

Family Promise of Bergen County

Financial Statements

December 31, 2019 and 2018

Independent Auditors' Report

The Board of Trustees Family Promise of Bergen County

We have audited the accompanying financial statements of Family Promise of Bergen County (a not-for-profit organization), which comprise the statements of financial position as of December 31, 2019 and 2018, the related statements of activities and changes in net assets, functional expenses and cash flows for the years 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 auditors' 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.

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Family Promise of Bergen County as of December 31, 2019 and 2018, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

PKF O'Connor Davies, LLP

October 28, 2020

Family Promise of Bergen County

Statements of Financial Position

	December 31,	
	2019	2018
ASSETS		
Cash and cash equivalents	\$ 923,930	\$ 736,147
Restricted cash	268,680	44,352
Cash - client escrow funds	7,097	9,324
Investments, at fair value	114,668	93,478
Unconditional promises to give, net	45,967	-
Grant and other receivables	27,299	28,617
Prepaid expenses	6,146	10,447
Property and equipment, net	9,225	3,199
Security deposits	4,538	4,538
	\$ 1,407,550	\$ 930,102
LIABILITIES AND NET ASSETS		
Accounts payable	\$ 5,453	\$ 5,785
Client escrow funds	7,097	9,324
Accrued expenses	17,953	15,093
Deferred revenue	-	1,250
Total Liabilities	30,503	31,452
Net Assets		
Without donor restrictions	975,592	740,821
With donor restrictions	401,455	157,829
Total Net Assets	1,377,047	898,650
	\$ 1,407,550	\$ 930,102

Family Promise of Bergen County

Statement of Activities and Changes in Net Assets Year Ended December 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE			
Government			
Bergen County	\$ 35,983	\$ 24,000	\$ 59,983
Public Support			
Fundraising	285,568	-	285,568
Foundations	168,500	-	168,500
Contributions	590,115	222,881	812,996
Miscellaneous income	2,792	-	2,792
In-kind donations	272,673	-	272,673
Net Assets Released from Restrictions	24,445	(24,445)	-
Total Revenue	1,380,076	222,436	1,602,512
EXPENSES			
Program services			
Family Promise Network	278,902	-	278,902
New Leaf	240,780	-	240,780
Camp Lots-of-Fun	73,253	-	73,253
Homeless Prevention	14,804	-	14,804
Advocacy	19,884	-	19,884
Walk-in Dinner	219,248	-	219,248
General and administrative	63,762	-	63,762
Fundraising	249,798	-	249,798
Total Expenses	1,160,431	-	1,160,431
Change in Net Assets before Investment Return	219,645	222,436	442,081
Investment return, net	15,126	21,190	36,316
Change in Net Assets	234,771	243,626	478,397
NET ASSETS			
Beginning	740,821	157,829	898,650
Ending	\$ 975,592	\$ 401,455	\$ 1,377,047

Family Promise of Bergen County

Statement of Activities and Changes in Net Assets Year Ended December 31, 2018

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE			
Government			
Federal and Bergen County	\$ -	\$ 20,000	\$ 20,000
Public Support			
Fundraising	302,281	-	302,281
Foundations	190,009	-	190,009
Contributions	425,069	23,200	448,269
Miscellaneous income	30,631	-	30,631
In-kind donations	228,473	-	228,473
Net Assets Released from Restrictions	<u>58,729</u>	<u>(58,729)</u>	<u>-</u>
Total Revenue	<u>1,235,192</u>	<u>(15,529)</u>	<u>1,219,663</u>
EXPENSES			
Program services			
Family Promise Network	259,710	-	259,710
New Leaf	203,994	-	203,994
Camp Lots-of-Fun	68,495	-	68,495
Homeless Prevention	20,560	-	20,560
Advocacy	18,661	-	18,661
Walk-in Dinner	213,498	-	213,498
General and administrative	56,989	-	56,989
Fundraising	<u>237,645</u>	<u>-</u>	<u>237,645</u>
Total Expenses	<u>1,079,552</u>	<u>-</u>	<u>1,079,552</u>
Change in Net Assets before Investment Return	155,640	(15,529)	140,111
Investment return, net	<u>4,421</u>	<u>(6,234)</u>	<u>(1,813)</u>
Change in Net Assets	160,061	(21,763)	138,298
NET ASSETS			
Beginning	<u>580,760</u>	<u>179,592</u>	<u>760,352</u>
Ending	<u>\$ 740,821</u>	<u>\$ 157,829</u>	<u>\$ 898,650</u>

