FAMILY PROMISE OF THE MAIN LINE

(F/K/A INTERFAITH HOSPITALITY NETWORK OF THE MAIN LINE)

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2021

J. MILLER & ASSOCIATES LLC
CPAs FOR NONPROFITS

FAMILY PROMISE OF THE MAIN LINE
F/K/A INTERFAITH HOSPITALITY NETWORK OF THE MAIN LINE
YEAR ENDED JUNE 30, 2021
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J. MILLER & ASSOCIATES LLC
CPAs FOR NONPROFITS

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Family Promise of the Main Line
(f/k/a Interfaith Hospitality Network of the Main Line)
Norristown, Pennsylvania

Report on the Financial Statements

We have audited the accompanying financial statements of Family Promise of the Main Line (a nonprofit organization), which comprise the statement of financial position as of June 30, 2021 and the related statements of activities, cash flows and functional expenses for the year 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.

Board of Directors
Family Promise of the Main Line

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Family Promise of the Main Line as of June 30, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

The prior year summarized comparative information has been derived from Interfaith Hospitality Network of the Main Line Line's 2020 financial statements and, in our report dated December 15, 2020, we expressed an unmodified opinion on the financial statements.

J. Miller & Associates, LLC

Philadelphia, Pennsylvania
October 14, 2021

FAMILY PROMISE OF THE MAIN LINE
(F/K/A INTERFAITH HOSPITALITY NETWORK OF THE MAIN LINE)
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2021
(WITH SUMMARIZED COMPARATIVE TOTALS AS OF JUNE 30, 2020)

	2021	2020
ASSETS		
Cash and cash equivalents	$ 395,400	$ 269,528
Grants and contributions receivable	27,200	30,512
Prepaid expenses	2,181	2,168
Investment in certificates of deposit	217,466	213,709
Property and equipment, net	131,833	93,872
TOTAL ASSETS	$ 774,080	$ 609,789
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	$ 7,530	$ 10,380
Accrued payroll	-	493
Deferred revenue	-	22,625
Paycheck Protection Program loan payable	-	38,645
TOTAL LIABILITIES	7,530	72,143
NET ASSETS		
Without donor restrictions	746,200	471,161
With donor restrictions	20,350	66,485
TOTAL NET ASSETS	766,550	537,646
TOTAL LIABILITIES AND NET ASSETS	$ 774,080	$ 609,789

See accompanying Notes to Financial Statements.

FAMILY PROMISE OF THE MAIN LINE
(F/K/A INTERFAITH HOSPITALITY NETWORK OF THE MAIN LINE)
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021
(WITH SUMMARIZED COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2020)

	Without Donor Restrictions	With Donor Restrictions	2021 Total	2020 Total
REVENUE AND SUPPORT				
Grants and contributions	$ 367,429	$ 36,680	$ 404,109	$ 352,885
Host and support congregations	89,252	-	89,252	75,542
Contributed guest lodging and other services	30,938	-	30,938	74,435
Fundraising	69,428	-	69,428	2,241
Less: cost of direct donor benefits	(2,478)	-	(2,478)	(7,659)
Interest income	4,126	-	4,126	206
Other income	2,283	-	2,283	-
Net assets released from donor restrictions	82,815	(82,815)	-	-
Total Revenue and Support	643,793	(46,135)	597,658	497,650
EXPENSES				
Program	259,916	-	259,916	278,498
Management and general	77,376	-	77,376	56,369
Fundraising	31,462	-	31,462	42,942
Total Expenses	368,754	-	368,754	377,809
Change in Net Assets	275,039	(46,135)	228,904	119,841
Net Assets, Beginning of Year	471,161	66,485	537,646	417,805
Net Assets, End of Year	$ 746,200	$ 20,350	$ 766,550	$ 537,646

See accompanying Notes to Financial Statements.

