

# **Family Promise of Bergen County**

Financial Statements

December 31, 2022 and 2021

## **Independent Auditors' Report**

### **The Board of Trustees Family Promise of Bergen County**

#### **Opinion**

We have audited the accompanying financial statements of Family Promise of Bergen County (a nonprofit organization), which comprise the statements of financial position as of December 31, 2022 and 2021, and 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.

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, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Family Promise of Bergen County and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 Bergen County's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

#### **Auditors' 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 auditors' 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 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, including omissions, 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.

**To the Board of Trustees**  
**Family Promise of Bergen County**  
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In performing an audit in accordance with generally accepted 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 Bergen County'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 Bergen County'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.

*PKF O'Connor Davies, LLP*

Woodcliff Lake, NJ  
August 16, 2023

## Family Promise of Bergen County

### Statements of Financial Position

	December 31,	
	2022	2021
<b>ASSETS</b>		
Cash and cash equivalents	\$ 2,150,927	\$ 2,102,214
Restricted cash	689,290	404,008
Cash - client escrow funds	103,812	73,744
Investments, at fair value	130,907	153,874
Unconditional pledges receivable, net	218,214	221,045
Prepaid expenses	5,000	22,658
Property and equipment, net	4,698	7,429
Security deposits and other assets	11,088	5,738
	\$ 3,313,936	\$ 2,990,710
 <b>LIABILITIES AND NET ASSETS</b>		
Accounts payable	\$ 11,065	\$ 2,331
Client escrow funds	103,812	73,744
Accrued expenses	42,885	31,517
Total Liabilities	157,762	107,592
 Net Assets		
Without donor restrictions	2,168,778	2,152,090
With donor restrictions	987,396	731,028
Total Net Assets	3,156,174	2,883,118
	\$ 3,313,936	\$ 2,990,710

## Family Promise of Bergen County

### Statement of Activities and Changes in Net Assets Year Ended December 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUE</b>			
Government			
Federal and Bergen County	\$ -	\$ 121,431	\$ 121,431
Public Support			
Special events (net of expenses of \$136,739)	156,630	-	156,630
Foundations	206,155	-	206,155
Contributions	721,774	-	721,774
Capital campaign contributions	-	301,215	301,215
In-kind contributions	412,362	-	412,362
Miscellaneous income	10,923	-	10,923
Net Assets Released from Restrictions	143,311	(143,311)	-
Total Revenue	1,651,155	279,335	1,930,490
<b>EXPENSES</b>			
Program Services			
Family Promise / Bridge Network	122,073	-	122,073
New Leaf / New Life	235,811	-	235,811
Camp Lots-of-Fun	84,700	-	84,700
Homeless Prevention	246,236	-	246,236
Advocacy	57,353	-	57,353
Walk-in Dinner and Other Meal Programs	551,461	-	551,461
General and administrative	95,083	-	95,083
Fundraising	255,704	-	255,704
Total Expenses	1,648,421	-	1,648,421
Change in Net Assets before Investment Return (Loss)	2,734	279,335	282,069
Investment return (loss), net	13,954	(22,967)	(9,013)
Change in Net Assets	16,688	256,368	273,056
<b>NET ASSETS</b>			
Beginning of year	2,152,090	731,028	2,883,118
End of year	\$ 2,168,778	\$ 987,396	\$ 3,156,174

See Notes to Financial Statements

## Family Promise of Bergen County

### Statement of Activities and Changes in Net Assets Year Ended December 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUE</b>			
Government			
Federal and Bergen County	\$ -	\$ 19,900	\$ 19,900
Public Support			
Special events (net of expenses of \$133,006)	209,212	-	209,212
Foundations	369,065	-	369,065
Contributions	875,002	7,439	882,441
Capital campaign contributions	-	372,026	372,026
In-kind contributions	400,938	-	400,938
Paycheck Protection Program loan forgiveness	97,322	-	97,322
Miscellaneous income	5,717	-	5,717
Net Assets Released from Restrictions	87,810	(87,810)	-
Total Revenue	2,045,066	311,555	2,356,621
<b>EXPENSES</b>			
Program Services			
Family Promise / Bridge Network	154,285	-	154,285
New Leaf / New Life	217,282	-	217,282
Camp Lots-of-Fun	70,936	-	70,936
Homeless Prevention	173,758	-	173,758
Advocacy	26,283	-	26,283
Walk-in Dinner and Other Meal Programs	503,797	-	503,797
General and administrative	98,751	-	98,751
Fundraising	267,162	-	267,162
Total Expenses	1,512,254	-	1,512,254
Change in Net Assets before Investment Return	532,812	311,555	844,367
Investment return, net	5,475	25,859	31,334
Change in Net Assets	538,287	337,414	875,701
<b>NET ASSETS</b>			
Beginning of year	1,613,803	393,614	2,007,417
End of year	\$ 2,152,090	\$ 731,028	\$ 2,883,118