Family Promise of Bergen County

Statement of Functional Expenses
Year Ended December 31, 2019

	Program Services						Support Services			Total	
	Family Promise Network	New Leaf	Camp Lots-of-Fun	Homeless Prevention	Advocacy	Walk-in Dinner	Total Program Services	General and Administrative	Fundraising		Total Support Services
<i>Actual costs</i>											
Personnel expense	\$ 179,560	\$ 99,371	\$ 34,483	\$ 12,760	\$ 17,785	\$ 23,454	\$ 367,413	\$ 28,090	\$ 100,990	\$ 129,080	\$ 496,493
Rent - office	14,976	5,209	2,279	326	651	2,279	25,720	4,558	2,279	6,837	32,557
Telephone	584	584	146	29	146	146	1,635	701	584	1,285	2,920
Postage	513	428	877	17	86	68	1,989	171	342	513	2,502
Insurance	3,744	2,595	2,286	130	130	2,595	11,480	6,281	1,168	7,449	18,929
Repairs and maintenance	1,820	18,169	210	30	60	210	20,499	420	210	630	21,129
Professional fees and services	10,048	3,447	1,372	45	504	2,745	18,161	6,403	5,490	11,893	30,054
Dues and subscriptions	2,250	-	-	-	-	-	2,250	2,121	1,549	3,670	5,920
Events	-	-	-	-	-	-	-	3,366	129,014	132,380	132,380
Supplies	4,743	968	2,851	133	133	1,088	9,916	1,428	1,040	2,468	12,384
Rent - apartments	-	48,682	-	-	-	-	48,682	-	-	-	48,682
Client assistance - transportation	8,807	8,406	4,050	1,054	-	-	22,317	-	-	-	22,317
Client assistance - childcare	-	14,307	-	-	-	-	14,307	-	-	-	14,307
Client assistance - workshops and other	3,492	8,841	-	245	216	2,752	15,546	-	-	-	15,546
Recreation activities	-	-	8,622	-	-	-	8,622	-	-	-	8,622
Depreciation and amortization	-	641	-	-	-	-	641	663	-	663	1,304
Miscellaneous	2,148	693	1,798	35	173	173	5,020	9,560	7,132	16,692	21,712
<i>In-kind donations</i>											
Donated food and materials	46,217	28,439	11,479	-	-	183,738	269,873	-	-	-	269,873
Donated facilities	-	-	2,800	-	-	-	2,800	-	-	-	2,800
Total Expenses	\$ 278,902	\$ 240,780	\$ 73,253	\$ 14,804	\$ 19,884	\$ 219,248	\$ 846,871	\$ 63,762	\$ 249,798	\$ 313,560	\$ 1,160,431

