FAMILY PROMISE OF BRADLEY COUNTY

Cleveland, Tennessee

FINANCIAL STATEMENTS

Year Ended December 31, 2024

JOHNSON, HICKEY & MURCHISON, P.C.
Certified Public Accountants
Chattanooga, Tennessee

TABLE OF CONTENTS

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Directors of
Family Promise of Bradley County
Cleveland, Tennessee

We have reviewed the accompanying financial statements of Family Promise of Bradley County (a nonprofit organization), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities and changes in net assets, 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 entity 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 misstatement 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 Bradley 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.

Johnson, Hickey & Murchison, P.C.

Johnson, Hickey, & Murchison, P.C.
Chattanooga, Tennessee
May 29, 2025

FAMILY PROMISE OF BRADLEY COUNTY
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2024
(See Independent Accountants' Review Report)

ASSETS

CURRENT ASSETS	
Cash and cash equivalents	$ 153,873
Total Current Assets	153,873
NON-CURRENT ASSETS	
Property and equipment, net	3,484
Restricted cash for long-term purposes	44,475
Total Non-Current Assets	47,959
Total Assets	$ 201,832

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES	
Accounts payable	$ 1,587
Total Current Liabilities	1,587
NET ASSETS	
Without donor restrictions	67,535
With donor restrictions	132,710
Total Net Assets	200,245
Total Liabilities and Net Assets	$ 201,832

(The accompanying notes are an integral part of these statements.)

FAMILY PROMISE OF BRADLEY COUNTY
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2024
(See Independent Accountants' Review Report)

	Without Donor Restrictions	With Donor Restriction	Total
PUBLIC SUPPORT			
Contributions	$ 112,037	$ 12,500	$ 124,537
United Way of the Ocoee Region	-	49,337	49,337
United Way Worldwide	7,000	-	7,000
Family Promise - National	9,403	6,597	16,000
Bradley County	-	20,000	20,000
In-kind donations	27,204	-	27,204
Total public support	155,644	88,434	244,078
REVENUE			
Fundraising income	40,963	-	40,963
Miscellaneous income	-	-	-
Interest income	5,863	-	5,863
Total revenues	46,826	-	46,826
Net asset released from restrictions:			
Restrictions satisfied by payment	58,806	(58,806)	-
TOTAL PUBLIC SUPPORT AND REVENUE	261,276	29,628	290,904
EXPENSES			
Program services	236,089	-	236,089
Administration	16,783	-	16,783
Fundraising	15,932	-	15,932
Unallocated payments to national organization	3,000	-	3,000
TOTAL EXPENSES	271,804	-	271,804
Increase(decrease) in net assets	(10,528)	29,628	19,100
NET ASSETS			
Beginning	78,063	103,082	181,145
Ending	$ 67,535	$ 132,710	$ 200,245

(The accompanying notes are an integral part of these statements.)

FAMILY PROMISE OF BRADLEY COUNTY
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2024
(See Independent Accountants' Review Report)

	Program	Administration	Fundraising	Total
Personnel Expenses:				
Salaries	$ 96,328	$ 7,841	$ 7,841	$ 112,010
Payroll taxes	7,369	600	600	8,569
Employee benefits	2,914	237	237	3,388
	106,611	8,678	8,678	123,967
Other Expenses:				
Insurance	12,584	1,555	-	14,139
Professional fees	9,787	4,092	412	14,291
Occupancy	5,626	695	-	6,321
Repairs and maintenance	2,367	293	-	2,660
Information technology	199	25	-	224
Office expense	6,051	748	-	6,799
Communications	1,437	178	-	1,615
Program expenses	90,978	-	-	90,978
Fundraising expense	-	-	6,842	6,842
Travel	-	464	-	464
Total functional expenses before depreciation	235,640	16,728	15,932	268,300
Depreciation	449	55	-	504
Total functional expenses	$ 236,089	$ 16,783	$ 15,932	$ 268,804

(The accompanying notes are an integral part of these statements.)