See Notes to Financial Statements

## Family Promise of Bergen County

### Statement of Functional Expenses Year Ended December 31, 2022

	Program Services						Support Services					Total
	Family Promise / Bridge Network	New Leaf / New Life	Camp Lots-of-Fun	Homeless Prevention	Advocacy	Walk-in Dinner and Other Meal Programs	Total Program Services	General and Administrative	Fundraising - Capital Campaign	Fundraising - Other	Total Support Services	
<b>Expenses</b>												
Personnel expense	\$ 42,871	\$ 100,157	\$ 34,810	\$ 49,504	\$ 57,174	\$ 92,927	\$ 377,443	\$ 42,992	\$ -	\$ 216,461	\$ 259,453	\$ 636,896
Rent - office	12,655	5,423	2,531	4,339	-	3,616	28,564	5,061	-	2,531	7,592	36,156
Telephone	461	549	154	308	-	615	2,087	616	-	461	1,077	3,164
Postage	749	624	125	25	125	100	1,748	248	-	499	747	2,495
Insurance	2,123	2,123	1,592	530	-	2,123	8,491	2,147	-	1,061	3,208	11,699
Repairs and maintenance	200	107	-	-	-	-	307	3,000	-	-	3,000	3,307
Professional fees and services	6,194	4,682	2,065	1,008	-	9,819	23,768	10,165	15,045	-	25,210	48,978
Dues and subscriptions	-	-	-	6,750	-	-	6,750	563	-	2,212	2,775	9,525
Events	-	-	-	-	54	-	54	4,795	4,511	136,739	146,045	146,099
Supplies	949	718	4,956	503	-	12,546	19,672	1,003	-	3,357	4,360	24,032
Rent and utilities - apartments	-	85,908	-	-	-	-	85,908	-	-	-	-	85,908
Client assistance - rental	-	-	-	183,103	-	-	183,103	-	-	-	-	183,103
Client assistance - transportation	1,496	190	-	-	-	-	1,686	-	-	-	-	1,686
Client assistance - childcare	4,919	5,007	-	-	-	-	9,926	-	-	-	-	9,926
Client assistance - workshops and other	21,846	9,853	-	-	-	-	31,699	940	-	-	940	32,639
Client assistance - meals	2,850	-	-	-	-	62,515	65,365	-	-	-	-	65,365
COVID-19 related assistance	-	-	10,634	-	-	5,093	15,727	-	-	-	-	15,727
Recreation activities	-	-	6,976	-	-	-	6,976	-	-	-	-	6,976
Depreciation and amortization	-	2,068	-	-	-	-	2,068	663	-	-	663	2,731
Miscellaneous	12,281	4,398	324	166	-	1,624	18,793	20,212	-	7,381	27,593	46,386
<b>In-kind donations</b>												
Donated food and materials	12,479	14,004	17,733	-	-	360,483	404,699	2,678	-	2,185	4,863	409,562
Donated facilities	-	-	2,800	-	-	-	2,800	-	-	-	-	2,800
<b>Total Expenses before Special Events</b>	<b>122,073</b>	<b>235,811</b>	<b>84,700</b>	<b>246,236</b>	<b>57,353</b>	<b>551,461</b>	<b>1,297,634</b>	<b>95,083</b>	<b>19,556</b>	<b>372,887</b>	<b>487,526</b>	<b>1,785,160</b>
Less expenses included with special events revenue in the statement of activities	-	-	-	-	-	-	-	-	-	136,739	136,739	136,739
<b>Total Expenses</b>	<b>\$ 122,073</b>	<b>\$ 235,811</b>	<b>\$ 84,700</b>	<b>\$ 246,236</b>	<b>\$ 57,353</b>	<b>\$ 551,461</b>	<b>\$ 1,297,634</b>	<b>\$ 95,083</b>	<b>\$ 19,556</b>	<b>\$ 236,148</b>	<b>\$ 350,787</b>	<b>\$ 1,648,421</b>

