

Family
Promise
Of
Irving

FINANCIAL STATEMENTS
December 31, 2015 and 2014

FAMILY PROMISE OF IRVING

FINANCIAL STATEMENTS
Year ended December 31, 2015 and 2014

	Contents
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

OWENS & THURMAN, P.C.

Certified Public Accountants

cpa@owensthurman.com

BANK OF AMERICA OAK CLIFF TOWER
400 SOUTH ZANG BOULEVARD, SUITE 815
DALLAS, TEXAS 75208
(214) 941-2361
FAX: (214) 941-2364

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, 2015 and 2014, 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

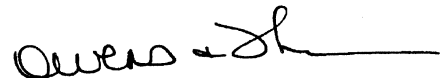
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about 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, 2015 and 2014, 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

February 25, 2016

FAMILY PROMISE OF IRVING
 STATEMENTS OF FINANCIAL POSITION
 December 31, 2015 and 2014

	2015	2014
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 111,744	\$ 87,863
Prepaid expenses	4,784	3,139
	<u>116,528</u>	<u>91,002</u>
PROPERTY AND EQUIPMENT		
Furniture and equipment	12,234	12,234
Land, building and improvements	196,737	181,813
	<u>208,971</u>	<u>194,047</u>
Less accumulated depreciation	(16,135)	(9,252)
	<u>192,836</u>	<u>184,795</u>
TOTAL ASSETS	<u>\$ 309,364</u>	<u>\$ 275,797</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 1,318	\$ -
Note payable	33,552	180,000
	<u>34,870</u>	<u>180,000</u>
Total Liabilities	<u>34,870</u>	<u>180,000</u>
NET ASSETS		
Unrestricted net assets	265,639	95,797
Temporarily restricted net assets	8,855	-
	<u>274,494</u>	<u>95,797</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 309,364</u>	<u>\$ 275,797</u>

The accompanying notes are an integral part of this statement.

FAMILY PROMISE OF IRVING

STATEMENTS OF ACTIVITIES
for the years ended December 31, 2015 and 2014

	2015			2014		
	Unrestricted	Temporarily Restricted	TOTAL 2015	Unrestricted	Temporarily Restricted	TOTAL 2014
SUPPORT AND REVENUE						
Special events income	\$ 49,638	\$ -	\$ 49,638	\$ 48,468	\$ -	\$ 48,468
Less special events direct costs	(16,524)	-	(16,524)	(10,451)	-	(10,451)
Net support from special events	33,114	-	33,114	38,017	-	38,017
Contributions and grants	64,069	202,568	266,637	66,915	3,024	69,939
Government grants	11,697	-	11,697	-	-	-
Satisfaction of donor restrictions	193,713	(193,713)	-	3,024	(3,024)	-
Total Support and Revenue	302,593	8,855	311,448	107,956	-	107,956
EXPENSES						
Program services	114,566	-	114,566	97,093	-	97,093
Supporting services						
Management and general	17,179	-	17,179	12,034	-	12,034
Fund raising	1,006	-	1,006	214	-	214
Total Expenses	132,751	-	132,751	109,341	-	109,341
CHANGE IN NET ASSETS	169,842	8,855	178,697	(1,385)	-	(1,385)
NET ASSETS						
Beginning of year	95,797	-	95,797	97,182	-	97,182
End of year	\$ 265,639	\$ 8,855	\$ 274,494	\$ 95,797	\$ -	\$ 95,797

The accompanying notes are an integral part of this statement.

FAMILY PROMISE OF IRVING
STATEMENTS OF CASH FLOWS
for the years ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	<u>\$ 178,697</u>	<u>\$ (1,385)</u>
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	6,883	2,990
Decrease (Increase) in Operating Assets:		
Prepaid expenses	(1,645)	(3,139)
Increase (Decrease) in Operating Liabilities:		
Accounts payable and accrued expenses	<u>1,318</u>	<u> </u>
Total Adjustments	<u>6,556</u>	<u>(149)</u>
Net Cash Provided By (Used in) Operating Activities	<u>185,253</u>	<u>(1,534)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property and equipment	<u>(14,924)</u>	<u>(181,813)</u>
Net Cash Provided By (Used In) Investing Activities	<u>(14,924)</u>	<u>(181,813)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from note payable	<u>(146,448)</u>	<u>180,000</u>
Net Cash Provided By (Used In) Financing Activities	<u>(146,448)</u>	<u>180,000</u>
Net Increase (Decrease) In Cash And Cash Equivalents	23,881	(3,347)
Cash and Cash Equivalents, Beginning of Year	<u>87,863</u>	<u>91,210</u>
Cash and Cash Equivalents, End of Year	<u>\$ 111,744</u>	<u>\$ 87,863</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, 2015

