

*F*amily  
*P*romise  
*O*f  
*I*rving

---

FINANCIAL STATEMENTS  
*December 31, 2018*

FAMILY PROMISE OF IRVING

FINANCIAL STATEMENTS  
Year ended December 31, 2018

	<b>Contents</b>
Independent Auditor's Report	1
<u>Financial Statements</u>	
Statements of Financial Position	2
Statements of Activities	3
Statements of Cash Flows	4
Statements of Functional Expenses	5 - 6
Notes to Financial Statements	7 - 10

**INDEPENDENT AUDITOR'S REPORT**

To the Board of Trustees  
Family Promise of Irving  
Irving, Texas

We have audited the accompanying financial statements of Family Promise of Irving (a non-profit corporation), which comprise the statements of financial position as of December 31, 2018 and 2017, and the related statements of activities, cash flows and functional expenses 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.

**Auditor's Responsibility**

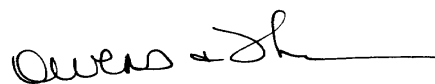
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about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

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Family Promise of Irving as of December 31, 2018 and 2017, 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.



OWENS & THURMAN, P.C.  
Certified Public Accountants  
Dallas, Texas

October 29, 2019

FAMILY PROMISE OF IRVING

STATEMENTS OF FINANCIAL POSITION

December 31, 2018 and 2017

	2018	2017
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 244,683	\$ 147,334
Contributions receivable	960	19,250
Prepaid expenses	2,095	2,100
	<u>247,738</u>	<u>168,684</u>
Total Current Assets		
<b>PROPERTY AND EQUIPMENT</b>		
Furniture and equipment	8,277	9,113
Land, building and improvements	205,973	205,973
	<u>214,250</u>	<u>215,086</u>
Total Property and Equipment		
Less accumulated depreciation	<u>(33,190)</u>	<u>(26,404)</u>
	<u>181,060</u>	<u>188,682</u>
Property and Equipment, net		
<b>TOTAL ASSETS</b>	<u><u>\$ 428,798</u></u>	<u><u>\$ 357,366</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 1,376	\$ 3,614
Deferred revenue	1,120	2,000
	<u>2,496</u>	<u>5,614</u>
Total Current Liabilities		
Total Liabilities	<u>2,496</u>	<u>5,614</u>
<b>NET ASSETS</b>		
Net assets without donor restrictions	326,302	341,752
Net assets with donor restrictions	100,000	10,000
	<u>426,302</u>	<u>351,752</u>
Total Net Assets		
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 428,798</u></u>	<u><u>\$ 357,366</u></u>

The accompanying notes are an integral part of this statement.

FAMILY PROMISE OF IRVING

STATEMENTS OF ACTIVITIES

for the years ended December 31, 2018 and 2017

	2018			2017		
	Without Donor Restrictions	With Donor Restrictions	TOTAL 2018	Without Donor Restrictions	With Donor Restrictions	TOTAL 2017
<b>SUPPORT AND REVENUE</b>						
Special events income	\$ 65,933	\$ -	\$ 65,933	\$ 58,050	\$ -	\$ 58,050
Less special events direct costs	(20,733)	-	(20,733)	(20,951)	-	(20,951)
Net support from special events	<u>45,200</u>	<u>-</u>	<u>45,200</u>	<u>37,099</u>	<u>-</u>	<u>37,099</u>
Contributions and grants	80,784	100,000	180,784	87,480	10,000	97,480
Satisfaction of donor restrictions	<u>10,000</u>	<u>(10,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Support and Revenue	<u>135,984</u>	<u>90,000</u>	<u>225,984</u>	<u>124,579</u>	<u>10,000</u>	<u>134,579</u>
<b>EXPENSES</b>						
Program services	136,176	-	136,176	125,939	-	125,939
Supporting services						
Management and general	14,578	-	14,578	15,116	-	15,116
Fund raising	<u>680</u>	<u>-</u>	<u>680</u>	<u>616</u>	<u>-</u>	<u>616</u>
Total Expenses	<u>151,434</u>	<u>-</u>	<u>151,434</u>	<u>141,671</u>	<u>-</u>	<u>141,671</u>
<b>CHANGE IN NET ASSETS</b>	(15,450)	90,000	74,550	(17,092)	10,000	(7,092)
<b>NET ASSETS</b>						
Beginning of year	<u>341,752</u>	<u>10,000</u>	<u>351,752</u>	<u>358,844</u>	<u>-</u>	<u>358,844</u>
End of year	<u>\$ 326,302</u>	<u>\$ 100,000</u>	<u>\$ 426,302</u>	<u>\$ 341,752</u>	<u>\$ 10,000</u>	<u>\$ 351,752</u>

The accompanying notes are an integral part of this statement.