**Family Promise of Bergen County**

Statement of Functional Expenses  
Year Ended December 31, 2021

	Program Services						Support Services					Total
	Family Promise / Bridge Network	New Leaf / New Life	Camp Lots-of-Fun	Homeless Prevention	Advocacy	Walk-in Dinner and Other Meal Programs	Total Program Services	General and Administrative	Fundraising - Capital Campaign	Fundraising - Other	Total Support Services	
<b>Expenses</b>												
Personnel expense	\$ 54,072	\$ 92,477	\$ 41,412	\$ 55,829	\$ 26,143	\$ 81,083	\$ 351,016	\$ 36,619	\$ -	\$ 155,768	\$ 192,387	\$ 543,403
Rent - office	12,655	5,423	2,531	-	-	3,616	24,225	9,400	-	2,531	11,931	36,156
Telephone	478	478	159	319	-	638	2,072	638	-	478	1,116	3,188
Postage	842	701	140	28	140	112	1,963	281	-	961	1,242	3,205
Insurance	3,087	3,087	2,316	772	-	3,087	12,349	2,632	-	1,544	4,176	16,525
Repairs and maintenance	-	3,488	-	-	-	-	3,488	3,000	-	-	3,000	6,488
Professional fees and services	2,074	2,074	691	-	-	3,456	8,295	23,074	77,700	-	100,774	109,069
Dues and subscriptions	-	-	-	4,500	-	-	4,500	1,471	-	2,329	3,800	8,300
Events	-	-	-	-	-	-	-	3,052	6,329	133,006	142,387	142,387
Supplies	1,220	1,051	2,122	733	-	7,392	12,518	1,681	-	1,078	2,759	15,277
Rent and utilities - apartments	15,034	75,824	-	-	-	-	90,858	-	-	-	-	90,858
Client assistance - rental	-	-	-	106,637	-	-	106,637	-	-	-	-	106,637
Client assistance - transportation	1,976	305	-	891	-	-	3,172	-	-	-	-	3,172
Client assistance - childcare	4,730	-	-	-	-	-	4,730	-	-	-	-	4,730
Client assistance - workshops and other	10,314	1,143	-	-	-	-	11,457	2,578	-	-	2,578	14,035
Client assistance - meals	12,833	-	-	-	-	34,058	46,891	-	-	-	-	46,891
COVID-19 related assistance	16,521	624	2,823	-	-	19,742	39,710	567	-	5,193	5,760	45,470
Recreation activities	-	-	9,999	-	-	-	9,999	-	-	-	-	9,999
Depreciation and amortization	-	1,654	-	-	-	-	1,654	663	-	-	663	2,317
Miscellaneous	2,285	3,011	275	4,049	-	317	9,937	13,027	-	13,251	26,278	36,215
<b>In-kind donations</b>												
Donated food and materials	16,164	25,942	5,668	-	-	350,296	398,070	68	-	-	68	398,138
Donated facilities	-	-	2,800	-	-	-	2,800	-	-	-	-	2,800
<b>Total Expenses before Special Events</b>	<b>154,285</b>	<b>217,282</b>	<b>70,936</b>	<b>173,758</b>	<b>26,283</b>	<b>503,797</b>	<b>1,146,341</b>	<b>98,751</b>	<b>84,029</b>	<b>316,139</b>	<b>498,919</b>	<b>1,645,260</b>
Less expenses included with special events revenue in the statement of activities	-	-	-	-	-	-	-	-	-	133,006	133,006	133,006
<b>Total Expenses</b>	<b>\$ 154,285</b>	<b>\$ 217,282</b>	<b>\$ 70,936</b>	<b>\$ 173,758</b>	<b>\$ 26,283</b>	<b>\$ 503,797</b>	<b>\$ 1,146,341</b>	<b>\$ 98,751</b>	<b>\$ 84,029</b>	<b>\$ 183,133</b>	<b>\$ 365,913</b>	<b>\$ 1,512,254</b>