Family Promise of Bergen County

Statement of Functional Expenses
Year Ended December 31, 2018

	Program Services						Support Services			Total	
	Family Promise Network	New Leaf	Camp Lots-of-Fun	Homeless Prevention	Advocacy	Walk-in Dinner	Total Program Services	General and Administrative	Fundraising		Total Support Services
<i>Actual costs</i>											
Personnel expense	\$ 173,224	\$ 108,627	\$ 33,947	\$ 13,986	\$ 16,830	\$ 22,269	\$ 368,883	\$ 27,378	\$ 95,418	\$ 122,796	\$ 491,679
Rent - office	14,148	4,921	2,153	308	615	2,153	24,298	4,305	2,153	6,458	30,756
Telephone	646	646	161	32	161	161	1,807	775	646	1,421	3,228
Postage	1,126	938	910	38	188	150	3,350	375	751	1,126	4,476
Insurance	4,972	3,638	3,068	182	182	3,638	15,680	3,293	1,637	4,930	20,610
Repairs and maintenance	2,115	3,010	210	30	60	210	5,635	574	210	784	6,419
Professional fees and services	8,511	4,749	1,377	155	396	2,753	17,941	6,182	5,506	11,688	29,629
Dues and subscriptions	2,234	-	-	-	-	-	2,234	1,753	1,975	3,728	5,962
Events	-	-	-	-	-	-	-	4,115	121,110	125,225	125,225
Supplies	4,695	961	3,184	152	148	2,539	11,679	2,340	1,262	3,602	15,281
Rent - apartments	-	52,225	-	-	-	-	52,225	-	-	-	52,225
Client assistance - transportation	5,693	2,907	2,000	73	-	-	10,673	-	-	-	10,673
Client assistance - childcare	-	8,981	-	-	-	-	8,981	-	-	-	8,981
Client assistance - workshops and other	7,248	4,304	-	5,588	-	2,371	19,511	-	-	-	19,511
Recreation activities	-	-	11,755	-	-	-	11,755	-	-	-	11,755
Depreciation and amortization	-	-	-	-	-	-	-	116	-	116	116
Miscellaneous	498	322	960	16	81	81	1,958	5,683	6,912	12,595	14,553
<i>In-kind donations</i>											
Donated food and materials	34,600	7,765	6,370	-	-	177,173	225,908	100	65	165	226,073
Donated facilities	-	-	2,400	-	-	-	2,400	-	-	-	2,400
Total Expenses	\$ 259,710	\$ 203,994	\$ 68,495	\$ 20,560	\$ 18,661	\$ 213,498	\$ 784,918	\$ 56,989	\$ 237,645	\$ 294,634	\$ 1,079,552

Family Promise of Bergen County

Statements of Cash Flows

	Year Ended December 31,	
	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 478,397	\$ 138,298
Adjustments to reconcile change in net assets to cash flows from operating activities		
Depreciation and amortization	1,304	116
Realized losses (gains) on investments	261	(4,044)
Unrealized (gains) losses on investments	(12,347)	6,883
Change in operating assets and liabilities		
Unconditional promises to give	(45,967)	-
Grant and other receivables	1,318	(7,546)
Prepaid expenses	4,301	2,293
Endowment fund	(3,842)	6,234
Security deposits	-	(1,350)
Accounts payable	(332)	3,506
Accrued expenses	2,860	(3,172)
Deferred revenue	(1,250)	1,250
Net Cash from Operating Activities	424,703	142,468
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	24,883	58,454
Donated investments	-	(44,473)
Purchase of investments	(30,145)	(15,784)
Purchase of property and equipment	(7,330)	(3,315)
Net Cash from Investing Activities	(12,592)	(5,118)
Net Change in Cash and Cash Equivalents and Restricted Cash	412,111	137,350
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH		
Beginning	780,499	643,149
Ending	\$ 1,192,610	\$ 780,499

Family Promise of Bergen County

Notes to Financial Statements
December 31, 2019 and 2018

1. Description of the Organization

Family Promise of Bergen County, NJ (the "Organization") helps working families who have become homeless address the complex, interconnected set of issues that accompany poverty and homelessness. The Organization provides a holistic, integrated approach that begins with meeting the immediate need for safe shelter and food but reaches further to help working families become self-sufficient and to address the root causes of poverty.

The Organization is an independent affiliate of the national organization Family Promise, Inc. and became affiliated in 2010 in order to associate with a national organization that also provides shelter and other services to homeless families.

Prior to 2010, the Organization was known as the Interreligious Fellowship for the Homeless of Bergen County ("IRF") and had a 22-year history of providing services to homeless working families with children and adult men and women. In addition to its sheltering programs, the IRF began the Walk-in Dinner Program to ensure that anyone in Bergen County who needed a free meal had access to one each night.