FAMILY PROMISE OF IRVING  
STATEMENTS OF CASH FLOWS  
for the years ended December 31, 2018 and 2017

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 74,550	\$ (7,092)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	7,622	7,953
Decrease (Increase) in Operating Assets:		
Contributions receivable	18,290	(15,479)
Prepaid expenses	5	1,676
Increase (Decrease) in Operating Liabilities:		
Accounts payable and accrued expenses	(2,238)	(1,896)
Deferred revenue	(880)	(935)
Total Adjustments	22,799	(8,681)
Net Cash Provided By (Used in) Operating Activities	97,349	(15,773)
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property and equipment	-	(685)
Net Cash Provided By (Used In) Investing Activities	-	(685)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net Cash Provided By (Used In) Financing Activities	-	-
Net Increase (Decrease) In Cash And Cash Equivalents	97,349	(16,458)
Cash and Cash Equivalents, Beginning of Year	147,334	163,792
Cash and Cash Equivalents, End of Year	\$ 244,683	\$ 147,334

The accompanying notes are an integral part of this statement.

FAMILY PROMISE OF IRVING

STATEMENT OF FUNCTIONAL EXPENSES

for the year ended December 31, 2018

	<u>Program Services</u>	<u>Management and General</u>	<u>Fund Raising</u>	<u>TOTAL 2018</u>
Salaries and wages	\$ 67,701	\$ -	\$ -	\$ 67,701
Payroll taxes	5,179	-	-	5,179
Employee benefits	<u>10,419</u>	<u>-</u>	<u>-</u>	<u>10,419</u>
Total compensation	<u>83,299</u>	<u>-</u>	<u>-</u>	<u>83,299</u>
Outside/contractual services	-	3,521	350	3,871
Office expense	-	3,249	-	3,249
Information technology	5,543	448	330	6,321
Occupancy	15,841	-	-	15,841
Local transportation	3,078	-	-	3,078
Meetings and conference	2,090	-	-	2,090
Insurance	-	5,611	-	5,611
Specific assistance to individuals	15,539	-	-	15,539
Payments to affiliate	2,283	-	-	2,283
Other	<u>881</u>	<u>1,749</u>	<u>-</u>	<u>2,630</u>
Total expenses before depreciation	<u>128,554</u>	<u>14,578</u>	<u>680</u>	<u>143,812</u>
Depreciation	<u>7,622</u>	<u>-</u>	<u>-</u>	<u>7,622</u>
Total Expenses	<u>\$ 136,176</u>	<u>\$ 14,578</u>	<u>\$ 680</u>	<u>\$ 151,434</u>

The accompanying notes are an integral part of this statement.

FAMILY PROMISE OF IRVING

STATEMENT OF FUNCTIONAL EXPENSES

for the year ended December 31, 2017

	<u>Program Services</u>	<u>Management and General</u>	<u>Fund Raising</u>	<u>TOTAL 2017</u>
Salaries and wages	\$ 58,300	\$ -	\$ -	\$ 58,300
Payroll taxes	4,265	-	-	4,265
Employee benefits	9,749	-	-	9,749
	<hr/>	<hr/>	<hr/>	<hr/>
Total compensation	72,314	-	-	72,314
	<hr/>	<hr/>	<hr/>	<hr/>
Outside/contractual services	-	4,123	309	4,432
Office expense	-	2,223	-	2,223
Information technology	4,934	432	307	5,673
Occupancy	12,234	-	-	12,234
Local transportation	3,195	-	-	3,195
Meetings and conference	2,791	-	-	2,791
Insurance	-	5,494	-	5,494
Specific assistance to individuals	18,860	-	-	18,860
Payments to affiliate	2,228	-	-	2,228
Other	1,430	2,844	-	4,274
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenses before depreciation	117,986	15,116	616	133,718
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation	7,953	-	-	7,953
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenses	<u>\$ 125,939</u>	<u>\$ 15,116</u>	<u>\$ 616</u>	<u>\$ 141,671</u>

The accompanying notes are an integral part of this statement.



FAMILY PROMISE OF IRVING

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018 AND 2017

NOTE 1 - ORGANIZATION AND NATURE OF ACTIVITIES

Family Promise of Irving, a nonprofit organization incorporated in the state of Texas in July 2010, is a faith-based ministry that supports families who are experiencing homelessness as they search for new jobs, undergo job training, and obtain permanent housing.

Family Promise of Irving is affiliated with the nationwide Family Promise, Inc., a New Jersey non-profit, non-denominational, volunteer-based organization that mobilizes communities to help homeless and low-income families achieve sustainable independence through the creation of local network programs.

Program services consist of activities to provide a safe environment in which families can stay together and to give the assistance they need to become self-sufficient.

Family Promise of Irving's primary source of support is contributions and grants.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) in the *FASB Accounting Standards Codification™* and the Hierarchy of Generally Accepted Accounting Principles.

