

# Financial Statements

Family Promise of Clark County  
(a nonprofit organization)  
Year Ended December 31, 2023



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**INDEPENDENT ACCOUNTANTS' REVIEW REPORT**

To the Board of Directors  
Family Promise of Clark County  
Vancouver, Washington

We have reviewed the accompanying financial statements of Family Promise of Clark County (a not-for-profit organization) which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of 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 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 misstatements, whether due to fraud or error.

**Accountants' 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 for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Family Promise of Clark County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

**Accountants' 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 accordance with accounting principles generally accepted in the United States of America.

*Harris CPAs P.C.*

Meridian, Idaho  
June 18, 2024



**FAMILY PROMISE OF CLARK COUNTY**  
**STATEMENT OF FINANCIAL POSITION**  
**December 31, 2023**

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**ASSETS**

**Current Assets**

Cash and cash equivalents	\$ 343,178
Investment in certificate of deposit	84,761
Prepaid expenses	<u>1,285</u>

Total Current Assets 429,224

**Other Assets**

Property and equipment, net	12,748
Operating lease right-of-use assets, net	<u>26,799</u>

Total Other Assets 39,547

Total Assets \$ 468,771

**LIABILITIES AND NET ASSETS**

**Current Liabilities**

Accounts payable	\$ 4,611
Accrued payroll	7,071
Current portion of operating lease liability	<u>10,681</u>

Total Current Liabilities 22,363

**Operating lease liability, net of current portion** 16,525

Total Liabilities 38,888

**Net Assets**

Without donor restriction	389,196
With donor restriction	<u>40,687</u>

Total Net Assets 429,883

Total Liabilities and Net Assets \$ 468,771

See accompanying notes and independent accountants' review report.

**FAMILY PROMISE OF CLARK COUNTY**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended December 31, 2023**

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	<b><u>Without Donor</u></b>	<b><u>With Donor</u></b>	<b><u>Total</u></b>
	<b><u>Restrictions</u></b>	<b><u>Restrictions</u></b>	
<b>Revenues and Other Support</b>			
Direct contributions	\$ 156,949	\$ 0	\$ 156,949
Grants	22,452	68,151	90,603
Special events, net	69,131		69,131
Contributed nonfinancial assets	13,427		13,427
Other unrestricted revenue	<u>1,708</u>		<u>1,708</u>
	263,667	68,151	331,818
Net assets released from restrictions	<u>83,414</u>	<u>(83,414)</u>	<u>0</u>
Total Revenue	347,081	(15,263)	331,818
<b>Expenses</b>			
Program services			
General	74,784		74,784
Core	59,064		59,064
FP cares	<u>96,117</u>		<u>96,117</u>
Total Program Services	<u>229,965</u>	<u>0</u>	<u>229,965</u>
Supporting services			
Admin	63,131		63,131
Fundraising	<u>34,759</u>		<u>34,759</u>
Total Supporting Services	<u>97,890</u>	<u>0</u>	<u>97,890</u>
Total Expenses	<u>327,855</u>	<u>0</u>	<u>327,855</u>
Change in Net Assets	19,226	(15,263)	3,963
<b>Net Assets</b>			
Beginning of Year	<u>369,970</u>	<u>55,950</u>	<u>425,920</u>
End of Year	<u>\$ 389,196</u>	<u>\$ 40,687</u>	<u>\$ 429,883</u>

See accompanying notes and independent accountants' review report.

**FAMILY PROMISE OF CLARK COUNTRY**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
For the Year Ended December 31, 2023

	Program Services			Supporting Services		Total
	General	Core	FP Cares	Admin	Fundraising	
Wages and benefits	\$ 49,989	\$ 18,439	\$ 82,752	\$ 42,054	\$ 29,836	\$ 223,070
Rent	4,836	13,933	720	8		19,497
Professional services		1,500		12,422		13,922
Gifts in-kind		13,427				13,427
Grant and direct assistance			12,349			12,349
Other program specific expenses	4,516	4,162	215			8,893
Office supplies	686	4,070		1,607	1,960	8,323
Depreciation	6,373					6,373
Supplies	149	2,482	38	669		3,338
Utilities	971		43	1,661		2,675
Travel & conferences	779	22		617		1,418
Other expenses	6,485	1,029		4,093	2,963	14,570
Total Expenses	<u>\$ 74,784</u>	<u>\$ 59,064</u>	<u>\$ 96,117</u>	<u>\$ 63,131</u>	<u>\$ 34,759</u>	<u>\$ 327,855</u>

See accompanying notes and independent accountants' review report.