Sheltering Programs

The Organization is the only entity in Bergen County dedicated to providing shelter and support to working families with children who have become homeless, and who are not receiving Temporary Aid to Needy Families. Since 1986, the Organization has sheltered thousands of adults and children, adapting to their changing needs by creating programs to help them reach their goal of self-sufficiency.

Family Promise Network - Working families with dependent children who have become homeless are sheltered overnight at local congregations, with volunteers providing encouragement and meals in a safe, welcoming environment. With the help of family case managers, families explore the issues that contributed to their homelessness and create a plan to address them. Once a family is safely sheltered, immense pressure is lifted. The Organization provides on-going support and guidance to families committed to improving their lives. All families are required to participate in a mandatory savings plan and take advantage of other programs designed to help them overcome obstacles to self-sufficiency, a key element of this program.

The Organization is seeking to acquire or lease property where families in the Network Program would be able to stay instead of traveling each night to a congregation. Funds have been raised to assist the Organization in acquiring this "Static Site" which will also provide programmatic space as well as office for the staff of the Organization. The Organization is seeking to raise funds and utilize a portion of their accumulated cash funds to achieve this goal.

Family Promise of Bergen County

Notes to Financial Statements
December 31, 2019 and 2018

1. Description of the Organization (*continued*)

New Leaf Housing Program - Client families who show particular motivation and promise and need additional time to work on their service plan are given the opportunity to live in one of the apartments that the Organization manages, supervises and subsidizes. Close contact with family case managers is maintained as families assume a more independent living situation.

Home to Stay: Post-Shelter Program - Families leaving the Family Promise Network or New Leaf program are extremely vulnerable to unforeseen circumstances that may negatively impact their newly regained independence. The Post-Shelter Program is designed to help families through this trying period by continuing to provide contact with family case managers for guidance and emotional support, access to the Organization's skilled volunteers, and limited, targeted financial assistance for a period of one year. This program is voluntary with services provided on an as-needed basis.

Homeless Prevention Program - It is much more cost-effective to keep a family in their current apartment than to rehouse them after they are evicted. Funding is available for rent, rental arrears, utility bills and services designed to allow families to remain in stable housing.

Support Programs

Steps to Success - The Organization provides help with job training and educational advancement, giving parents the tools to compete for better paying jobs. Childcare and transportation subsidies remove common barriers to successful employment.

Financial Fitness - Financial literacy workshops equip families with the knowledge necessary for effective money management. Budgeting, repairing and building credit, savings, tax preparation and insurance are covered.

Personal Empowerment - Families grow in knowledge and confidence by attending regularly scheduled workshops on a variety of topics. Examples include workplace readiness, health and wellness, positive parenting, and youth and adult literacy.

Camp Lots-of-Fun - Thirty children, ages 5 through 12, who are part of the Organization's programs enjoy a two-week summer camp offering fun and attention in a restorative environment. If space permits, children from other agencies' sheltering programs are also accommodated. Paid staff includes a camp director, assistant camp director, and two head counselors. Members of the Family Promise Youth Council for the Homeless and other high school students, many of whom are initially unfamiliar with the challenges facing the poor, serve as volunteer counselors. This new-found awareness makes for a more positive experience for both camper and counselor, and allows the program to operate on a 1:1 camper/counselor ratio.

Family Promise of Bergen County

Notes to Financial Statements
December 31, 2019 and 2018

1. Description of the Organization (*continued*)

Other Programs

Youth Council for the Homeless - Open to Bergen County high school students, this dynamic group meets monthly to organize ways to help those who are homeless. Sample activities include serving at the Walk-In Dinner Program and Camp Lots of Fun, planning activities for the children in the programs, and volunteering for and participating in fundraising events. In turn, this program builds awareness of homelessness in the community.