FAMILY PROMISE OF BRADLEY COUNTY
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2024
(See Independent Accountants' Review Report)

CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets	$	19,100
Adjustment to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation		504
Net increase (decrease) in operating liabilities:		
Accounts payable		427
Net cash provided by operating activities		20,031
CHANGE IN CASH		20,031
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH		
Beginning		178,317
Ending	$	198,348
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash, cash equivalents, and restricted cash consist of		
Cash and cash equivalents	$	153,873
Restricted cash - assts held for long term purposes		44,475
	$	198,348

(The accompanying notes are an integral part of these statements.)

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Family Promise of Bradley County (the Organization) provides shelter, meals, and comprehensive support services to children and their families going through homeless transitions. Services are provided in Bradley County, Tennessee.

Basis of accounting

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

Financial statement presentation

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net assets without donor restrictions - Net assets available for use in general operations and not subject to donor or certain grantor restrictions.

Net assets with donor restrictions - The Organization reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or a purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities net as net assets released from restrictions.

Estimates

Management uses estimates and assumptions in preparing the 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. On an ongoing basis, management evaluates the estimates and assumptions based on new information. Management believes that the estimates and assumptions are reasonable in the circumstances; however, actual results could differ from those estimates.

Cash and cash equivalents

For purposes of reporting cash flows, the Organization considers all highly liquid investments with an initial maturity date of three months or less to be cash equivalents.

Restricted cash

The Organization received cash from donors restricted for shelter, meals and comprehensive support services to children and their families going through homeless transitions.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and equipment

All acquisitions of property and equipment in excess of $500 and all expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of the donation. Depreciation is computed using the straight-line method based on the estimated useful lives of the depreciable assets, which range from three to ten years.

Revenue recognition

Contributions – The Organization receives contributions to support operating activities. Those contributions can be from individuals, foundations, corporations, United Way, or trusts. The Organization records contributions receivable when there is sufficient evidence in the form of verifiable documentation that an unconditional promise was received. Conditional gifts, with measurable performance or other barrier and right of return, are not recognized until the conditions on which they depend are substantially met or explicitly waived by the donor.

Government grants – The Organization receives grant funding from local governments to provide a variety of program services to the public based on specific requirements included in the agreement, including eligibility, reimbursement, and other requirements. These program services provide assistance of food, clothing and shelter needs to individuals and families. Such government grants are nonreciprocal transactions and include conditions stipulated by the government agencies and are, therefore, accounted for as conditional contributions. Public support is recognized as conditions are satisfied, primarily as expenses are incurred. Cash received on government contracts and grants prior to incurring allowable expenses are recorded as advances upon receipt.

Noncash contributions – Contributions of services are recognized as revenues and expenses if such services create or enhance nonfinancial assets, require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not contributed. Other contributed services that do not meet the criteria are not recognized. The Organization did not recognize contributed services during the year ended December 31, 2024. Contributions other than cash are recorded at estimated fair value and included in contributions of noncash assets on the statement of activities.

Special fundraising event revenue - The Organization conducts special events in which a portion of the gross proceeds paid by the participant represents payment for the direct cost of the benefits received by the participant of the event – the exchange component, and portion represents contribution to the Organization. Unless a verifiable objective means exists to demonstrate otherwise, the fair value of meals and entertainment provided at special events is measured at the actual cost to the Organization. The contribution component is the excess of the gross proceeds over the fair value of the direct donor benefit. The direct costs of special events, which ultimately benefit the donor rather than the Organization, are recorded as event costs in the statement of functional expenses. The performance obligation is delivery of the event, which is usually accompanied by a presentation. The event fee is set by the Organization. FASB 2014-09 requires the allocation of the transaction price to the performance obligation. Accordingly, the Organization presents in its notes to the financial statements the exchange and contribution components of the gross proceeds from special events. Special event fees collected by the Organization in advance of delivery are initially recognized as liabilities (deferred revenues) and recognized as special event revenue after delivery of the event.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Functional allocation of expenses

The costs of programs and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Personnel expenses are allocated based on estimates of time and effort. Other expenses are allocated based on usage.

