

# Peterson, Fieo & Co. LLP

Certified Public Accountants

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## INDEPENDENT ACCOUNTANT'S COMPILATION REPORT

To the Board of Directors of the Family  
Promise of Delaware County - Delaware  
County Interfaith Hospitality Network:

Management is responsible for the accompanying financial statements of the Family Promise of Delaware County – Delaware County Interfaith Hospitality Network, Inc. (a not-for-profit corporation), consisting of the Statement of Financial Position as of 31<sup>st</sup> December 2019, and the related Statements of Activities, Statement of Functional Expenses, and Statement of Cash Flows, and the notes thereto for the year then ended in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the financial statements, nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express any opinion or any conclusion thereon, nor provide any form of assurance on these financial statements.

*Peterson, Fieo & Co.*

Peterson, Fieo & Co.  
16<sup>th</sup> March 2020

# **Family Promise of Delaware County - Delaware County Interfaith Hospitality Network**

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## **Statement of Financial Position as of December 31, 2019**

### **ASSETS:**

Cash	\$ 27,073
Contributions Receivable	200
Prepaid Expenses	3,250
Fixed Assets	-
<i>(net of \$23,838 of accumulated depreciation)</i>	
Total Assets	<u>\$ 30,523</u>

### **LIABILITIES & NET ASSETS**

Liabilities	
Accounts Payable	\$ 521
Net Assets:	
Net Assets without Donor Restrictions	30,002
Net Assets with Donor Restrictions	-
Total Net Assets	<u>30,002</u>
Total Liabilities & Net Assets	<u>\$ 30,523</u>

**Family Promise of Delaware County - Delaware County Interfaith Hospitality Network**

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**Statement of Activities for the year ended December 31, 2019**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b><u>Operating Revenues:</u></b>			
Contributions - Delaware County	\$ 62,403	\$ -	\$ 62,403
Grants - Delaware County	40,000		40,000
Special Events Revenue	\$ 7,358		7,358
<b>Total Revenues</b>	<b>109,761</b>	<b>-</b>	<b>109,761</b>
<b><u>Expenses:</u></b>			
Program Services	101,401		101,401
Administrative Exps.	5,671		5,671
Fundraising Expenses	422		422
<b>Total Expenses</b>	<b>107,494</b>	<b>-</b>	<b>107,494</b>
Change in Net Assets	2,267		2,267
<b>Net Assets, beginning of year</b>	<b>27,735</b>	<b>-</b>	<b>27,735</b>
<b>Net Assets, end of year</b>	<b>\$ 30,002</b>	<b>\$ -</b>	<b>\$ 30,002</b>

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**Family Promise of Delaware County - Delaware County Interfaith Hospitality Network**

**Statement of Functional Expenses for the year ended December 31, 2019**

	<b><u>Unrestricted Expenses</u></b>			<b>Total</b>
	(a.) General Programs	(b.) Admin- istrative	(c.) Fund- raising	
Salaries & Benefits	\$ 62,540	\$ 3,923	\$ -	\$ 66,463
Direct Program Expenses	806	-	-	806
Professional Fees	-	1,100	-	1,100
Office & Admin	4,520	-	422	4,942
Rent & Utilities	21,725	-	-	21,725
Telephone	2,919	-	-	2,919
Insurance	6,785	648	-	7,433
Van Expenses	2,106	-	-	2,106
<b>Totals</b>	<b>\$ 101,401</b>	<b>\$ 5,671</b>	<b>\$ 422</b>	<b>\$ 107,494</b>

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# **Family Promise of Delaware County - Delaware County Interfaith Hospitality Network**

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## **Statement of Cash Flows for the year ended December 31, 2019**

Cash Flows from Operating Activities:

Change in Net Assets:

Without Donor Restrictions	\$ 2,267
With Donor Restrictions	<hr/> -
Total Change in Net Assets	\$ 2,267

Adjustments to Reconcile Net Income From Operating Activities to Net Cash Provided by Operating Activities

Change in Contributions Receivables	(200)
Change in Prepaid Exps. & Security Deps.	596
Change in Current Liabilities	<hr/> <u>(11,203)</u>
Total Adjustments	<hr/> <u>(10,807)</u>

Net Cash Provided (Used) by Operating Activities \$ (8,540)

Cash Provided (Used) by Investing Activities -

Cash Provided (Used) by Financing Activities -

Net Increase in Cash	\$ (8,540)
Cash, beginning of year	<hr/> <u>35,613</u>
Cash, end of year	<hr/> <u>\$ 27,073</u>

### Other Required Data:

Interest Paid	\$ -
Income Taxes Paid	\$ -

# **Family Promise of Delaware County – Delaware County Interfaith Hospitality Network**

## **Notes to Financial Statements 31<sup>st</sup> December 2019**

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### **Note I – Summary of Significant Accounting Policies.**

Business Activity. Family Promise of Delaware County – Delaware County Interfaith Hospitality Network (formerly the Delaware County Interfaith Hospitality Network), hereinafter “FPDC”) administers a program for homeless families providing food, temporary housing, and other assistance. FPDC operates within Delaware County, Pennsylvania, coordinating various host congregations (of various denominations) and volunteers therefrom minister to families in need.

