TOTALS AS OF JUNE 30, 2022)

	2023	2022
ASSETS		
Cash and cash equivalents	\$ 889,895	\$ 684,932
Promises to give	10,000	10,000
Grants receivable	24,500	27,021
Prepaid expenses	9,445	2,082
Investment in certificates of deposit	120,372	217,466
Inventory	3,335	8,400
Property and equipment, net	170,204	127,424
TOTAL ASSETS	\$ 1,227,751	\$ 1,077,325
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	\$ 45,477	\$ 25,187
Accrued payroll and related liabilities	8,219	-
Refundable advance	8,104	-
TOTAL LIABILITIES	61,800	25,187
NET ASSETS		
Without donor restrictions	1,128,117	1,033,738
With donor restrictions	37,835	18,400
TOTAL NET ASSETS	1,165,952	1,052,138
TOTAL LIABILITIES AND NET ASSETS	\$ 1,227,751	\$ 1,077,325

See accompanying Notes to Financial Statements.

**FAMILY PROMISE OF THE MAIN LINE
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023
(WITH SUMMARIZED COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2022)**

	Without Donor Restrictions	With Donor Restrictions	2023 Total	2022 Total
REVENUE AND SUPPORT				
Grants and contributions	\$ 426,505	\$ 10,000	\$ 436,505	\$ 500,559
Host and support congregations	77,914	24,500	102,414	102,592
Contribution of nonfinancial assets	27,163	-	27,163	46,942
Fundraising	63,702	-	63,702	91,770
Less: cost of direct donor benefits	(25,595)	-	(25,595)	(20,281)
Interest income	1,939	-	1,939	291
Other income	46	-	46	357
Net assets released from donor restrictions	<u>15,065</u>	<u>(15,065)</u>	<u>-</u>	<u>-</u>
 Total Revenue and Support	 586,739	 19,435	 606,174	 722,230
EXPENSES				
Program	300,194	-	300,194	325,625
Management and general	106,665	-	106,665	67,839
Fundraising	<u>85,502</u>	<u>-</u>	<u>85,502</u>	<u>43,178</u>
 Total Expenses	 <u>492,361</u>	 <u>-</u>	 <u>492,361</u>	 <u>436,642</u>
 Change in Net Assets	 94,379	 19,435	 113,814	 285,588
 Net Assets, Beginning of Year	 <u>1,033,738</u>	 <u>18,400</u>	 <u>1,052,138</u>	 <u>766,550</u>
 Net Assets, End of Year	 <u><u>\$ 1,128,117</u></u>	 <u><u>\$ 37,835</u></u>	 <u><u>\$ 1,165,952</u></u>	 <u><u>\$ 1,052,138</u></u>

FAMILY PROMISE OF THE MAIN LINE
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2023
(WITH SUMMARIZED COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2022)

Description	Program Services	Management and General	Fundraising	Total 2023	Total 2022
Salaries	\$ 142,190	\$ 47,899	\$ 39,198	229,287	\$ 187,936
Payroll taxes	11,331	3,817	3,123	18,271	16,276
Retirement plan	4,012	1,352	1,106	6,470	5,612
Employee benefits	6,440	2,169	1,776	10,385	10,132
Total salaries and related expenses	163,973	55,237	45,203	264,413	219,956
Accounting and audit	-	12,866	-	12,866	12,897
Advertising	-	590	589	1,179	1,118
Bank and financial fees	-	1,696	-	1,696	1,513
Prevention rental assistance	7,267	-	-	7,267	33,035
Dues and subscriptions	3,750	105	376	4,231	3,124
Consultant	12,233	12,334	33,916	58,483	11,655
Guest relocation and services	30,968	-	-	30,968	34,640
In-kind resources to clients	32,228	-	-	32,228	38,542
Insurance	-	14,374	-	14,374	11,949
Legal services	-	-	-	-	2,096
Occupancy	21,649	1,139	-	22,788	25,732
Office supplies and expense	2,585	871	713	4,169	4,914
Payroll processing	-	1,704	-	1,704	1,583
Postage	186	63	51	300	612
Printing	1,829	616	505	2,950	5,819
Staff development	519	-	-	519	218
Telephone	4,293	1,446	1,184	6,923	5,854
Travel expense	927	-	-	927	-
Van expense	7,029	-	-	7,029	2,230
Depreciation	10,758	3,624	2,965	17,347	19,155
Total	\$ 300,194	\$ 106,665	\$ 85,502	\$ 492,361	\$ 436,642

See accompanying Notes to Financial Statements.