Leases

The Organization determines if an arrangement is or contains a lease at inception. Leases with a term of 12 months or less are considered short-term leases and are recognized as lease expense on a straight-line basis over the lease term.

Income tax status

The Organization is a tax-exempt not-for-profit entity under Section 501(c)(3) of the Internal Revenue Code and, except for taxes pertaining to unrelated business income, is exempt from federal and state income taxes. The Organization believes that is has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements. The Organization's federal exempt income tax returns are subject to examination by the Internal Revenue Service, generally for three years after they are filed.

(2) LIQUIDITY AND AVAILABILITY

The following represents the Organization's financial assets at December 31, 2024:

Unrestricted cash	$ 153,873
Restricted cash for long-term purposes	44,475
	198,348
Less those unavailable for general expenditure within one year due to:	
Restricted by donor with purpose restrictions	(132,710)
Financial assets available to meet cash needs for general expenditures within one year	$ 65,638

The Organization receives significant revenues from donor contributions, grants, and United Way of the Ocoee Region. These revenues are from ongoing grants and programs central to its annual operations to be available to meet cash needs for general expenditures. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

(3) CONCENTRATIONS OF RISK

Concentrations of Credit Risk

The Organization maintains cash balances at a local financial institution. As of December 31, 2024, accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. As of December 31, 2024, cash balances were within FDIC insured limits.

Concentration of Revenue

For the year ended December 31, 2024, approximately 17% of the Organization's revenue came from United Way of the Ocoee Region. Any significant reduction in the level of support from the United Way of the Ocoee Region could negatively impact the Organization's ability to fund services.

(4) PROPERTY AND EQUIPMENT

Property and equipment consist of the following major classifications:

Furniture and Equipment	$	10,161
Vehicles		30,080
		40,241
Less: Accumulated Depreciation		(36,757)
	$	3,484

Depreciation expense totaled $504 for the year ended December 31, 2024.

(5) NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes and are set to expire when payment is made for qualifying program services:

Set to expire for specified purpose:		
Child Care	$	7,347
Child Care Medical		2,338
Kids Rooms/Beds		8,375
Family Expense		348
HUMI		627
PRU/Project Home		67,305
Transportation		278
Static Site		44,475
Vehicle Purchase Program		1,617
	$	132,710

(5) NET ASSETS WITH DONOR RESTRICTIONS

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes specified by donors:

Purpose restriction accomplished:

Child Care Medical	$	17
ARPA		1,477
Family Expense		30
PRU/Project Home		52,755
Static Site		1,500
Vehicle Purchase Program		3,027
	$	58,806

(6) LEASE

The Organization leases its facility on a month-to-month basis, with no formal lease agreement. The Organization does not pay any rent but is responsible for repairs and insurance on the facility. Fair value of the lease was determined to be $2,400 annually based on current market rates for the facility.

(7) CONTRIBUTED NONFINANCIAL ASSETS

Contributed nonfinancial assets recognized within the statement of activities included $24,804 donations of program supplies, furniture and services in addition to the $2,400 contributed rent (Note 6). The contributed items did not have donor-imposed restrictions. In valuing the program supplies, furniture and services, the Organization estimated the fair market value on the basis of estimates of values that would be received for purchasing similar products.

(8) SPECIAL EVENTS

Gross receipts from special fundraising events recorded by the Organization consists of exchange transaction revenue and contribution revenue. Special event revenue consists of the following at December 31, 2024:

Contributions	$	36,238
Special event revenue		4,725
Special fundraising events - gross	$	40,963

(9) RETIREMENT PLAN

The Organization maintains a retirement plan for its employees. Employees are not required to make contributions in order to participate. The Organization makes a matching contribution up to 2% of compensation. Total retirement expenses recognized for the year ended December 31, 2024 were $2,307.

(10) SUBSEQUENT EVENTS

Subsequent events were evaluated through May 29, 2025, which is the date the financial statements were available to be issued.