## Family Promise of Bergen County

### Statements of Cash Flows

	Year Ended December 31,	
	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 273,056	\$ 875,701
Adjustments to reconcile change in net assets to cash flows from operating activities		
Depreciation and amortization	2,731	2,317
Realized gain on sale of investments	(9,884)	(13,674)
Unrealized (loss) gain on investments	27,271	(8,742)
Contributions received for long-term purposes	(300,084)	(194,223)
Forgiveness of Paycheck Protection Program loan	-	(97,322)
Change in operating assets and liabilities		
Unconditional pledges receivable, net	2,831	(173,068)
Grant and other receivables	-	30,118
Prepaid expenses	17,658	(14,012)
Other assets	(5,350)	-
Accounts payable	8,734	124
Accrued expenses	11,368	15,225
Net Cash from Operating Activities	28,331	422,444
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of investments	46,819	50,885
Donated investments	10,560	-
Purchase of investments	(51,799)	(54,153)
Net Cash from Investing Activities	5,580	(3,268)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Contributions received for long-term purposes	300,084	194,223
Net Change in Cash, Cash Equivalents and Restricted Cash	333,995	613,399
<b>CASH, CASH EQUIVALENTS AND RESTRICTED CASH</b>		
Beginning of year	2,506,222	1,892,823
End of year	\$ 2,840,217	\$ 2,506,222
<b>NON-CASH FINANCING ACTIVITIES</b>		
Forgiveness of Paycheck Protection Program loan	\$ -	\$ 97,322
Reconciliation of Cash, Cash Equivalents and Restricted Cash to the Statements of Financial Position		
Cash and cash equivalents	\$ 2,150,927	\$ 2,102,214
Restricted cash	689,290	404,008
	\$ 2,840,217	\$ 2,506,222

See Notes to Financial Statements

## Family Promise of Bergen County

Notes to Financial Statements  
December 31, 2022 and 2021

### 1. Description of the Organization

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

In addition to its sheltering programs, the Organization runs the Walk-in Dinner Program to ensure that anyone in Bergen County who needs a free meal has access to one each night.

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

From 1986 to 2010, The Organization was known as the Interreligious Fellowship for the Homeless of Bergen County (“IRF”) and had a long history of providing services to homeless men, women, and families.

#### ***COVID-19 Pandemic***

Since the beginning of the COVID pandemic in 2020, the Organization has been taking precautions to protect the families in its programs as well as staff and volunteers. The Organization provides temporary shelter in family-friendly hotels and implements most services virtually. The Organization expanded its meal programs significantly during this time to address the ever-present condition of food insecurity, which was made even more evident by the pandemic.

#### ***Sheltering Programs***

The Organization is dedicated to providing shelter and support to working families with children who become homeless and who are not eligible to receive Temporary Aid to Needy Families; there are programs in the county designed to help such 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.

The Organization is unique in that it strives not only to provide temporary shelter but also to give working families with children the tools they need to increase their incomes and address the challenges they may face along their journey to becoming self-sufficient. The Organization assists families with job training, adult education, transportation, childcare, financial education, and workshops designed to promote emotional and physical health. Case managers help families set realistic goals and hold them accountable for maintaining momentum. Case management is a key element of these sheltering programs.

## Family Promise of Bergen County

Notes to Financial Statements  
December 31, 2022 and 2021

### 1. Description of the Organization (*continued*)

#### ***Sheltering Programs (continued)***

*Family Promise / Bridge Network* – At the beginning of the COVID pandemic in 2020, the Organization shifted its model and began to shelter homeless working families – adults with dependent children – together in hotels. Previously, up to 14 adults and children were hosted overnight at local congregations on a weekly rotating basis. The new model continues to include all of the support components of its traditional Network program while providing a way for families to isolate safely together. With the help of caring family case managers, families explore the issues that contributed to their homelessness and, together, create a plan to address them. All families are required to participate in financial education and other programs designed to help them overcome obstacles to self-sufficiency.

The Organization is seeking to acquire or lease property where families can live temporarily instead of staying in hotel rooms. This Family Promise Center will also provide programmatic space and offices for the staff. The Organization has begun to raise funds and plans to utilize a portion for their accumulated cash funds to achieve this goal.

*New Leaf / New Life: Transitional Housing Program* – Client families who show particular motivation and need additional time to address their personal, financial, and employment goals 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, offering support to families as they assume a more independent living situation. Attendance at all workshops and participation in a savings plan are required.

*Home to Stay: Post-Shelter Program* – Families leaving the Family Promise / Bridge Network or New Leaf / New Life Programs are extremely vulnerable to unforeseen circumstances that may negatively impact their newly gained independence. The Post-Shelter Program is designed to help families through this difficult 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. With the added stress of COVID, many former families reached out to the Organization for emotional support and other assistance. This program is voluntary with services provided on an as-needed basis.