Accounting Principles & Presentation. In all material respects, these statements are presented on the accrual basis of accounting in accordance with generally accepted accounting principles (GAAP).

Property & Equipment. It is FPDC’s policy to capitalize equipment costing not less than \$500; lesser amounts are expensed. Purchased property is capitalized at cost and depreciated using the straight-line method.

Net Assets. FPDC’s Net Assets are categorized into the following two categories:

(i.) Net assets without donor restrictions consist of all net assets which are expendable at the discretion of FPDC’s management and board of directors for carrying on daily operations. These funds have neither been restricted by donors nor set aside for any specific purpose.

(ii.) Net assets with donor restrictions consist of net assets that have been limited by donor-imposed stipulations that either expire with the passage of time or can be fulfilled and removed by the actions of FPDC pursuant to those stipulations. When a donor restriction expires (i.e., when a stipulated time restriction ends or purpose restriction is accomplished), 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. FPDC’s reports donor-restricted contributions whose restrictions are met within the reporting period recognized as Net Assets Without Donor Restrictions.

Estimates. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reporting amounts and disclosures. Accordingly, actual results could differ from these estimates.

Income Taxes. FPDC was organized as a Pennsylvania not-for-profit corporation on 17<sup>th</sup> July 2001, and is exempt from income taxes under IRC Section 501(a) as an organization described in Section 501(c)(3), said status ruled permanent by the Internal Revenue Service on 22<sup>nd</sup> June 2006. Accordingly, contributions to FPDC qualify as deductible charitable contributions as provided in IRC Section 170(b)(1)(a)(vi). Further, no provision has been made for income taxes with respect to this period, nor any prior period.

The organization believes it has appropriate support for any & all tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements. None of the organization’s federal income tax returns (Form 990 series) are currently under examination. However,

# **Family Promise of Delaware County – Delaware County Interfaith Hospitality Network**

## **Notes to Financial Statements 31<sup>st</sup> December 2019**

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tax years 2016–2018 remain subject to examination by the Internal Revenue Service.

Other Filings. Since FPDC solicits funds in Pennsylvania, it has registered with the Bureau of Charitable Organizations and files an annual registration and report therewith.

Donated Services & Materials. FPDC receives donated services from a variety of unpaid volunteers assisting it in its mission. No amounts have been recognized in the accompanying statement of activities.

**Note II – Cash.** Cash consists of funds on deposit at a local commercial bank. The accounts are insured by the FDIC up to an aggregate of \$250,000. At no time did cash balances on deposit with the financial institution exceed the insured limits during the year ended.

**Note III – Contributions Receivable.** Contributions receivable represents amounts of unconditional promises to give as of December 31<sup>st</sup>. The amounts presented in these financial statements have in fact been collected as of the date of these financial statements; accordingly, no allowance for uncollectable receivables has been recognized.

**Note IV – Fixed Assets.** Fixed assets consist of a used 2010 Ford F-350 Econoline passenger van, obtained during 2011 for the purpose of shuttling the families to and from temporary housing sites, school or bus stops for students, and workplaces for working adults.

	Beginning of Year	Additions	Deletions	End of Year
Fixed Assets	\$ 23,838	\$ -	\$ -	\$ 23,838
Accumulated Depr'n	23,838		-	23,838
Fixed Assets Net of Accumulated Depr'n	\$ -	\$ -	\$ -	\$ -

**Note V – Net Assets With Donor Restrictions.** FPDC received a grant from Delaware County in order to provide shelter for homeless families. Since these funds were both received and completely spent during 2019, they are not recorded as Contributions with Donor Restrictions.

# **Family Promise of Delaware County – Delaware County Interfaith Hospitality Network**

## **Notes to Financial Statements 31<sup>st</sup> December 2019**

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**Note VI - Functional Expenses.** FPDC utilizes the following cost allocation plan to allocate its expenses:

- a.) Salaries expense (and related payroll taxes, etc.) of the executive director is allocated 90% to programs and 10% to administrative expenses to reflect the estimated time spent on each activity.
- b.) All other salary expenses (and related payroll taxes, etc.) are allocated to programs expense.
- c.) All other expenses are charged directly to either program expense, administrative expenses, or fund raising expenses depending on the nature of the transaction.

Management believes that these allocation methodologies and results reasonably reflect the classification of its expenses.

**Note VII - Liquidity.** Financial assets available for general expenditure within one year of the balance sheet date are \$27,073. The FPDC has a goal to maintain cash balances to meet 60-days of ordinary business expenses, which are on average \$17,838. The FPDC has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

**Note VIII - Lease Arrangements.** FPDC entered into a one year lease for the former convent premises of Our Lady of Charity Parish, Brookhaven, Pennsylvania principally for office space and storage. This lease covered the period 1<sup>st</sup> March 2016 through 28<sup>th</sup> February 2017. This lease provides for rent payments of \$1,000 per month. Beginning 1<sup>st</sup> March 2017, the lease has continued on a month to month basis.

**Note IX - Subsequent Events.** FPDC has evaluated all events through 16<sup>th</sup> March 2020, which is the date these financial statements were available to be issued and has determined that there are no subsequent events that require recognition or disclosure.