Walk-In Dinner Program - Every night of the year, volunteers from local congregations, businesses, organizations or schools purchase, prepare and serve dinner to up to 125 people in need of a free meal. Approximately 80 of those served are residents of the Bergen County Housing, Health, and Human Services Center in Hackensack, NJ where the meals are served. Others who come from neighboring communities may have a place to live but do not have sufficient income to afford dinner every night. Over the past 28 years, the program has served over 1.1 million meals valued at over \$5.5 million.

Advocacy - Board members, staff and qualified volunteers address the community, congregations, clergy, businesses, members of community service organizations and students in order to educate them with regards to the issues and challenges which homeless families face. The goal is to enable the public to assess policies and the impact they might have on issues facing working poor families.

2. Summary of Significant Accounting Policies

Basis of Presentation and Use of Estimates

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"), which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Change in Accounting Principle

Effective January 1, 2019, the Organization adopted new U.S. GAAP guidance which provides a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance. The new revenue recognition guidance does not apply to how contributions and pledges are recognized, as they are specifically scoped out of the new guidance. Adoption of this new standard had an immaterial impact of the Organization's financial statements.

Family Promise of Bergen County

Notes to Financial Statements
December 31, 2019 and 2018

2. Summary of Significant Accounting Policies (*continued*)

Revenue Recognition

Contributions received are recorded as with or without donor restrictions, depending on the existence or nature of any donor restrictions. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as with donor restrictions that increases those net asset classes. If a restriction is fulfilled in the same time period in which the contribution is received, the Organization reports the contribution as without donor restrictions.

Financial Statement Presentation

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

- Without donor restrictions – net assets not subject to donor-imposed stipulations, and therefore are expendable for operating purposes.
- With donor restrictions – net assets subject to donor-imposed stipulations that would be met by actions of the Organization and/or by the passage of time or net assets to be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on related investments for general or donor-specified purposes.

Cash and Cash Equivalents

Cash and cash equivalents are defined as unrestricted currency, demand deposits and highly liquid investments with maturities of three months or less at time of purchase.

Restricted Cash

There are several programs that have restricted funds. The largest amount of restricted funds totaled \$200,975 which relates to the static site. The remaining funds are for the New Leaf program, Homelessness Prevention and a Job Training program.

Unconditional Promises to Give

Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at present value of their estimated future cash flows. The discounts are computed using risk-adjusted interest rates applicable to the year in which the promises are received. Amortization of the discounts is included in contribution revenue.

Family Promise of Bergen County

Notes to Financial Statements
December 31, 2019 and 2018

2. Summary of Significant Accounting Policies *(continued)*

Unconditional Promises to Give (continued)

Unconditional promises to give are also carried net of an estimate for doubtful promises based on an annual review of all outstanding promises. Promises are written off when deemed uncollectible. At December 31, 2019, management did not record an allowance for doubtful promises.

Grant and Other Receivables

Grants are recognized as revenue when the Organization meets the conditions for its revenue recognition, namely that it incurs reimbursable program expenses. The Organization determines the allowance for doubtful accounts by identifying troubled accounts, considering the grantor's financial condition and current economic conditions. The Organization believes that all receivables at December 31, 2019 and 2018 will be fully collected. Accordingly, no allowance for doubtful accounts is required.

Investments

Investments are carried at fair value. Interest and dividends are recorded when earned. Purchases and sales are recorded on a trade-date basis. Interest income is recorded on the accrual basis and dividends are recorded on the ex-dividend date. Investment return is reported in the statements of activities and changes in net assets as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or by law.

Property and Equipment

Property and equipment are stated at cost. Expenditures for major additions and improvements are capitalized while minor repairs and maintenance are charged to expense as incurred. Depreciation is based on the estimated useful lives of depreciable assets and is provided using the straight-line method. Leasehold improvements are amortized over the lesser of lease with expected renewals and estimated useful life. When property is disposed of, the asset and the accumulated depreciation and amortization are removed from the accounts. Any resulting gain or loss is reflected in operations in the period incurred.