**FAMILY PROMISE OF THE MAIN LINE
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2023
(WITH SUMMARIZED COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2022)**

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 113,814	\$ 285,588
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	17,347	19,155
Decrease (Increase) in Assets:		
Promises to give	-	(10,000)
Grants receivable	2,521	179
Prepaid expenses	(7,363)	99
Inventory	5,065	(8,400)
Increase (Decrease) in liabilities:		
Accounts payable	20,290	17,656
Accrued payroll and related liabilities	8,219	-
Refundable advance	<u>8,104</u>	<u>-</u>
Net cash provided by operating activities	167,996	304,277
CASH FLOWS FROM INVESTING ACTIVITIES		
Redemption of investments in certificates of deposit	97,094	-
Purchase of property and equipment	<u>(60,127)</u>	<u>(14,745)</u>
Net cash provided/(used) by investing activities	36,967	(14,745)
NET INCREASE IN CASH	204,963	289,532
Cash and cash equivalents - beginning of year	<u>684,932</u>	<u>395,400</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 889,895</u></u>	<u><u>\$ 684,932</u></u>

See accompanying Notes to Financial Statements.

**FAMILY PROMISE OF THE MAIN LINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 1 NATURE OF ORGANIZATION

Family Promise of the Main Line (“FPML”) (formerly known as Interfaith Hospitality Network of the Main Line) is a nonprofit corporation whose mission is to help families experiencing homelessness and low-income families achieve sustainable independence through a community based response. FPML’s programs and services connect the families to community resources, empowering them to achieve and maintain affordable housing. FPML is funded by a variety of governmental and private grants and contributions.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

FPML prepares its financial statements in accordance with accounting principles generally accepted in the United States of America which involve the application of the accrual basis of accounting; consequently, revenues and gains are recognized when earned and expenses and losses are recognized when incurred.

Summarized Comparative Information

The summarized comparative information presents amounts in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with WRC’s financial statements for the year ended June 30, 2022 from which the summarized information was derived.

Cash and Cash Equivalents

FPML considers all cash and highly liquid financial instruments with an original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents.

Promises to Give

FPML records unconditional promises to give that are expected to be collected within one year at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statement of activities. FPML determines the allowance for uncollectible promises to give based on historical experience, an assessment of economic conditions, and a review of subsequent collection. Promises to give are written off when deemed uncollectible. At June 30, 2023, no allowance was deemed warranted.

Grants Receivable

Grants receivable consist primarily of noninterest-bearing amounts due for grants with cost and/or performance criteria that have been met. FPML determines the allowance for uncollectible grants receivable based on historical experience, an assessment of economic

**FAMILY PROMISE OF THE MAIN LINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

conditions, and a review of subsequent collections. Grants receivable are written off when deemed uncollectible. At June 30, 2023, no allowance was deemed warranted.

Investments

FPML records investment purchases at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statement of financial position. Net investment return/(loss) is reported in the statement of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expense.

FPML's investments consist of certificates of deposit with original maturities of greater than 90 days.

Inventory

Inventory consists of gift cards received from donors and not yet distributed. The inventory is valued at the face value of the gift card.

Property and Equipment

All acquisitions of property and equipment over \$5,000 and all expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized at cost, or if received as a gift, at fair value when acquired. Depreciation is computed on the straight-line basis over the estimated useful lives as follows:

<u>Description</u>	<u>Estimated Useful Life</u>
Building	39 years
Building Improvements	10 years
Vehicles	5 years
Office equipment	3 years

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions and may be used for any purpose in performing the primary objectives of FPML. These net assets may be used at the discretion of FPML's management and the board of directors and are considered net assets without donor restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor (or certain grantor) imposed restrictions or law. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. These donor-imposed restrictions are released when a restriction expires, that is,

**FAMILY PROMISE OF THE MAIN LINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Revenue and Revenue Recognition

FPML recognizes contributions when cash, securities or other assets, an unconditional promise to give or a notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

A portion of revenue is derived from grants with cost reimbursement or performance measures with governments, pass-through grants or other direct grantors. Amounts received are recognized as revenue when the expenditures have been incurred in compliance with specific contract or grant provisions or other performance requirements. Amounts received prior to incurring qualifying expenditures or performance are reported as refundable advances in the statement of financial position. FPML received conditional grants of \$25,000 that have not been recognized at June 30, 2023 because the qualifying expenditures have not yet been incurred or the performance criteria has not been met. No amounts have been received in advance under these types of grants.

In-Kind Contributions

Contributed nonfinancial assets include donated professional services, donated equipment, and other in-kind contributions which are recorded at the respective fair values of the goods or services received. Donated gifts-in-kind are not sold. In addition to contributed nonfinancial assets, volunteers contribute significant amounts of time to program services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. Contributed goods are recorded at fair value at the date of donation.