**FAMILY PROMISE OF CLARK COUNTY**  
**STATEMENT OF CASH FLOWS**  
**For the Year Ended December 31, 2023**

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**Cash Flows From Operating Activities**

Change in net assets	\$ 3,963
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	6,373
Noncash lease expense	11,757
Changes in operating assets and liabilities:	
Accounts receivable	9,803
Prepaid expenses	2,799
Accounts payable	(3,312)
Accrued payroll and related costs	1,720
Operating lease liability	<u>(11,350)</u>
Net Cash Provided (Used) by Operating Activities	21,753

**Cash Flows From Investing Activities**

Purchase of investments	<u>(84,761)</u>
Net Change in Cash and Cash Equivalents	(63,008)

**Cash and Cash Equivalents, Beginning of Year** 406,186

**Cash and Cash Equivalents, End of Year** \$ 343,178

See accompanying notes and independent accountants' review report.

## **FAMILY PROMISE OF CLARK COUNTY**

### **NOTES TO FINANCIAL STATEMENTS**

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#### **Note A – Significant Accounting Policies**

##### *Nature of Organization*

Family Promise of Clark County (the Organization) is a non-profit organization dedicated to assisting children and families impacted by homelessness in the Clark County, Washington through community-based initiatives. Established in 1988, the founder initiated the National Interfaith Network to expand the program nationwide. Their services include providing shelter, meals, housing, and job-seeking assistance. Over time, they expanded their offerings to include transitional housing, childcare, and homelessness prevention programs. In 2003, the organization rebranded as Family Promise, reflecting their commitment to the promise communities make to families in need.

##### *Basis of Accounting*

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

##### *Basis of Presentation*

The Organization reports information regarding its financial position and activities according to two classes of net assets: with donor restrictions and without donor restrictions. Net assets without donor restrictions are available for use at the discretion of the Board of Directors and/or management for general operating purposes. Net asset with donor restrictions consist of assets whose use is limited by donor imposed, time and/or purpose restrictions.

##### *Use of Estimates*

The Organization uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

##### *Cash and Cash Equivalents*

The Organization considers its short-term, highly liquid investments purchased with a maturity of three months or less to be cash equivalents.

##### *Certificates of Deposit*

The certificate of deposit is carried at amortized cost on the statement of financial position.



## **FAMILY PROMISE OF CLARK COUNTY**

### **NOTES TO FINANCIAL STATEMENTS**

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#### **Note A – Significant Accounting Policies (Continued)**

##### *Concentration of Credit Risk*

Financial instruments that potentially subject the Organization to significant concentrations of credit risk consist of cash and investments and are held at a number of financial institutions. Accounts at credit unions are insured by the National Credit Union Association for at least \$250,000. Investment accounts are insured by the Federal Deposit Insurance Corporation for up to \$250,000. At December 31, 2023 the Organization's uninsured balances totaled \$70,779.

##### *Fair Value*

The Organization uses fair value for reporting financial assets and liabilities. A hierarchy for reporting the reliability of input measurements is used to assess fair value for all assets and liabilities. Fair Value is defined as the selling price that would be received for an asset, or paid to transfer a liability, in the principal or most advantageous market on the measurement date. The hierarchy established prioritizes fair value measurements based on the types of inputs used in the valuation technique. Certain financial instruments are carried at cost on the statements of financial position, which approximates fair value due to their short term, highly liquid nature.

##### *Equipment*

Property and equipment is stated at cost, or if donated, at acquisition value on the date of donation. Depreciation is computed using the straight-line method over the estimated lives of the assets, which are 5 years. Maintenance, repairs and minor renewals are charged to operations as incurred. When an asset is disposed of, accumulated depreciation is deducted from the original cost, and any gain or loss arising from its disposal is credited or charged to operations.

##### *Leases*

Family Promise of Clark Country determines if an arrangement is or contains a lease at inception. Leases are included in right-of-use (ROU) assets and lease liabilities in the balance sheet. ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term, and ROU assets also include prepaid or accrued rent. Operating lease expense is recognized on a straight-line basis over the lease term. The organization does not report ROU assets and lease liabilities for its short-term leases (leases with a term of 12 months or less). Instead, the lease payments of those leases are reported as lease expense on a straight-line basis over the lease term.

## **FAMILY PROMISE OF CLARK COUNTY**

### **NOTES TO FINANCIAL STATEMENTS**

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#### **Note A – Significant Accounting Policies (Continued)**

##### *Special Events and Fundraising*

Special events are shown net of revenue that are direct benefits. These are shown on the statement of activities. The remaining costs are shown in fundraising for donor development and general fundraising.

##### *Contributions and Donor Imposed Restrictions*

Contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted by the donor for specific purposes are reported as contributions with donor restrictions that increases that net asset class. When donor restrictions expire, that is, when a time restriction ends and/or a purpose restriction is fulfilled, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restriction.

##### *In-kind Contributions*

The Organization records in-kind goods based on the fair value as described in generally accepted accounting principles. The Organization recognizes donated services if they create or enhance non-financial assets or require specialized skills and would typically be purchased if not provided by donation. In-kind contributions are recognized as revenue when received and as expenditures when the resources are consumed.