FAMILY PROMISE OF THE MAIN LINE
(F/K/A INTERFAITH HOSPITALITY NETWORK OF THE MAIN LINE)
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2021
(WITH SUMMARIZED COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2020)

Description	Program Services	Management and General	Fundraising	Total 2021	Total 2020
Salaries	$ 112,257	$ 40,884	$ 10,221	$ 163,362	$ 182,235
Payroll taxes	9,794	3,567	891	14,252	17,434
Retirement plan	3,452	1,257	314	5,023	5,205
Employee benefits	6,550	2,386	596	9,532	7,566
Total salaries and related expenses	132,053	48,094	12,022	192,169	212,440
Accounting and audit	-	9,766	-	9,766	6,586
Advertising	662	-	-	662	584
Bank and financial fees	-	1,224	-	1,224	1,098
Prevention rental assistance	30,938	-	-	30,938	74,435
Dues and subscriptions	3,150	-	-	3,150	3,475
Consultant	-	-	16,200	16,200	13,690
Furniture and equipment	5,556	-	-	5,556	-
Guest relocation and services	34,617	-	-	34,617	2,697
Insurance	10,014	3,647	912	14,573	13,316
Legal services		2,500		2,500	-
Occupancy	18,648	1,790	-	20,438	11,979
Office supplies and expense	5,407	1,969	492	7,868	6,753
Payroll processing	-	1,419	-	1,419	1,526
Postage	264	96	24	384	187
Printing	2,615	953	238	3,806	3,516
Staff development	379	-	-	379	3,383
Telephone	4,598	1,675	418	6,691	4,244
Travel expense	-	-	-	-	144
Van expense	1,146	-	-	1,146	7,019
All other expenses		649	257	906	-
Depreciation	9,869	3,594	899	14,362	10,737
Total	$ 259,916	$ 77,376	$ 31,462	$ 368,754	$ 377,809

See accompanying Notes to Financial Statements.

FAMILY PROMISE OF THE MAIN LINE
(F/K/A INTERFAITH HOSPITALITY NETWORK OF THE MAIN LINE)
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2021
(WITH SUMMARIZED COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2020)

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	$ 228,904	$ 139,329
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	14,362	10,737
Gain on trade-in of van	(2,000)	-
Forgiveness of Paycheck Protection Program loan	(38,645)	-
Decrease (Increase) in Assets:		
Grants and contributions receivable	3,312	(16,965)
Prepaid expenses	(13)	197
Increase (Decrease) in liabilities:		
Accounts payable	(2,851)	9,187
Accrued payroll	(493)	(6,143)
Deferred revenue	(22,625)	22,625
Net cash provided/(used) by operating activities	179,951	158,967
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of certificates of deposit	(3,757)	-
Redemption of certificates of deposit	-	25,791
Purchase of property and equipment	(50,322)	(15,641)
Net cash provided/(used) by investing activities	(54,079)	10,150
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from loans payable	-	38,645
Net cash provided by investing activities	-	38,645
NET INCREASE/(DECREASE) IN CASH	125,872	207,762
Cash and cash equivalents - beginning of year	269,528	61,766
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 395,400	$ 269,528

See accompanying Notes to Financial Statements.

NOTE 1 NATURE OF ORGANIZATION

Family Promise of the Main Line ("FPML") (formerly known as Interfaith Hospitality Network of the Main Line) is a nonprofit corporation that enables volunteers from local congregations and the broader community to provide compassion and temporary shelter for homeless families. FPML's programs and services connect the families to community resources, empowering them to achieve and maintain affordable housing. FPML is funded by a variety of private grants and contributions.

As of June 17, 2021, the organization has filed a name change from Interfaith Hospitality Network of the Main Line to Family Promise of the Main Line.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Recent Accounting Pronouncement Implemented

Contributions received

FPML has adopted Accounting Standards Update ("ASU") No. 2018-08 Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 958). This ASU clarifies and improves guidance for contributions received and contributions made and provides guidance to organizations on how to account for certain exchange transactions. This change is preferable in that it clarifies whether to account for transactions as contributions or as exchange transactions. In addition, it clarifies whether a contribution is conditional. As a result, it enhances comparability of financial information among nonprofit corporations. The change in accounting principle was adopted on a retroactive basis in 2021. As a result, there was a cumulative-effect adjustment to opening net assets as of July 1, 2020 as follows:

Net assets without donor restrictions	$(9,488)
Net assets with donor restrictions	(10,000)
Total	$(19,488)

