

FAMILY PROMISE OF GREATER ROCHESTER, INC.

FINANCIAL STATEMENTS

December 31, 2020



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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Directors
Family Promise of Greater Rochester, Inc.
Rochester, NY

We have reviewed the accompanying balance sheets - modified cash basis of Family Promise of Greater Rochester, Inc. (a New York not-for-profit corporation) as of December 31, 2020 and 2019, and the related statements of activities - modified cash basis, and functional expenses - modified cash basis for the year ended December 31, 2020, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management financial data and making inquiries of the Organization's management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting; 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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our conclusion.



Accountant's Conclusion

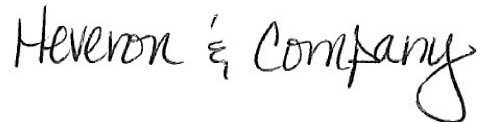
Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with the modified cash basis of accounting as described in Note 1.

Basis of Accounting

We draw your attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our conclusion is not modified with respect to this matter.

Report on Summarized Comparative Information

The prior year summarized comparative information contained in the statements of activities - modified cash basis and functional expenses - modified cash basis has been derived from Family Promise of Greater Rochester, Inc.'s 2019 financial statements and, in our review report dated March 3, 2020, we stated that we were not aware of any material modifications that should be made to those financial statements in order for them to be in conformity with the modified cash basis of accounting.



Heveron & Company
Certified Public Accountants

Rochester, New York
April 7, 2021

FAMILY PROMISE OF GREATER ROCHESTER, INC.
BALANCE SHEETS - MODIFIED CASH BASIS
December 31, 2020 and 2019

ASSETS

	<u>2020</u>	<u>2019</u>
<u>Current Assets</u>		
Cash and Cash Equivalents	\$ 449,052	\$ 220,761
Certificate of Deposit	<u>-</u>	<u>100,000</u>
Total Current Assets	<u>449,052</u>	<u>320,761</u>
 <u>Property and Equipment</u>		
Improvements	12,900	12,900
Furniture and Equipment	8,460	8,460
Transportation Equipment	41,007	41,007
Less: Accumulated Depreciation	<u>(49,279)</u>	<u>(38,819)</u>
Net Property and Equipment	<u>13,088</u>	<u>23,548</u>
 <u>Other Assets</u>		
Investments	<u>26,349</u>	<u>-</u>
Total Other Assets	<u>26,349</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 488,489</u>	<u>\$ 344,309</u>

LIABILITIES AND NET ASSETS

Net Assets

Without Donor Restrictions:

Undesignated	\$ 440,404	\$ 268,485
Designated by the Board for Endowment	<u>26,349</u>	<u>-</u>
Total Net Assets Without Donor Restrictions	<u>466,753</u>	<u>268,485</u>

With Donor Restrictions:

Purpose Restrictions	<u>21,736</u>	<u>75,824</u>
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Total Net Assets	<u>488,489</u>	<u>344,309</u>
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TOTAL LIABILITIES AND NET ASSETS	<u>\$ 488,489</u>	<u>\$ 344,309</u>
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See Independent Accountants' Review Report and Notes to Financial Statements.

FAMILY PROMISE OF GREATER ROCHESTER, INC.
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
For The Year Ended December 31, 2020
(With Comparative Totals For The Year Ended December 31, 2019)

