

FAMILY PROMISE OF THE MAIN LINE
FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024
(WITH SUMMARIZED COMPARATIVE TOTALS AT JUNE 30, 2023)



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YEAR ENDED JUNE 30, 2024
(WITH SUMMARIZED COMPARATIVE TOTALS AT JUNE 30, 2023)
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, 2024, 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, 2024, 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 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 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 that the financial statements are available to be issued.

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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.

Report on Summarized Comparative Information

We have previously audited Family Promise of the Main Line's June 30, 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 4, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

J. Miller & Associates, LLC

Philadelphia, Pennsylvania

October 14, 2024

FAMILY PROMISE OF THE MAIN LINE
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2024
(WITH SUMMARIZED COMPARATIVE TOTALS AS OF JUNE 30, 2023)

	2024	2023
ASSETS		
Cash and cash equivalents	\$ 665,226	\$ 889,895
Promises to give	41,468	10,000
Grants receivable	-	24,500
Prepaid expenses	2,366	9,445
Investments in certificates of deposit	124,917	120,372
Inventory - donated	3,525	3,335
Property and equipment, net	152,609	170,204
TOTAL ASSETS	\$ 990,111	\$ 1,227,751
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	\$ 23,960	\$ 45,476
Accrued payroll and related liabilities	4,172	8,219
Refundable advance	25,094	8,104
TOTAL LIABILITIES	53,226	61,799
NET ASSETS		
Without donor restrictions	893,385	1,128,117
With donor restrictions	43,500	37,835
TOTAL NET ASSETS	936,885	1,165,952
TOTAL LIABILITIES AND NET ASSETS	\$ 990,111	\$ 1,227,751

See accompanying Notes to Financial Statements.

FAMILY PROMISE OF THE MAIN LINE
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024
(WITH SUMMARIZED COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2023)

	Without Donor Restrictions	With Donor Restrictions	2024 Total	2023 Total
REVENUE AND SUPPORT				
Grants and contributions	\$ 221,905	\$ 62,000	\$ 283,905	\$ 436,505
Host and support congregations	77,552	-	77,552	102,414
Contribution of nonfinancial assets	16,615	-	16,615	27,163
Other fundraising activities	4,680	-	4,680	38,107
Interest income	24,035	-	24,035	1,939
Other income	-	-	-	46
Net assets released from donor restrictions	56,335	(56,335)	-	-
	<u>401,122</u>	<u>5,665</u>	<u>406,787</u>	<u>606,174</u>
EXPENSES				
Program	466,268	-	466,268	300,194
Management and general	147,219	-	147,219	106,665
Fundraising	22,367	-	22,367	85,501
	<u>635,854</u>	<u>-</u>	<u>635,854</u>	<u>492,360</u>
Change in Net Assets	(234,732)	5,665	(229,067)	113,814
Net Assets, Beginning of Year	<u>1,128,117</u>	<u>37,835</u>	<u>1,165,952</u>	<u>1,052,138</u>
Net Assets, End of Year	<u>\$ 893,385</u>	<u>\$ 43,500</u>	<u>\$ 936,885</u>	<u>\$ 1,165,952</u>

FAMILY PROMISE OF THE MAIN LINE
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2024
(WITH SUMMARIZED COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2023)

Description	Program Services	Management and General	Fundraising	Total 2024	Total 2023
Salaries	\$ 153,077	\$ 24,502	\$ -	177,579	\$ 229,287
Payroll taxes	12,182	2,045	-	14,227	18,271
Retirement plan	4,878	-	-	4,878	6,470
Employee benefits	11,149	242	-	11,391	10,385
Total salaries and related expenses	181,286	26,789	-	208,075	264,413
Accounting and audit	-	18,820	-	18,820	12,866
Advertising	171	171	-	342	1,179
Bank and financial fees	1,226	1,225	-	2,451	1,696
Consultant	156,457	87,975	18,999	263,431	58,483
In-kind resources to clients	16,235	-	-	16,235	27,163
In-kind gift cards disbursed from inventory	190	-	-	190	5,065
Dues and subscriptions	12,059	-	-	12,059	4,231
Fundraising costs	-	-	-	-	25,595
Guest relocation and services	14,519	-	-	14,519	30,968
Insurance	12,415	-	-	12,415	14,374
Occupancy	24,992	872	-	25,864	22,788
Office supplies and expense	2,750	4,694	3,368	10,812	4,168
Payroll processing	-	2,001	-	2,001	1,704
Postage	110	110	-	220	300
Prevention rental assistance	9,098	-	-	9,098	7,267
Printing	1,587	1,587	-	3,174	2,950
Staff development	276	-	-	276	519
Telephone	4,484	676	-	5,160	6,923
Travel expense	2,694	389	-	3,083	927
Van expense	8,534	-	-	8,534	7,029
Depreciation	17,185	1,910	-	19,095	17,347
Total	466,268	147,219	22,367	635,854	517,955
Less: expenses included with revenues on statement of activities					
Cost of direct benefit to donors	-	-	-	-	(25,595)
Total expenses include n the expense section on the statement activities	\$ 466,268	\$ 147,219	\$ 22,367	\$ 635,854	\$ 492,360

See accompanying Notes to Financial Statements.