*Homeless Prevention Program* – It is much more cost effective to keep someone in their current home 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. Families accepted into this program meet with case managers and are able to participate in additional activities to support their continued success maintaining stable housing.

## Family Promise of Bergen County

Notes to Financial Statements  
December 31, 2022 and 2021

### 1. Description of the Organization (*continued*)

#### ***Support Programs***

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. Services are tailored to each family, offering opportunities for personal, financial, and career growth.

*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 education workshops equip families with the knowledge necessary for effective money management. Budgeting, repairing, and building credit, savings, tax preparation and insurance are covered. This program was significantly expanded at the end of 2020 so that each family now meets with a financial coach at least monthly to address their individual financial challenges. As part of this initiative, each family applies for and receives a secured credit card after attending workshops instructing them on their responsible use. This tool is used to build or repair their credit. All workshops are currently conducted remotely. Additionally, all families participate in a mandatory savings plan. Families build their savings and create an emergency fund that can be used if unexpected challenges arise once they graduate from the shelter program.

*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, tenant rights, stress reduction, and youth and adult literacy. As families become empowered, they start taking control of their lives and begin operating from a standpoint of optimism and self-determination. In 2021, a series of workshops focusing on resiliency was added to the curriculum.

*Camp Lots-of-Fun* – The Organization reimagined this program in 2020, taking every precaution to keep campers, counselors, and staff safe from COVID. Children from the Organization's programs aged 5 through 12 enjoy a two-week summer camp offering fun and attention in a stress-free environment. Paid staff includes the camp director, assistant camp director and head counselor. Members of the Organization's Youth Council for the Homeless and other high school students serve as volunteer camp counselors. Acknowledging that many teens have to work during the summer, the Organization offers a stipend to attract counselors from different ethnic and socio-economic backgrounds.

#### ***Food Service Programs***

*Walk-In Dinner Program* – Every night of the year, the Organization provides free evening meals to an average of 180 individuals and families. The program feeds the residents of the Bergen County homeless shelter and members of the community who come to the shelter seeking meals to take back to their homes. The program is free and requires no documentation. Since its inception in 1991, The Walk-in Dinner has served over 1.3 million meals to vulnerable adults, families and children valued at approximately \$6.75 million.

## Family Promise of Bergen County

Notes to Financial Statements  
December 31, 2022 and 2021

### 1. Description of the Organization (*continued*)

#### ***Food Service Programs (continued)***

*Englewood Meal Programs* – Beginning in December 2020, based on its ability to coordinate and distribute meals and produce on a large scale earlier in the year, the Organization took a lead role in developing and coordinating the distribution of free meal certificates to clients of numerous Englewood-based not-for-profit organizations. The Neighbors Helping Neighbors Winter Dinner Project provided funding for meals from Englewood restaurants enabling them to stay in business while addressing food insecurity in the local community. The program continued through the spring, twice as long as originally projected, and removed the word Winter from its name. During the 27 weeks that the program ran, 7,500 certificates were distributed, valued at \$75,000.

When Tropical Storm Ida hit Bergen County in 2021, several communities were particularly affected. At the request of government officials, the Organization worked with local restaurants and other non-profits in Englewood to deliver 5,000 meals to residents who were impacted. The Organization also stepped in to provide hotel placements for several families until they could find alternative living situations.

#### ***Youth Council for the Homeless***

This dynamic group of high school students meets monthly to organize ways to help the homeless. Sample activities include serving at the Walk-In Dinner Program and Camp Lots-of-Fun, planning activities for the children in the program, volunteering for and participating in fundraising events and raising awareness of homelessness among fellow students.

#### ***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 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.

## Family Promise of Bergen County

Notes to Financial Statements  
December 31, 2022 and 2021

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

#### ***Change in Accounting Policy***

The Organization adopted Financial Accounting Standards Board Accounting Standards Codification (“FASB ASC”) Topic 842, *Leases*, using the effective date method with January 1, 2022, as the date of initial adoption, with certain practical expedients available. Under this standard all noncancelable leases with a term greater than 12 months are required to be recognized in the statement of financial position as a right-of-use asset and lease liability. The Organization elected the available practical expedients to account for its existing operating leases as operating leases, under the new guidance, without reassessing (a) whether the contracts contain leases under the new standard, (b) whether classification of capital leases or operating leases would be different in accordance with the new guidance, or (c) whether the unamortized initial direct costs before transition adjustments would have met the definition of initial direct costs in the new guidance at lease commencement.