Revenue from Contracts with Customers

In May 2014, the Financial Accounting Standards Board ("FASB") issued ASU 2014-09, "Revenue from Contracts with Customers (Topic 606)," which outlined a single comprehensive model to use for accounting for revenue arising from customers and superseded nearly all existing accounting principles generally accepted in the United States of America ("GAAP") revenue recognition guidance, including industry-specific guidance. The core principle of the standard is that revenue is recognized when the transfer of goods or services to customers occurs in an amount that reflects the consideration to which FPML expects to be entitled in exchange for those good or services. FPML adopted this standard effective July 1, 2020, and such adoption had no impact on FPML's revenue recognition.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting

FPML prepares its financial statements in accordance with accounting principles generally accepted in the United States of America which involve the application of the accrual basis of accounting; consequently, revenues and gains are recognized when earned and expenses and losses are recognized when incurred.

Financial Statement Presentation

To ensure the observance of limitations and restrictions on the use of resources available to FPML its net assets and revenues have been reported according to the following classifications:

> *Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions and may be used for any purpose in performing the primary objectives of FPML. These net assets may be used at the discretion of FPML's management and the board of directors and are considered net assets without donor restrictions.

> *Net Assets With Donor Restrictions* – Net assets subject to donor (or certain grantor) imposed restrictions or law. 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. These 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. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Use of Estimates

The preparation of financial statements in conformity with GAAP, requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Reclassification

Certain 2020 amounts have been reclassified to conform with the 2021 financial statement presentation.

Summarized Comparative Information

The summarized comparative information presents amounts in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with FPML's financial statements for the year ended June 30, 2020 from which the summarized information was derived.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

FPML considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Grant and Contributions Receivable

Grant and contributions receivable are stated at the amount management expects to collect from outstanding balances. It is FPML's policy to charge off uncollectible grants and contributions receivable when management determines that the grants and contributions receivable will not be collectible. As of June 30, 2021, management has determined that no allowance for doubtful accounts is necessary.

Investments

Investments in certificates of deposit with original maturities of greater than 90 days are reported at fair value, as determined by the original cost plus accumulated interest, with interest income recorded included in the statement of activities. Investment income is recorded as earned.

Property and Equipment

All acquisitions of property and equipment over $5,000 and all expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized at cost, or if received as a gift, at fair value when acquired. Depreciation is computed on the straight-line basis over the estimated useful lives as follows:

Description	Estimated Useful Life
Building	39 years
Building Improvements	10 years
Vehicles	5 years
Office equipment	3 years

Functional Allocation of Expenses

The statement of functional expenses reports certain categories of expenses that are attributable to FPML’s program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include payroll, payroll taxes, and benefits which are allocated on the basis of time and effort as well as insurance, occupancy costs, office supplies and expense, printing and telephone. Directly identifiable expenses, such as guest relocation and services, consultant, travel and vehicle expenses are charged to program and supporting services based upon invoices received. Management and general expenses include those expenses that are not directly identifiable with any other specific function and provide for the overall support and direction of FPML.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions. When a restriction expires (that is, 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 statement of activities as net assets released from restrictions.

Government Grant Contracts

FPML receives cost-reimbursable federal grant contracts as pass-throughs from the County of Montgomery and other nonprofit organizations. The grants are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Revenue under these grant contracts is recognized as increases in net assets without donor restrictions when the conditions are met, that is, when FPML has incurred expenditures in compliance with specific contract or grant provisions. FPML has cost-reimbursable grants totaling approximately $7,935 that have not been recognized at June 30, 2021 because qualifying expenditures have not yet been incurred.

In-Kind Contributions

In-kind contributions are recorded at fair market value at the time of receipt. These contributions are recognized as both revenue and expense in the Statement of Activities. Only those contributed services that create or enhance non-financial assets, required specialized skills, and are provided by such individuals possessing those skills, and would typically need to be purchased, if not provided by donation, are recognized in the financial statements. In-kind contributed services totaled zero for the year ended June 30, 2021.