	Without Donor	With Donor	<u>Totals</u>	
	<u>Restrictions</u>	<u>Restrictions</u>	<u>2020</u>	<u>2019</u>
<u>Support and Revenue</u>				
Contributions	\$ 436,329	\$ 9,426	\$ 445,755	\$ 286,511
Grants	38,135	-	38,135	68,496
Special Event	-	-	-	30,165
Less: Direct Benefits to Donors	-	-	-	(8,463)
Investment Income	2,098	-	2,098	18
Net Investment Returns	1,245	-	1,245	-
Net Assets Released from Restrictions	<u>63,514</u>	<u>(63,514)</u>	<u>-</u>	<u>-</u>
Total Support and Revenue	<u>541,321</u>	<u>(54,088)</u>	<u>487,233</u>	<u>376,727</u>
<u>Expenses</u>				
Program Expenses	286,514	-	286,514	253,362
Supporting Services:				
Management and General	49,084	-	49,084	46,635
Fund Raising	<u>7,455</u>	<u>-</u>	<u>7,455</u>	<u>12,524</u>
Total Expenses	<u>343,053</u>	<u>-</u>	<u>343,053</u>	<u>312,521</u>
Change in Net Assets	198,268	(54,088)	144,180	64,206
Net Assets - Beginning of Year	<u>268,485</u>	<u>75,824</u>	<u>344,309</u>	<u>280,103</u>
Net Assets - End of Year	<u>\$ 466,753</u>	<u>\$ 21,736</u>	<u>\$ 488,489</u>	<u>\$ 344,309</u>

See Independent Accountants' Review Report and Notes to Financial Statements.

FAMILY PROMISE OF GREATER ROCHESTER, INC.
STATEMENT OF FUNCTIONAL EXPENSES - MODIFIED CASH BASIS
For The Year Ended December 31, 2020
(With Comparative Totals For The Year Ended December 31, 2019)

	Program <u>Services</u>	Management <u>and General</u>	Fund <u>Raising</u>	<u>Totals</u>	
				<u>2020</u>	<u>2019</u>
Salaries and Wages	\$ 124,661	\$ 31,407	\$ 3,103	\$ 159,171	\$ 158,912
Payroll Taxes and Benefits	<u>8,485</u>	<u>4,815</u>	<u>615</u>	<u>13,915</u>	<u>13,033</u>
Total Payroll Expenses	133,146	36,222	3,718	173,086	171,945
Emergency Needs	99,344	-	-	99,344	36,185
Occupancy	21,715	-	798	22,513	30,748
Depreciation	10,460	-	-	10,460	10,460
Insurance	6,731	1,342	-	8,073	9,329
Professional Fees	518	6,807	-	7,325	9,013
Other Expenses	1,939	338	2,939	5,216	4,802
Repairs and Maintenance	3,363	-	-	3,363	20,885
Office Expense	135	2,889	-	3,024	3,570
Dues and Memberships	3,000	-	-	3,000	3,000
Telephone	2,398	-	-	2,398	2,406
Information Technology	425	1,486	-	1,911	3,991
Program Supplies	1,503	-	-	1,503	555
Travel	1,143	-	-	1,143	1,543

FAMILY PROMISE OF GREATER ROCHESTER, INC.
STATEMENT OF FUNCTIONAL EXPENSES - MODIFIED CASH BASIS
For The Year Ended December 31, 2020
(With Comparative Totals For The Year Ended December 31, 2019)
(Continued)

	<u>Program</u> <u>Services</u>	<u>Management</u> <u>and General</u>	<u>Fund</u> <u>Raising</u>	<u>Totals</u>	
				<u>2020</u>	<u>2019</u>
Postage and Printing	694	-	-	694	4,849
Education	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,703</u>
 Total Expenses	 286,514	 49,084	 7,455	 343,053	 320,984
 Less Expenses Included With Support and Revenue on the Statement of Activities	 <u>-</u>	 <u>-</u>	 <u>-</u>	 <u>-</u>	 <u>(8,463)</u>
 Total Expenses Included in the Expense Section of the Statement of Activities	 <u>\$ 286,514</u>	 <u>\$ 49,084</u>	 <u>\$ 7,455</u>	 <u>\$ 343,053</u>	 <u>\$ 312,521</u>

See Independent Accountants' Review Report and Notes to Financial Statements.

FAMILY PROMISE OF GREATER ROCHESTER, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Family Promise of Greater Rochester, Inc. (the Organization) is a not-for-profit organization formed in 2004 in Rochester, New York. The Organization is an interfaith, culturally-competent organization of faith communities that assist homeless families to achieve sustainable independence by supporting them with tailored services including shelter, food, personalized case management, and a diverse network of caring volunteers. The Organization obtains its support from individuals, organizations and government agencies.