The adoption of the new lease accounting guidance had no impact on the financial statements as the Organization’s existing leases for locations were on a month-to-month basis and therefore do not fall within the requirements of FASB ASC 842 or, for office equipment, were determined by management to be immaterial to the financial statements.

#### ***Cash and Cash Equivalents***

Except for those cash equivalents included in the Organization’s investment portfolio which are held for long-term investment purposes, cash and cash equivalents include unrestricted currency, demand deposits and highly liquid investments with maturities of three months or less at time of purchase.

#### ***Restricted Cash***

Restricted cash of \$689,290 and \$404,008 at December 31, 2022 and 2021 relates primarily to the Family Promise Center with the remaining restricted cash for job training, the New Leaf / New Life Program and Homeless Prevention.

#### ***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.

#### ***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 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets.

## Family Promise of Bergen County

Notes to Financial Statements  
December 31, 2022 and 2021

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

#### ***Fair Value of Financial Instruments (continued)***

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, 2022 and 2021, investments were valued using Level 1 inputs.

#### ***Unconditional Pledges Receivable***

Unconditional pledges receivable that are expected to be collected within one year are recorded at their net realizable value. Unconditional pledges receivable 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 pledges are received. Amortization of the discounts is included in contribution revenue.

Unconditional pledges receivable are also carried net of an estimate for doubtful pledges based on an annual review of all outstanding amounts. Pledges are written off when deemed uncollectible. At December 31, 2022 and 2021, management did not record an allowance for doubtful pledges.

#### ***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. At December 31, 2022 and 2021, there are no grant and other receivables.

#### ***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 the lease term including expected renewals or 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.

## Family Promise of Bergen County

Notes to Financial Statements  
December 31, 2022 and 2021

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

#### **Net Assets**

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.

#### **Contributions**

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.

#### **Special Events**

Revenue and expenses incurred relative to special events are recognized upon occurrence of the respective event, which is when the Organization has completed its performance obligation. Revenues are shown net of costs of direct benefits to donors.

#### **In-Kind Contributions**

Donated food, materials and facilities consisted of the following for the year ended December 31:

	<u>2022</u>	<u>2021</u>
Food and prepared meals	\$ 362,590	\$ 338,654
Clothing	22,076	6,300
Furniture and other household items	12,099	26,187
Gift cards	8,973	20,055
Pantry and perishable items	3,824	942
Camp facilities	2,800	2,800
Vehicle	-	6,000
	<u>\$ 412,362</u>	<u>\$ 400,938</u>



## Family Promise of Bergen County

Notes to Financial Statements  
December 31, 2022 and 2021

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

#### ***In-Kind Contributions (continued)***

Donated food, materials and facilities are used for the Organization's various programs. In-kind contributions are recorded at their fair value in the period received, on the basis of the estimated wholesale value that would be received for selling similar products in the United States or the estimated rental value of the facilities.

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 22,000 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. Major natural expense categories including salaries and benefits 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.

#### ***Operating Measure***

The statements of activities and changes in net assets separately report changes in net assets from operating and non-operating activities. Operating activities consist principally of revenues and expenses related to ongoing activities. Non-operating activities consist of net investment return, net of investment return appropriated for operating purposes.

#### ***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, 2022 and 2021

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

#### **Reclassifications**

Certain amounts in the 2021 financial statements have been reclassified to conform to the 2022 presentation. These reclassifications have no effect on the net assets and changes therein previously reported.

#### **Subsequent Events**

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through August 16, 2023, the date that the financial statements were available to be issued.

### 3. 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.

The following financial assets could be made available within one year of the statements of financial position to meet general expenditures:

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 2,150,927	\$ 2,102,214
Restricted cash	689,290	404,008
Unconditional pledges receivable (due in one year or less)	122,702	119,381
Investments	130,907	153,874
Less donor restricted net assets	<u>(987,396)</u>	<u>(731,028)</u>
Financial assets available to meet general expenditures within the year	<u>\$ 2,106,430</u>	<u>\$ 2,048,449</u>

### 4. Concentration of Credit Risk

Financial instruments that potentially subject the Organization to concentrations of credit and market risk consist principally of cash, cash equivalents, and restricted cash on deposit with financial institutions and investments held at financial institutions. Deposits held at financial institutions insured by the Federal Deposit Insurance Corporation ("FDIC") are insured up to \$250,000. Investment holdings at financial institutions insured by the Securities Investor Protection Corporation ("SIPC") are insured up to \$500,000 (\$250,000 for cash holdings). At times, cash balances may exceed the FDIC and/or the SIPC limit. As of December 31, 2022 and 2021, the Organization's uninsured cash, cash equivalents, and restricted cash balances on deposit totaled approximately \$2,192,475 and \$1,827,893. As of December 31, 2022 and 2021, the Organization did not have any investments in excess of SIPC limits.