Change in Accounting Principle

In 2018 Family Promise of Irving adopted the provisions of Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements for Not-for-Profit Entities* and has applied the changes retrospectively to all periods presented. The new standard changed the following aspects of the financial statements: unrestricted net asset class has been renamed net assets without donor restrictions; temporarily and permanently restricted net asset classes have been combined into a single net asset class named net assets with donor restrictions; and the notes to the financial statements include a disclosure about liquidity and availability of resources.

Estimates

Preparation of financial statements in conformity with generally accepted accounting principles includes the use of estimates that affect the financial statements. Accordingly, actual results could differ from those estimates.

FAMILY PROMISE OF IRVING

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018 AND 2017

Support and Revenue

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. All contributions, including long-lived assets, are considered to be available for unrestricted use unless specifically restricted by the donor.

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction is satisfied by incurring expenses for the restricted purpose, expiration of time, or occurrence of other events specified by the donor, temporarily restricted net assets are reclassified to unrestricted net assets.

Cash and Cash Equivalents

For purposes of the statement of cash flows, cash and cash equivalents includes all checking and saving accounts, and highly liquid money market mutual funds that are available for general operating purposes and not otherwise restricted.

Contributions Receivable

Contributions receivable consists of amounts sent or mailed prior to year end but received after year end, the remaining balance due from donors for events held through December 31, 2018, and other receivables. These amounts are due within one year and no allowance for uncollectible accounts is provided.

Property and Equipment

Property and equipment additions of \$1,000 or greater are capitalized at cost if purchased, or at estimated fair value at the date of gift, if donated. Depreciation is provided using the straight-line basis over the estimated useful lives of assets as follows:

Furniture and equipment	1 - 5 years
Building and improvements	25 years

Net Assets

Family Promise of Irving is required to report information regarding its net assets and the changes therein according to two classes of net assets based on the existence or absence of donor-imposed restrictions:

- net assets without donor restrictions – net assets that are not subject to donor (or certain grantor) restrictions and may be expended for any purpose in performing the primary objectives of the

FAMILY PROMISE OF IRVING

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018 AND 2017

organization. Family Promise of Irving's board may designate assets without restrictions for specific operational purposes from time to time, and

- net assets with donor restrictions – net assets subject to donor (or certain grantor) 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.

Functional Allocation of Expenses

The costs of providing programs and other activities have been summarized on a functional basis in the statement of activities. None of Family Promise of Irving's costs for the years ended December 31, 2018 and 2017 are attributable to more than one program or supporting function of the organization. Accordingly, each cost category has been allocated to the programs and supporting services benefited.

Federal Income Tax

The Internal Revenue Service has determined that Family Promise of Irving is exempt from federal income tax under Section 501 (c) (3) of the Internal Revenue Code, and is not classified as a private foundation within the meaning of Section 509(a). Accordingly, no provision has been made for federal income tax.

Donated Services

Donated services are recognized as contributions at the estimated fair market value at the time of receipt when there is an objective basis available to measure their value, and the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by persons with those skills, and would otherwise need to be purchased by the organization. A number of unpaid volunteers regularly make contributions of their time to Family Promise of Irving's programs, the value of which is not reflected in these statements as it is not susceptible to objective measurement or valuation or does not meet the recognition criteria under generally accepted accounting principles.

NOTE 3 – PAYMENTS TO AFFILIATED ORGANIZATION

The amount of affiliate fees remitted to Family Promise, Inc. for the years ended December 31, 2018 and 2017 was \$2,283 and \$2,228, respectively.

FAMILY PROMISE OF IRVING  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2018 AND 2017

NOTE 4 – RESTRICTIONS ON NET ASSETS

Temporarily Restricted Net Assets

Temporarily restricted net assets were available for the following purpose at December 31, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Building Fund	\$ -	\$ 10,000
Aftercare program	<u>100,000</u>	<u>-</u>
Total temporarily restricted net assets	<u>\$100,000</u>	<u>\$ 10,000</u>

NOTE 5 – LIQUIDITY AND AVAILABILITY OF RESOURCES

The following reflects Family Promise of Irving’s financial assets reduced by amounts not available to meet cash needs for general expenditures within one year of the statement of financial position date because of donor-imposed restrictions as of December 31:

	<u>2018</u>	<u>2017</u>
Financial assets at year-end (cash and cash equivalents and receivables)	\$245,643	\$166,584
Less financial assets unavailable for general expenditures within one year due to:		
Donor-restricted to Building Fund	-	10,000
Donor-restricted to Aftercare program	<u>100,000</u>	<u>-</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$145,643</u>	<u>\$156,584</u>

NOTE 6 – SUBSEQUENT EVENTS

Subsequent events were evaluated through October 29, 2019, which is the date the financial statements were available to be issued.