Basis of Accounting

The accompanying financial statements have been prepared on the modified cash basis of accounting, with revenue and expenses being recorded at the time of cash receipt or disbursement. The capitalization of property, plant and equipment and the recording of depreciation over the estimated useful lives of such assets is a modification of the cash basis of accounting. Accordingly, the financial statements are not intended to present financial position and results of operations in conformity with accounting principles generally accepted in the United States of America.

Net Assets

The Organization reports information regarding its financial position and activities according to 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 restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor imposed restrictions. 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. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. 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.

FAMILY PROMISE OF GREATER ROCHESTER, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2020
(Continued)

**NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (Continued)**

Net Assets (Continued)

Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Contributions

Contributions are recorded at the time of receipt.

Income Taxes

The Internal Revenue Service has determined that the Organization is qualified as a charity exempt under Section 501(c)(3) of the Internal Revenue Code, and has also determined that the Organization is publicly supported. As a result, no provision for federal or state income taxes has been made.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with the modified cash basis of accounting, which is a comprehensive basis of accounting, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent liabilities at December 31, 2020, and the reported amounts of support, revenue, and expenses for the year then ended. Actual results could vary from those estimates.

Property and Equipment

Property and equipment are stated at cost. The Organization capitalizes property and equipment with a cost of over \$2,000 and an estimated life of more than one year. Depreciation is computed using the straight-line method based on the estimated useful lives of the assets, as follows:

	<u>Years</u>
Improvements	Lesser of 10-20 years or lease term
Furniture and Equipment	5
Transportation Equipment	7

Depreciation expense amounted to \$10,460 for the years ended December 31, 2020 and 2019.

FAMILY PROMISE OF GREATER ROCHESTER, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2020
(Continued)

**NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (Continued)**

Determining Fair Value of Financial Assets and Liabilities

The modified cash basis of accounting follows a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1: Inputs to the valuation method are unadjusted quoted market prices in active markets for identical assets or liabilities.

Level 2: Inputs to the valuation method include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or by other means.

Level 3: Inputs to the valuation method are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Comparative Financial Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2019 from which the summarized information was derived.

FAMILY PROMISE OF GREATER ROCHESTER, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2020
(Continued)

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash, Cash Equivalents, and Restricted Cash

Cash, cash equivalents, and restricted cash include all cash on hand and in banks, which, at times, may exceed federally insured limits. The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. The Organization has not experienced any losses in these accounts and does not believe it is exposed to any significant credit risk with respect to cash, cash equivalents, and restricted cash. There was no restricted cash for the years ended December 31, 2020 and 2019.

Cash and cash equivalents consisted of the following at December 31:

	2020	2019
Petty Cash	\$ 100	\$ 100
Checking	446,447	218,156
Money Market	2,505	2,505
Total	\$ 449,052	\$ 220,761

Functional Expenses

The costs of providing the various program services have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the program, management and general, and fund raising categories.

Expenses are allocated to program and supporting services on the following bases:

- (a) Management and general expenses are costs not directly related to the Organization's purpose and include those costs for oversight, management, general recordkeeping, budgeting, soliciting grants and payroll functions.
- (b) Personnel expenses are allocated on the basis of direct salaries.
- (c) Building and occupancy costs are allocated on the basis of space used.
- (d) Depreciation is allocated on the basis of usage of the related assets.

NOTE 2 - DONATED SERVICES AND GOODS

The Organization receives donated services that, although substantial, do not meet the criteria for recording as revenue and expense under the modified cash basis of accounting. Donors contribute their time to both the administrative and program activities of the Organization. Donors also regularly contribute certain supplies for day care center guests that are not recorded as revenue or expenses in these financial statements.

FAMILY PROMISE OF GREATER ROCHESTER, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2020
(Continued)

NOTE 3 - LIQUIDITY AND AVAILABILITY

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

The following financial assets will be available for general expenditures within one year of the balance sheet date:

	2020	2019
Cash and Cash Equivalents	\$ 449,052	\$ 220,761
Certificate of Deposit	-	100,000
Less: Donor Restrictions	(21,736)	(75,824)
	\$ 427,316	244,937

Although the Organization does not intend to spend from this board-designated endowment these amounts could be made available if necessary.