## Family Promise of Bergen County

Notes to Financial Statements  
December 31, 2022 and 2021

### 4. Concentration of Credit Risk *(continued)*

The investment portfolio is diversified by type of investments and industry concentrations so that no individual investment, investment advisor, investment manager or group of investments represents a significant concentration of credit risk.

### 5. Unconditional Pledges Receivable

Unconditional pledges receivable, net consists of the following at December 31:

	2022	2021
Unconditional pledges receivable	\$ 224,369	\$ 225,251
Less unamortized discount	(6,155)	(4,206)
	\$ 218,214	\$ 221,045

Included in pledges receivable are amounts toward the capital campaign for the Family Promise Center of \$177,667, in addition to a bequest to 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 receivable are discounted to their net present value using a risk-adjusted rate of return of between 3.96% and 4.41% at December 31, 2022 for the anticipated collection period.

Pledges receivable are due to be collected in the following periods:

Less than one year	\$ 122,702
One to five years	86,667
Thereafter	15,000
	224,369
Less unamortized discount	(6,155)
Unconditional Pledges Receivable, net	\$ 218,214

### 6. Investments

Investments consist of the following at December 31:

	2022		Unrealized (Loss) Gain
	Fair Value	Cost	
Money market fund	\$ 5,814	\$ 5,814	\$ -
Exchange traded funds	37,642	39,483	(1,841)
Equity securities	84,951	74,595	10,356
Real estate investment trusts	2,500	2,047	453
	\$ 130,907	\$ 121,939	\$ 8,968

## Family Promise of Bergen County

Notes to Financial Statements  
December 31, 2022 and 2021

### 6. Investments (continued)

	2021		Unrealized Gain
	Fair Value	Cost	
Money market fund	\$ 3,142	\$ 3,142	\$ -
Exchange traded funds	41,179	41,020	159
Equity securities	106,928	72,267	34,661
Real estate investment trusts	2,625	2,064	561
	\$ 153,874	\$ 118,493	\$ 35,381

The following schedule summarizes the investment return (loss) and its classification in the statements of activities and changes in net assets for the years ended December 31:

	2022		
	Without Donor Restrictions	With Donor Restrictions	Total
Interest and dividends	\$ 4,301	\$ 4,073	\$ 8,374
Net realized gain	9,653	231	9,884
Net unrealized loss	-	(27,271)	(27,271)
	\$ 13,954	\$ (22,967)	\$ (9,013)

	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Interest and dividends	\$ 5,475	\$ 3,443	\$ 8,918
Net realized gain	-	13,674	13,674
Net unrealized gain	-	8,742	8,742
	\$ 5,475	\$ 25,859	\$ 31,334

### 7. Property and Equipment

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

	2022	2021	Estimated Useful Lives
Equipment	\$ 17,058	\$ 17,058	5 years
Furniture and fixtures	9,832	9,832	5 years
Leasehold improvements	17,291	17,291	5 years
Total Cost	44,181	44,181	
Accumulated depreciation and amortization	(39,483)	(36,752)	
Property and Equipment, net	\$ 4,698	\$ 7,429	

## Family Promise of Bergen County

Notes to Financial Statements  
December 31, 2022 and 2021

### 8. Paycheck Protection Program Loan

In April 2020, the Organization received loan proceeds in the amount of \$97,322 under the Paycheck Protection Program (the “PPP”). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (the “CARES Act”), provides for loans to qualifying entities for amounts up to 2.5 times the 2019 average monthly payroll expenses of the qualifying entity. As of December 31, 2020, the PPP loan was recognized as debt on the statement of financial position in accordance with Accounting Standards Codification 470-*Debt*. On February 22, 2021, the Small Business Administration notified the Organization that the PPP loan was forgiven. Accordingly, the Organization recognized \$97,322 as forgiveness of debt for the year ended December 31, 2021.