Functional Allocation of Expenses

The statement of functional expenses reports certain categories of expenses that are attributable to FPML's program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include payroll, payroll taxes, and benefits which are allocated on the basis of time and effort as well as insurance, occupancy costs, office supplies and expense, printing and telephone. Directly identifiable expenses, such as guest relocation and services, consultant, travel and vehicle expenses are charged to program and supporting services based upon invoices received. Management and general expenses include those expenses that are not directly identifiable with any other specific function and provide for the overall support and direction of FPML.

Income Taxes

FPML is organized as a Pennsylvania nonprofit corporation and has been recognized by the IRS as exempt from federal income taxes under IRC Section 501(a) as organizations described in IRC

**FAMILY PROMISE OF THE MAIN LINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

Section 501(c)(3), qualify for the charitable contribution deduction under IRC Sections 170(b)(1)(A)(vi) and (viii), and had been determined not to be a private foundation under IRC Sections 509(a)(1) and (3). FPML is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, FPML is subject to income tax on net income that is derived from business activities that are unrelated to its exempt purpose. FPML has determined that it is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and those differences could be material.

Financial Instruments and Credit Risk

FPML manages deposit concentration risk by placing cash, money market accounts, and certificates of deposit with financial institutions believed to be creditworthy. At times, amounts on deposit may exceed insured limits. To date, FPML has not experienced losses in any of these accounts.

NOTE 3 LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the date of the statement of financial position, comprise the following:

Cash and cash equivalents	\$ 889,895
Promises to give	10,000
Grants receivable	24,500
	<u>\$ 924,395</u>

As part of management's liquidity plan, management invests cash in excess of daily requirements in certificates of deposits or money market accounts.

NOTE 4 FAIR VALUE MEASUREMENTS

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Accounting standards set a framework for measuring fair value using a three-tier hierarchy based on the extent to which inputs used in measuring fair value are observable in the market.

Level 1: Quoted prices in active markets for identical assets or liabilities.

**FAMILY PROMISE OF THE MAIN LINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

Level 2: Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or inputs (interest rates, currency exchange rates, commodity rates and yield curves) that are observable or corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3: Inputs that are not observable in the market and reflect management's judgment about the assumptions that market participants would use in pricing the asset or liability.

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Assets:				
Certificates of deposit	<u>\$ 120,372</u>	<u>\$ -</u>	<u>\$ 120,372</u>	<u>\$ -</u>
Total assets measured at fair value	<u><u>\$ 120,372</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 120,372</u></u>	<u><u>\$ -</u></u>

NOTE 5 PROMISES TO GIVE

Unconditional promises to give of \$26,000 at June 30, 2023 are estimated to be collected within one year from the statement of financial position date.

NOTE 6 PROPERTY AND EQUIPMENT

Property and equipment consist of the following at June 30, 2023:

Land	\$ 9,235
Building and improvements	282,602
Static site development	13,063
Van	35,490
Equipment and software	<u>9,678</u>
	350,068
Less: Accumulated Depreciation	<u>(179,864)</u>
Total Property and Equipment, net	<u><u>\$ 170,204</u></u>

**FAMILY PROMISE OF THE MAIN LINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 7 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes or periods:

Subject to the passage of time:

Contributions and grants that are not restricted by donors,
but which are unavailable for expenditure until
a future time period

\$ 34,500

\$ 34,500

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the year ended June 30, 2023:

Satisfaction of time restrictions \$ 10,000

Satisfaction of purpose restrictions 5,065

\$ 15,065

NOTE 8 IN-KIND CONTRIBUTIONS

For the year ended June 30, 2023, contributed nonfinancial assets recognized in the statement of activities include the following:

Gift cards distributed \$ 5,065

Household goods, furniture,
toiletries, food and clothing 27,163

\$ 32,228

Contributed gifts cards are distributed to families in need and are recognized at the face value of the gift card.

Contributed household goods, furniture, toiletries, clothing, meals and other purchased food items are valued at fair market value considering the goods' condition and utility for use at the time of the contribution. All of these items are used in program services for families in need.

NOTE 9 RETIREMENT PLAN

FPML has a SIMPLE IRA retirement plan for the benefit of its eligible employees who meet certain requirements. FPML's contribution expense for the year ended June 30, 2023 was \$6,470.

**FAMILY PROMISE OF THE MAIN LINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 10 SUBSEQUENT EVENTS

FPML has evaluated subsequent events through December 4, 2023 the date which the financial statements were available to be issued.