Fair Value of Financial Instruments

The Organization follows U.S. GAAP guidance on Fair Value Measurements which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 input have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable input do not exist. At December 31, 2019 and 2018, investments were valued using Level 1 inputs.

Family Promise of Bergen County

Notes to Financial Statements
December 31, 2019 and 2018

2. Summary of Significant Accounting Policies *(continued)*

Donated Food, Materials and Facilities

Significant food, materials and facilities are donated to the Organization by various individuals and organizations. Donated food, materials and facilities have been recorded as program, fundraising and general and administrative expense at their fair market value.

Many individuals volunteer their time and perform a variety of tasks that assist the Organization with specific assistance programs, campaign solicitations, and various committee assignments. The Organization receives approximately 23,000 volunteer hours per year. However, these volunteer hours are not recognized in the financial statements because they did not meet the criteria for recognition under U.S. GAAP, which states that, in order to record the value of services, the services must either (a) create or enhance non-financial assets or (b) the service must require specialized skills.

Functional Allocation of Expense

The costs of providing the program, supporting and fundraising services of the Organization have been summarized on a functional basis in the statements of activities and functional expenses. The majority of the expenses can generally be identified with program or supporting service to which they relate and are charged accordingly. Other expenses by function have been allocated among the program, supporting and fundraising service based on a time and cost study of where efforts are made. All other expenses are allocated based on the benefit received.

Tax-Exempt Status

The Organization is a not-for-profit institution exempt from federal income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code. Accordingly, no provisions for income taxes have been provided in the accompanying financial statements.

The Organization follows U.S. GAAP guidance on Accounting for Uncertainty in Income Taxes. This topic provides guidance on the recognition, measurement, classification and disclosures related to uncertain tax positions, along with any interest and penalties. The Organization continually evaluates the possible existence of uncertain tax positions.

The federal and state tax returns of the Organization are subject to examination, generally for three years after they were filed.

Family Promise of Bergen County

Notes to Financial Statements
December 31, 2019 and 2018

3. Concentration of Credit Risk

The Organization maintains cash balances in financial institutions. The balances are insured by the Federal Deposit Insurance Corporation. The Organization's bank balances may at times exceed insurable limits. Financial instruments that potentially subject the Organization to credit risk consist primarily of cash on deposit.

4. Liquidity and Availability

The Organization monitors the availability of resources to meet its operating needs and contractual commitments, while also striving to maximize investment of its available funds.

For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing mission related activities, as well as services undertaken to support these activities, to be general expenditures.

As of December 31, 2019, the following financial assets could be made available within one year of the statement of financial position to meet general expenditures:

Cash and cash equivalents	\$ 923,930
Restricted cash	268,680
Unconditional promises to give (due in one year or less)	5,000
Grants and other receivables	27,299
Investments	114,668
Less donor restricted net assets	<u>(401,455)</u>
Financial assets available to meet general expenditures within the year	<u>\$ 938,122</u>

5. Unconditional Promises to Give

Unconditional promises to give, net consists of the following at December 31:

	<u>2019</u>
Unconditional promises to give	\$ 50,000
Less unamortized discount	<u>(4,033)</u>
	<u>\$ 45,967</u>

Promises to give will be received through \$5,000 annual installments until the trust estate created by the donors' bequests falls to an amount less than needed to make a full distribution which is expected to be between one to ten years. Pledges to be received after December 31, 2019 will be discounted to their net present value using a risk-adjusted rate of return of 1.92% for the anticipated collection period.