### 9. Net Assets

Net assets consist of the following at December 31:

	2022	2021
Without donor restrictions		
General operating	\$ 863,959	\$ 856,989
Board designated - Family Promise Center	1,304,819	1,295,101
	2,168,778	2,152,090
With Donor Restrictions		
Time or purpose restricted		
Family Promise Center	873,658	572,444
Family Promise / Bridge Network	-	4,684
Endowment, spendable	14,315	44,793
New Leaf / New Life	-	9,684
Perpetual in Nature		
Endowment	99,423	99,423
Total With Donor Restrictions	987,396	731,028
Total Net Assets	\$ 3,156,174	\$ 2,883,118

Net assets released from restrictions consists of funds used for the maintenance of the New Leaf / New Life Program housing and day-to-day operations of the Family Promise / Bridge Network.

### 10. Endowment

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

## Family Promise of Bergen County

Notes to Financial Statements  
December 31, 2022 and 2021

### 10. Endowment (continued)

The Board of Trustees of the Organization interpreted the New Jersey enacted version of the Uniform Prudent Management of Institutional Funds Act (“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.

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 amount required to be maintained by the donor or by law. At times, the Organization may have endowment funds that are underwater.

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 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, 2022 and 2021.

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, 2021	\$ 23,059	\$ 99,423	\$ 122,482
Investment return, net	25,859	-	25,859
Subtotal	48,918	99,423	148,341
Appropriation of endowment assets for expenditures	(4,125)	-	(4,125)
Endowment Net Assets at December 31, 2021	44,793	99,423	144,216
Investment return, net	(22,967)	-	(22,967)
Subtotal	21,826	99,423	121,249
Appropriation of endowment assets for expenditures	(7,511)	-	(7,511)
Endowment Net Assets at December 31, 2022	\$ 14,315	\$ 99,423	\$ 113,738

### 11. Operating Leases

The Organization adopted the Financial Accounting Standards Board Topic 842, *Leases*, using the effective date method of January 1, 2022, as the date of initial adoption. The Organization’s leases are excluded from this guidance as they were for less than 12 months or were determined to be immaterial by management.

## Family Promise of Bergen County

Notes to Financial Statements  
December 31, 2022 and 2021

### 11. Operating Leases (*continued*)

The Organization leases its administrative facilities in Ridgewood, NJ under a 12-month lease. Rent paid for this facility totaled \$36,156 and \$36,156 for the years ended December 31, 2022 and 2021.

The Organization leases apartments in Bergen County, NJ for use as housing for families in its New Leaf / New Life Program under 12-month leases or on a month-to-month basis. Rent paid for these apartments totaled \$67,963 and \$65,891 for the years ended December 31, 2022 and 2021, recorded as part of the New Leaf / New Life Program expenses.

The Organization leases some of its office equipment. Rent paid for equipment totaled \$3,960 and \$3,960 for the years ended December 31, 2022 and 2021.

Future minimum lease payments under operating lease of office equipment that have remaining terms in excess of one year as of December 31, 2022 are:

<u>Year Ending</u>	<u>Amount</u>
2023	\$ 3,960
2024	3,960
2025	<u>1,650</u>
	<u>\$ 9,570</u>

### 12. 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 \$12,507 and \$14,079 for the years ended December 31, 2022 and 2021. Employees may make contributions to the plan up to the maximum amount allowed by the Internal Revenue Code.

### 13. Major Contributor

For the year ended December 31, 2021, one organization gave two grants totaling \$160,000 which comprised approximately 10% of total government grants, foundations, contributions, and capital campaign contributions. There is no restriction on this gift.

### 14. Related Party Transactions

The Organization pay affiliation fees annually to the national organization Family Promise Inc. Affiliation fees totaled \$6,750 and \$4,500 for the years ended December 31, 2022 and 2021.

## Family Promise of Bergen County

Notes to Financial Statements  
December 31, 2022 and 2021

### 15. Risks and Uncertainties

The Organization's operations were affected by the COVID-19 pandemic that began in early 2020. Nearly all programs were affected, including the Family Promise / Bridge Network Program that could no longer provide temporary shelter to families at churches and synagogues; families have been provided shelter in local family-friendly hotels. Funds were provided to assist families to pay rental arrears, or rental assistance to enable them to afford to remain in their current apartments. Adjustments were made in the Walk-In Dinner and other food programs, including delivering meals to individuals who were relocated from the county shelter to motels, as well as to providing meals to families and others from the local community. The effect of the pandemic continues as of the date these financial statements were available for issuance. Therefore, the full extent of any adverse impact on the changes in net assets, financial position, and cash flows in 2023 cannot be reasonably estimated at this time.

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