**FAMILY PROMISE OF THE MAIN LINE
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2024
(WITH SUMMARIZED COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2023)**

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (229,067)	\$ 113,814
Adjustments to reconcile change in net assets to net cash (used in)/provided by operating activities:		
Depreciation	19,095	17,347
Inventory - donated	(190)	5,065
Decrease (Increase) in Assets:		
Promises to give	(31,468)	-
Grants receivable	24,500	2,521
Prepaid expenses	7,079	(7,363)
Increase (Decrease) in liabilities:		
Accounts payable	(21,516)	20,289
Accrued payroll and related liabilities	(4,047)	8,219
Refundable advance	16,990	8,104
	<u>(218,624)</u>	<u>167,996</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Net purchase/redemptions of investments in certificates of deposit	(4,545)	97,094
Purchase of property and equipment	(1,500)	(60,127)
	<u>(6,045)</u>	<u>36,967</u>
NET (DECREASE)/INCREASE IN CASH	(224,669)	204,963
Cash and cash equivalents - beginning of year	<u>889,895</u>	<u>684,932</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 665,226</u>	<u>\$ 889,895</u>

**FAMILY PROMISE OF THE MAIN LINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

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 (GAAP) 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 FPML’s financial statements for the year ended June 30, 2023 from which the summarized information was derived.

Cash and Cash Equivalents

FPML considers all cash and highly liquid financial instruments purchased with original maturities of three months or less 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, 2024, no allowance was deemed warranted.

**FAMILY PROMISE OF THE MAIN LINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 conditions, and a review of subsequent collections. Grants receivable are written off when deemed uncollectible. At June 30, 2024, no allowance was deemed warranted.

Investments Other

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 income.

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.

**FAMILY PROMISE OF THE MAIN LINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Assets (Continued)

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, 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 those 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 a refundable advance in the statement of financial position.

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. 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.

Functional Allocation of Expenses

The costs of providing the programs and other supporting activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by 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.

**FAMILY PROMISE OF THE MAIN LINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Allocation of Expenses (Continued)

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 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). 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. FPML follows the accounting guidance for uncertainty in income taxes and believes that it has appropriate support for any tax positions taken. As such, FPML does not have any uncertain tax positions that are material to the financial statements.

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	\$ 665,226
Promises to give	41,468
	<u>\$ 706,694</u>

**FAMILY PROMISE OF THE MAIN LINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 3 LIQUIDITY AND AVAILABILITY (CONTINUED)

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.

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>\$ 124,917</u>	<u>\$ -</u>	<u>\$ 124,917</u>	<u>\$ -</u>
Total assets measured at fair value	<u><u>\$ 124,917</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 124,917</u></u>	<u><u>\$ -</u></u>

NOTE 5 PROPERTY AND EQUIPMENT

Property and equipment consist of the following at June 30, 2024:

Land	\$ 9,235
Building and improvements	284,102
Static site development	13,063
Van	35,490
Equipment and software	9,678
	<u>351,568</u>
Less: Accumulated depreciation	<u>(198,959)</u>
Total Property and Equipment, net	<u><u>\$ 152,609</u></u>

**FAMILY PROMISE OF THE MAIN LINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 6 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 received for general operating purposes, which are unavailable for expenditure until a future time period	<u>\$ 43,500</u>
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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, 2024:

Satisfaction of time restrictions	\$ 37,835
Satisfaction of purpose restrictions	<u>18,500</u>
	<u>\$ 56,335</u>

NOTE 7 IN-KIND CONTRIBUTIONS

For the year ended June 30, 2024, contributed nonfinancial assets recognized in the statement of activities include the following:

Gift cards	\$ 3,935
Household goods, furniture, toiletries, food, and clothing	<u>12,680</u>
	16,615
Less: gift card disbursed from inventory	<u>(190)</u>
	<u>\$ 16,425</u>

Contributed gifts cards are distributed to families in need and are recognized at the face value of the gift card. Unused donated gift cards are held in inventory until used.

Contributed 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 8 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, 2024 was \$4,878.

**FAMILY PROMISE OF THE MAIN LINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 9 MANAGEMENT SERVICES AGREEMENT

FPML entered into a management services agreement with Family Promise Montco PA on February 13, 2024. FPML incurred \$51,019 in management fees during the fiscal year for support in the areas of accounting, financial reporting, communications and technology, grant writing, staff supervision, and overall support for core programs. In August 2024, both boards approved moving forward with entering into an Affiliation Agreement. Following the execution of the Affiliation Agreement and obtaining regulatory approvals, FPML's programs and activities will be transferred to Family Promise Montco PA. FPML looks forward to continuing its great work, to serve Montgomery County families with children experiencing homelessness and to help low-income families achieve sustainable independence through a community-based response.

NOTE 10 SUBSEQUENT EVENTS

FPML has evaluated subsequent events through October 14, 2024 the date which the financial statements were available to be issued. Except as noted in Note 9, there are no other material subsequent events which require disclosure.