Family Promise of Bergen County

Notes to Financial Statements
December 31, 2019 and 2018

5. Unconditional Promises to Give *(continued)*

Promises to give are due to be collected in the following periods:

Less than one year	\$ 5,000
One to five years	25,000
Thereafter	<u>20,000</u>
	50,000
Less unamortized discount	<u>(4,033)</u>
Unconditional promises to give, net	<u><u>\$ 45,967</u></u>

6. Investments

Investments consist of the following at December 31:

2019	Fair Value	Cost	Unrealized Gains
Money market fund	\$ 4,797	\$ 4,797	\$ -
Exchange traded funds	24,203	23,544	659
Equity securities	80,687	69,770	10,917
Real estate investment trusts	<u>4,981</u>	<u>4,210</u>	<u>771</u>
	<u><u>\$ 114,668</u></u>	<u><u>\$ 102,321</u></u>	<u><u>\$ 12,347</u></u>
2018	Fair Value	Cost	Unrealized Losses
Money market fund	\$ 955	\$ 955	\$ -
Exchange traded funds	27,331	27,576	(245)
Equity securities	61,030	67,620	(6,590)
Real estate investment trusts	<u>4,162</u>	<u>4,210</u>	<u>(48)</u>
	<u><u>\$ 93,478</u></u>	<u><u>\$ 100,361</u></u>	<u><u>\$ (6,883)</u></u>

Family Promise of Bergen County

Notes to Financial Statements
December 31, 2019 and 2018

6. Investments *(continued)*

The following schedule summarizes the investment return and its classification in the statement of activities for the year ended December 31:

	2019		
	Without Donor Restrictions	With Donor Restrictions	Total
Investment income	\$ 15,126	\$ 9,104	\$ 24,230
Net realized losses	-	(261)	(261)
Net unrealized gains	-	12,347	12,347
	\$ 15,126	\$ 21,190	\$ 36,316

	2018		
	Without Donor Restrictions	With Donor Restrictions	Total
Investment income	\$ 377	\$ 649	\$ 1,026
Net realized gains	4,044	-	4,044
Net unrealized losses	-	(6,883)	(6,883)
	\$ 4,421	\$ (6,234)	\$ (1,813)

7. Property and Equipment

Major classifications of property and equipment and their respective useful lives are as follows at December 31:

	2019	2018	Estimated Useful Lives
Vehicles	\$ 58,910	\$ 58,910	5 years
Equipment	17,058	17,058	5 years
Furniture and fixtures	8,189	8,189	5 years
Leasehold improvements	15,922	8,592	5 years
Total cost	100,079	92,749	
Accumulated depreciation and amortization	(90,854)	(89,550)	
Property and Equipment, net	\$ 9,225	\$ 3,199	

Depreciation and amortization expense related to property and equipment for the years ended December 31, 2019 and 2018 totaled \$1,304 and \$116.

Family Promise of Bergen County

Notes to Financial Statements
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8. Net Assets

Net assets consist of the following at December 31:

	<u>2019</u>	<u>2018</u>
Without Donor Restrictions	\$ 975,592	\$ 740,821
With Donor Restrictions		
Time or purpose restricted		
Static Site	200,418	-
New Leaf	63,419	35,893
Homelessness prevention	20,607	-
Endowment, spendable	11,208	-
Family Promise Network	6,380	8,458
Walk-in Dinner	-	20,000
Perpetual in nature		
Endowment	<u>99,423</u>	<u>93,478</u>
Total With Donor Restrictions	<u>401,455</u>	<u>157,829</u>
 Total Net Assets	 <u>\$ 1,377,047</u>	 <u>\$ 898,650</u>

Net assets released from restrictions consists of funds used for the maintenance of the New Leaf housing, day-to-day operations of the Family Promise Network and cost for the Walk-in Dinner program.

9. Endowment

The Organization currently manages a donor restricted endowment which support the Adam Rosignolo Family Success Fund. Donor restricted (perpetual in nature) funds are managed based on the explicit directions of the donor.

The Board of Trustees of the Organization interpreted the New Jersey enacted version of the Uniform Prudent Management of Institutional Funds ("UPMIFA") as allowing the Organization the powers to manage and invest the institutional funds in good faith and with the care an ordinarily prudent person in a like position would exercise under similar circumstances.