	<u>Program Services</u>	<u>Management and General</u>	<u>Fund Raising</u>	<u>TOTAL 2015</u>
Salaries and wages	\$ 57,263	\$ -	\$ -	\$ 57,263
Payroll taxes	4,381	-	-	4,381
Employee benefits	7,331	-	-	7,331
Total compensation	68,975	-	-	68,975
Outside/contractual services	-	914	417	1,331
Office expense	-	6,022	589	6,611
Information technology	4,355	3,084	-	7,439
Occupancy	13,037	-	-	13,037
Local transportation	3,349	-	-	3,349
Meetings and conference	3,124	-	-	3,124
Insurance	-	5,327	-	5,327
Specific assistance to individuals	11,523	-	-	11,523
Payments to affiliate	2,047	-	-	2,047
Other	1,273	1,832	-	3,105
Total expenses before depreciation	107,683	17,179	1,006	125,868
Depreciation	6,883	-	-	6,883
Total Expenses	\$ 114,566	\$ 17,179	\$ 1,006	\$ 132,751

The accompanying notes are an integral part of this statement.

FAMILY PROMISE OF IRVING

STATEMENT OF FUNCTIONAL EXPENSES

for the year ended December 31, 2014

	Program <u>Services</u>	Management and <u>General</u>	Fund <u>Raising</u>	TOTAL <u>2014</u>
Salaries and wages	\$ 52,767	\$ -	\$ -	\$ 52,767
Payroll taxes	4,037	-	-	4,037
Employee benefits	<u>3,140</u>	<u>-</u>	<u>-</u>	<u>3,140</u>
Total compensation	<u>59,944</u>	<u>-</u>	<u>-</u>	<u>59,944</u>
Outside/contractual services	-	-	214	214
Office expense	-	4,694	-	4,694
Information technology	3,477	422	-	3,899
Occupancy	11,942	-	-	11,942
Local transportation	2,459	-	-	2,459
Meetings and conference	3,657	-	-	3,657
Insurance	-	5,209	-	5,209
Specific assistance to individuals	10,029	-	-	10,029
Payments to affiliate	1,504	-	-	1,504
Other	<u>1,091</u>	<u>1,709</u>	<u>-</u>	<u>2,800</u>
Total expenses before depreciation	<u>94,103</u>	<u>12,034</u>	<u>214</u>	<u>106,351</u>
Depreciation	<u>2,990</u>	<u>-</u>	<u>-</u>	<u>2,990</u>
Total Expenses	<u>\$ 97,093</u>	<u>\$ 12,034</u>	<u>\$ 214</u>	<u>\$ 109,341</u>

The accompanying notes are an integral part of this statement.

FAMILY PROMISE OF IRVING
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014

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 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

Financial Statement Presentation

The financial statements have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities, in accordance with current recommendation of the American Institute of Certified Public Accountants for Not-for-Profit Organizations. 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.

Family Promise of Irving is required to report information regarding its financial position and activities according to three classes of net assets:

- Unrestricted net assets – which are not restricted either by donors or by law.
- Temporarily restricted net assets – which use has been limited by donor-imposed purpose or time restrictions.
- Permanently restricted net assets – which have been restricted by donor or by law to be maintained by the organization in perpetuity. Family Promise of Irving did not have any permanently restricted net assets as of December 31, 2015 and 2014.

The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

Estimates

The 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, 2015 AND 2014

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.

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

Functional Allocation of Expenses

The costs of providing programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among 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. Family Promise of Irving's Form 990, Return of Organization Exempt from Income Tax, is generally no longer subject to examination by the Internal Revenue Service for years ending after December 31, 2011.

FAMILY PROMISE OF IRVING
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2015 AND 2014

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, 2015 and 2014 was \$2,047 and \$1,504, respectively.

NOTE 4 – RELATED PARTY NOTE PAYABLE

Note payable consists of the following at December 31:

	2015	2014
\$180,000 promissory note payable to W. M. Carpenter, a member of Family Promise of Irving's Board of Trustees, secured by a vendor's lien on real property, with zero % interest and initial maturity date of December 31, 2015. Upon initial maturity the loan may be renewed with equal monthly installments of principal and interest at 3.5% in the amount necessary to amortize the loan over the ten year renewal term with final maturity date of December 31, 2025	\$ 33,552	\$ 180,000

The \$33,552 loan balance was paid in full in January 2016.

NOTE 5 – RESTRICTIONS ON NET ASSETS

Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purpose at December 31, 2015 and 2014:

	2015	2014
Capital Campaign	\$ 8,855	\$ -
Total temporarily restricted net assets	\$ 8,855	\$ -

FAMILY PROMISE OF IRVING
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014

NOTE 6 – SUBSEQUENT EVENTS

Subsequent events were evaluated through February 25, 2016, which is the date the financial statements were available to be issued.