The Organization has a goal to maintain financial assets, which consist of cash and short-term investments, on hand to meet 90 days of normal operating expenses, which are, on average, approximately \$91,500.

The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, as part of its liquidity management, the Organization invests cash in excess of daily requirements in various short-term investments, including certificate of deposits and short-term treasury instruments.

NOTE 4 - COMMITMENTS

The Organization is obligated under a non-cancelable operating lease for its day center and office facilities through June 3, 2021. The office facilities lease agreement calls for monthly payments of \$1,450 and may be renewed for one term of two years. Rent expense for the years ended December 31, 2020 and 2019 totaled \$17,400.

Future minimum lease payment commitments are as follows:

<u>Year</u>	<u>Amount</u>
2021	\$ 7,250

FAMILY PROMISE OF GREATER ROCHESTER, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2020
(Continued)

NOTE 5 - INVESTMENTS

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair market value. Unrealized gains or losses on securities result from differences between the cost and fair market value of securities on a specified valuation date.

Investment securities are exposed to various risks, such as interest rate, market, economic conditions, world affairs and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the accompanying financial statements.

Investments are held in investment funds managed by professional investment advisors. As of December 31, 2020, the investments consisted primarily of mutual funds and equity investments. A summary of investments at market value at December 31 are as follows:

	<u>2020</u>	<u>2019</u>
Equity Exchange Traded Products	\$ 18,485	\$ -
Fixed Income Exchange Traded Products	<u>7,864</u>	<u>-</u>
Total Investments	<u>\$ 26,349</u>	<u>\$ -</u>

All of the investments are based on level 1 inputs in the hierarchy as described in Note 1.

NOTE 6 - NET ASSETS WITH DONOR RESTRICTIONS

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

	<u>2020</u>	<u>2019</u>
Subject to expenditure for specified purpose:		
Prevention, Diversion, and Re-Housing Program	\$ 19,317	\$ 73,155
Emergency Services	<u>2,419</u>	<u>2,669</u>
Total Net Assets with Donor Restrictions	<u>\$ 21,736</u>	<u>\$ 75,824</u>

FAMILY PROMISE OF GREATER ROCHESTER, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2020
(Continued)

NOTE 7 - BOARD-DESIGNATED ENDOWMENT

The Board has designated net assets without donor restrictions held for long term investment as a board-designated quasi-endowment fund established to provide a growing stream of income to fund the Organization's mission. Since the amount resulted from an internal designation and is not donor-restricted, it is classified as net assets without donor restrictions.

Return Objectives and Risk Parameters

The Organization has adopted investment policies for endowment assets that attempt to provide an optimum stream of funding for future operations, while seeking to maintain historical value of those assets.

Strategies Employed for Achieving Objectives

The policy approved by the Board requires that assets be invested in a combination of cash, common stock, and fixed income investments to produce a reasonable return while minimizing the risk of large losses. The Organization expects to generate an average rate of return that exceeds inflation. Actual returns in any given year may vary from this amount.

To satisfy its long-term rate of return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends).

Spending Policy

The earnings on the board-designated endowment are not restricted and are used to support the Organization's program as necessary. Earnings include interest, dividends, and realized and unrealized gains, net of investment fees. Upon Board approval, the Board may use 20% of the principal funds for emergency cash flow issues.

Changes in endowment net assets for the year ended December 31, 2020 are as follows:

Endowment Net Assets -	
Beginning of Year	\$ -
Net Investment Income	104
Net Investment Returns	1,245
Contributions	25,000
Endowment Net Assets - End of Year	<u>\$ 26,349</u>

FAMILY PROMISE OF GREATER ROCHESTER, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2020
(Continued)

NOTE 8 - SUBSEQUENT EVENTS

Subsequent events have been evaluated through April 7, 2021, which is the date the statements were available for issuance.

As a result of the spread of the COVID-19 coronavirus, economic uncertainties continue to have a negative impact on special event and grant income. There continues to be considerable uncertainty around the duration. Therefore, the related financial impact and duration cannot be reasonably estimated at this time.