Unless stated otherwise in the gift instrument, the asset in endowed funds shall be donor-restricted assets until appropriated for expenditure by the Board of Trustees. As a result of this interpretation, the Organization has not changed the way net assets with donor restrictions are classified.

Family Promise of Bergen County

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9. Endowment *(continued)*

A donor restricted endowment fund is considered to be underwater if the fair value of the fund is less than either the original gift amount or the amount required to be maintained by the donor or by law. At times, the Organization may have endowment funds that are underwater. The Organization has a spending policy that permits spending from underwater funds depending on the degree which the fund is underwater, unless specifically prohibited by the donor or relevant laws and regulations. No deficiencies of this nature exist at December 31, 2019.

The Organization utilizes a spending rate of 4% of the average of the ending quarterly market value of the endowment for the previous 12 quarters to determine distributions from the endowment.

The following is a reconciliation of the activity in the endowment fund:

	Adam Rosignolo Family Success Fund		
	With Donor Restrictions		
	Purpose restricted	Perpetual in nature	Total
Endowment Net Assets at January 1, 2018	\$ -	\$ 99,712	\$ 99,712
Investment return, net	-	(6,234)	(6,234)
Endowment Net Assets at December 31, 2018	-	93,478	93,478
Investment return, net	15,245	5,945	21,190
Subtotal	15,245	99,423	114,668
Appropriation of endowment assets for expenditures	(4,037)	-	(4,037)
Endowment Net Assets at December 31, 2019	\$ 11,208	\$ 99,423	\$ 110,631

10. Commitments and Contingencies

The Organization leases its administrative facilities in Ridgewood, NJ with monthly payments of \$2,863. Rent paid for this facility totaled \$32,557 and \$30,756 for the years ended December 31, 2019 and 2018.

The Organization leases apartments in Bergen County, NJ for use as housing for homeless families in its New Leaf program. Rent paid for these annual leases totaled \$48,682 and \$52,225 for the years ended December 31, 2019 and 2018, recorded as part of the New Leaf program expenses.

The Organization has non-cancellable operating leases for office equipment which expire at various dates. Rent paid for these leases totaled \$5,040 and \$5,040 for the years ended December 31, 2019 and 2018.

Family Promise of Bergen County

Notes to Financial Statements
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10. Commitments and Contingencies (continued)

Future minimum lease payments under operating leases for administrative facilities, program housing and office equipment that have remaining terms in excess of one year as of December 31, 2019 are:

<u>Year Ending</u>	<u>Amount</u>
2020	<u>\$ 30,528</u>

11. Employee Retirement Plan

The Organization maintains a tax-deferred plan qualified under Section 401(k) of the Internal Revenue Code for its employees. The Organization made contributions of \$14,308 and \$13,398 for the years ended December 31, 2019 and 2018. Employees may make contributions to the plan up to the maximum amount allowed by the Internal Revenue Code.

12. Major Contributor

For the year ended December 31, 2019, one gift totaling \$200,000 comprised approximately 20% of total contributions and is restricted for the Static Site.

13. Subsequent Events

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through October 28, 2020, the date that the financial statements were available to be issued.

The Organization's operations have been affected by the recent and ongoing outbreak of the coronavirus disease 2019 ("COVID-19"), which was declared a pandemic by the World Health Organization in March 2020. Many countries around the world, including the United States, have significant governmental measures being implemented to control the spread of COVID-19, including temporary closures of businesses, severe restrictions on travel and the movement of people and other material limitations on the conduct of business.

The Organization has taken several steps to strengthen its financial position and to maintain financial liquidity and flexibility. The Organization applied for and has received a \$97,322 Paycheck Protection Program loan (the "PPP Loan") from the Small Business Administration through a financial institution. The PPP Loan matures in April 2022, has an interest rate of 1.0% per annum, and the majority of the principal amount outstanding is forgivable if the Organization retains its current number of personnel and maintains the same working hours and pay rate for such personnel. No payments on the PPP Loan are due until November 2020, at which point the Organization expects a significant portion of the PPP Loan to have already been forgiven.

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