##### *Functional Allocation of Expenses*

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Certain categories of expenses are attributable to more than one program or supporting function and are allocated on a reasonable basis that is consistently applied. The expenses that are allocated are compensation and benefits, which are allocated on the basis of estimates of time and effort, and occupancy costs and depreciation, which are directly allocated based on their use. General and administration expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

## **FAMILY PROMISE OF CLARK COUNTY**

### **NOTES TO FINANCIAL STATEMENTS**

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#### **Note A – Significant Accounting Policies (Continued)**

##### *Income Taxes*

The Organization is a not-for-profit organization that is exempt from income taxes under Internal Revenue Code Section 501(c)(3), and comparable state law. Accordingly, no provision for income taxes is made in the financial statements.

##### *Uncertain Tax Positions*

The accounting standard on accounting for uncertainty in income taxes addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under that guidance, the Organization may recognize tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement. There were no unrecognized tax benefits identified or recorded as liabilities for fiscal year 2023.

The Organization files Form 990 in the U.S. federal jurisdiction. The Organization is generally no longer subject to examination by the Internal Revenue Service for years before 2020.

##### *Subsequent Events*

The Organization has evaluated subsequent events through June 18, 2024, which is the date the financial statements were available to be issued.

**FAMILY PROMISE OF CLARK COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**

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**Note B – Liquidity and Availability**

The Organization’s financial assets available within one year of the statement of financial position date for general expenditures are as follows:

Cash and cash equivalents	\$ 343,178
Investment in certificate of deposit	<u>84,761</u>
Total financial assets available within one year after restriction	427,939
Less amounts unavailable for general expenditures within one year, due to:	
Restricted by donors with purpose restrictions	(40,687)
Board designated amounts	<u>(84,761)</u>
Total amounts unavailable for general expenditures within one year	<u>(125,448)</u>
Total financial assets available within one year after restriction	<u>\$ 302,491</u>

As part of the Organization’s liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. At December 31, 2023, all net assets without donor restrictions are available for payment of any major expenditures incurred.

**Note C – Property and Equipment**

At December 31, 2023, property and equipment consisted of the following:

Furniture and equipment	\$ 44,616
Less accumulated depreciation	<u>(31,868)</u>
	<u>\$ 12,748</u>

Total depreciation expense for the year ended December 31, 2023 was \$6,373.

**FAMILY PROMISE OF CLARK COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**

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**Note D – Contributed Nonfinancial Assets**

For the year ended December 31, 2023, contributed nonfinancial assets recognized within the statement of activities included:

Goods	\$ 3,442
Gift cards	<u>9,985</u>
Total	<u>\$ 13,427</u>

The Organization recognized contributed nonfinancial assets within revenue, including goods and gift cards donated and used in the Organization’s programs. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions. The goods were valued based on the estimated fair market value for similar goods and services. This value was determined by management.

**FAMILY PROMISE OF CLARK COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**

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**Note E – Operating Leases**

Family Promise of Clark County evaluated current contracts to determine which met the criteria of a lease. The right-of-use (ROU) assets represent Family Promise of Clark County’s right to use underlying assets for the lease term, and the lease liabilities represent Family Promise of Clark County’s obligation to make lease payments arising from these leases. The ROU assets and lease liabilities, all of which arise from operating leases, were calculated based on the present value of future lease payments over the lease terms. Family Promise of Clark County has made an accounting policy election to use a risk-free rate in lieu of its incremental borrowing rate to discount future lease payments. The weighted-average discount rate applied to calculate lease liabilities as of December 31, 2023, was 4.29%. The Organization’s operating lease consist primarily of office equipment and office space.

As of December 31, 2023, the weighted-average remaining lease term for Family Promise of Clark County’s operating leases was 3 years.

Cash paid for operating leases totaled \$6,200 for the year ended December 31, 2023. Noncash investing and financing activites related to leasing totaled \$32,757 for the year ended December 31, 2023.

Future maturities of lease liabilities are presented in the following table, for the year ending December 31:

2024	\$ 11,640
2025	11,640
2026	<u>5,440</u>
Total lease payments	28,720
Less present value discount	<u>(1,514)</u>
Total lease obligations	27,206
Less current portion	<u>(10,681)</u>
Long-term portion of leases	<u><u>\$ 16,525</u></u>

**FAMILY PROMISE OF CLARK COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**

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**Note F – Net Assets**

The detail of the Organization’s net asset categories at December 31, 2023, is as follows:

Without donor restrictions:

Board designated – investments	\$ 84,761
Undesignated surplus	<u>304,435</u>

Total without donor restrictions 389,196

With donor restrictions:

Traditional housing program	28,226
FP cares	10,000
Other time restricted grants	<u>2,461</u>

Total with donor restrictions 40,687

Total net assets \$ 429,883

**Note G – Retirement Plan**

The Organization maintains a Simple IRA plan. The Organization contributes 2% of eligible compensation for eligible employees as defined within the plan documents. Voluntary employee contributions are also permitted for eligible employees. All amounts are fully vested at the time of contribution. Family Promise of Clark County Contributed \$3,321 to the plan for the year ended December 31, 2023.