Income Taxes

FPML is a nonprofit organization exempt from income tax under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation. Accordingly, there is no provision for income taxes in the accompanying financial statements. FPML follows the accounting guidance for uncertain tax positions. FPML believes that it has appropriate support for any tax position taken and as such, does not have any uncertain tax positions that are material to the financial statements.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounting Pronouncements Not Yet Adopted

Leases

ASU 2016-02 "*Leases (Topic 842*)," is effective for FPML's financial statements for the year ending June 30, 2023. This amendment will require lessees to recognize assets and liabilities on the statement of financial position for the rights and obligations created by all leases with terms of more than twelve months. Disclosures also will be required by lessees to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

Contributed Nonfinancial Assets

ASU 2020-07, *"Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets (Not-For-Profit Entities Topic 958*)", is effective for FPML's financial statements for the year ending June 30, 2022. The amendments in this update address presentation and disclosure of contributed nonfinancial assets.

NOTE 3 CONCENTRATION OF CREDIT RISK

FPML maintains its cash balance at a financial institution whose accounts are insured by the Federal Deposit Insurance Corporation ("FDIC") up to $250,000 per depositor. At various times during the year the bank balances may exceed the FDIC limit. As of June 30, 2021, FPML had uninsured cash balances of $244,552.

NOTE 4 FAIR VALUE MEASUREMENTS

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Accounting standards set a framework for measuring fair value using a three-tier hierarchy based on the extent to which inputs used in measuring fair value are observable in the market.

Level 1: Quoted prices in active markets for identical assets or liabilities.

Level 2: Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or inputs (interest rates, currency exchange rates, commodity rates and yield curves) that are observable or corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3: Inputs that are not observable in the market and reflect management's judgment about the assumptions that market participants would use in pricing the asset or liability.

NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)

	Total	Level 1	Level 2	Level 3
Assets:				
Certificates of deposit	$ 217,466	$ -	$ 217,466	$ -
Total assets measured at fair value	$ 217,466	$ -	$ 217,466	$ -

NOTE 5 PROPERTY AND EQUIPMENT

Property and equipment consist of the following at June 30, 2021:

Land	$ 9,235
Building and improvements	220,792
Van	35,490
Equipment and software	9,678
	275,195
Less: Accumulated Depreciation	(143,362)
Total Property and Equipment, net	$ 131,833

Depreciation expense for the year ended June 30, 2021 was $14,362.

NOTE 6 LOAN PAYABLE

On May 8, 2020, FPML obtained a Paycheck Protection Program ("PPP") loan in the amount of $38,645 from the U.S. Small Business Administration. Interest on the loan may be charged at 1%. PPP loans were authorized by Congress in an effort to aid entities during the pandemic. The loan was forgiven in the year ended June 30, 2021 and is included in grants and contributions on the Statement of Activities.

NOTE 7 RETIREMENT PLAN

FPML has a SIMPLE IRA retirement plan for the benefit of its eligible employees who meet certain requirements. FPML's contribution expense for the year ended June 30, 2021 was $5,023.

NOTE 8 CONTRIBUTED SUPPLIES AND GIFT CARDS

FPML has recognized the following contributed supplies and gift cards for the year ended June 30, 2021:

Nature of Contribution	Fair Value
Household supplies	$ 22,128
Gift cards	10,820
	$ 30,938

NOTE 9 NET ASSETS

Net assets with donor restrictions as of June 30, 2021 consist of the following:

	Balance July 1, 2020	Additions	Releases	Balance June 30, 2021
Purpose:				
Van equipment	$ 40,000		$ (33,490)	$ 6,510
Facilities improvements	-	36,680	(28,466)	8,214
Playground equipment and furniture	8,857		(7,859)	998
Leadership	4,628			4,628
Total purpose restrictions	53,485	36,680	(69,815)	20,350
Time restriction	13,000	-	(13,000)	-
	$ 53,485	$ 36,680	$ (69,815)	$ 20,350

NOTE 10 LIQUIDITY AND AVAILABILITY

The following represents FPML's financial assets at June 30, 2021:

Financial assets, at year-end	
Cash and cash equivalents	$ 395,400
Grants and contributions receivable	27,200
Total financial assets	422,600
Less amounts not available to be used in one year	-
Financial assets available to meet cash needs for general expenditure within one year	$ 422,600

NOTE 10 LIQUIDITY AND AVAILABILITY (CONTINUED)

FPML has been able to maintain financial assets to meet approximately four months of operating expenses. As part of it's liquidity plan, excess cash may be invested in short-term investments including money market accounts.

NOTE 11 SUBSEQUENT EVENTS

FPML has evaluated subsequent events through October 14, 2021 the date which the financial statements were available to be issued.

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