

Financial Statements

**FAMILY PROMISE OF GREATER
ORLANDO, INC.**

December 31, 2019

FAMILY PROMISE OF GREATER ORLANDO, INC.

Financial Statements

December 31, 2019

(With Independent Auditor's Report Thereon)

FAMILY PROMISE OF GREATER ORLANDO, INC.

Financial Statements

December 31, 2019

Table of Contents

| | |
|---|----|
| Independent Auditor's Report | 1 |
| Audited Financial Statements: | |
| Statement of Financial Position | |
| December 31, 2019 | 3 |
| Statement of Activities | |
| Year ended December 31, 2019..... | 4 |
| Statement of Functional Expenses | |
| Year ended December 31, 2019..... | 5 |
| Statement of Cash Flows | |
| Year ended December 31, 2019..... | 6 |
| Notes to Financial Statements..... | 7 |
| Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> | 16 |

SCHAFFER, TSCHOPP, WHITCOMB, MITCHELL & SHERIDAN, LLP

Certified Public Accountants

Michael R. Schafer, CPA
Thomas R. Tschopp, CPA
Tom V. Whitcomb, CPA

541 S. Orlando Avenue, Suite 312
Maitland, Florida 32751
(407) 875-2760

Joseph P. Mitchell, CPA
Stephen J. Sheridan, CPA
Daniel M. Hinson, CPA

Independent Auditor's Report

The Board of Directors
Family Promise of Greater Orlando, Inc.:

Report on the Financial Statements

We have audited the accompanying financial statements of Family Promise of Greater Orlando, Inc. which comprise the statement of financial position as of December 31, 2019, and the related statements of activities, functional expenses, and cash flows 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 and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 Greater Orlando, Inc. as of December 31, 2019, 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated March 27, 2020 on our consideration of the Family Promise of Greater Orlando, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Family Promise of Greater Orlando, Inc.'s internal control over financial reporting and compliance.

Schaefer, Tschoy, Whitcomb, Mitchell & Shuilen, LLP

Maitland, Florida
March 27, 2020

FAMILY PROMISE OF GREATER ORLANDO, INC.

Statement of Financial Position

December 31, 2019

Assets

| | |
|-----------------------------------|--------------------------|
| Cash and cash equivalents | \$ 129,093 |
| Accounts receivable | 92,113 |
| Pledges receivable (note 4) | 192,656 |
| Prepaid expenses | 4,744 |
| Note receivable (note 3) | 94,000 |
| Property and equipment | |
| Vehicles | 29,454 |
| Furniture, fixtures and equipment | 9,320 |
| Rental properties | 326,747 |
| Leasehold improvements | 589 |
| Accumulated depreciation | <u>(33,593)</u> |
| Total property and equipment, net | 332,517 |
| Total assets | <u><u>\$ 845,123</u></u> |

Liabilities and Net Assets

| | |
|---------------------------------------|--------------------------|
| Liabilities: | |
| Accounts payable and accrued expenses | \$ 7,208 |
| Security deposits | 733 |
| Notes payable (note 7) | <u>211,928</u> |
| Total liabilities | <u>219,869</u> |
| Commitment (note 6) | |
| Net assets: | |
| Without donor restrictions | 378,598 |
| With donor restrictions (note 8) | <u>246,656</u> |
| Total net assets | <u>625,254</u> |
| Total liabilities and net assets | <u><u>\$ 845,123</u></u> |

See accompanying notes to financial statements.

FAMILY PROMISE OF GREATER ORLANDO, INC.

Statement of Activities

Year ended December 31, 2019

| | Without Donor Restrictions | With Donor Restrictions | Total |
|---------------------------------------|---|--|----------------|
| Public support and revenue: | | | |
| Public support: | | | |
| Contributions: | | | |
| Individuals | \$ 91,152 | 60,600 | 151,752 |
| Community | 14,700 | - | 14,700 |
| Religious organizations | 22,757 | - | 22,757 |
| Fundraising event | 20,953 | - | 20,953 |
| Corporate | 54,461 | - | 54,461 |
| Foundations | 31,583 | 54,000 | 85,583 |
| In-kind | 115,231 | - | 115,231 |
| Rental income | 4,706 | - | 4,706 |
| Other | 8,200 | - | 8,200 |
| Revenue: | | | |
| Government grants | 379,310 | - | 379,310 |
| Net assets released from restrictions | 114,055 | (114,055) | - |
| | <u>857,108</u> | <u>545</u> | <u>857,653</u> |
| Expenses: | | | |
| Program services | 597,946 | - | 597,946 |
| Supporting services: | | | |
| Management and general | 47,783 | - | 47,783 |
| Fundraising | 101,301 | - | 101,301 |
| | <u>747,030</u> | <u>-</u> | <u>747,030</u> |
| Total expenses | <u>747,030</u> | <u>-</u> | <u>747,030</u> |
| Change in net assets | 110,078 | 545 | 110,623 |
| Net assets at beginning of year | <u>268,520</u> | <u>246,111</u> | <u>514,631</u> |
| Net assets at end of year | <u>\$ 378,598</u> | <u>246,656</u> | <u>625,254</u> |

See accompanying notes to financial statements.

FAMILY PROMISE OF GREATER ORLANDO, INC.

Statement of Functional Expenses

Year ended December 31, 2019

| | Program Services | | | | Total | Management and General | Fund Raising | Total |
|------------------------------|--------------------------------|--------------------------------|--|---------|--------|------------------------|--------------|-------|
| | Shelter/ Case Management | Housing/ Case Management | | | | | | |
| Payroll and related expenses | \$ 110,819 | 211,125 | | 321,944 | 38,634 | 48,055 | 408,613 | |
| Client assistance | 20,464 | 52,355 | | 72,819 | - | - | 72,819 | |
| In-kind shelter facilities | 48,960 | - | | 48,960 | - | - | 48,960 | |
| Goods and gift cards | 20,319 | 20,318 | | 40,637 | - | - | 40,637 | |
| Meals | 20,634 | - | | 20,634 | - | - | 20,634 | |
| Business and office | 10,858 | 20,625 | | 31,483 | 3,150 | 3,667 | 38,300 | |
| Professional development | 627 | 1,141 | | 1,768 | 215 | 281 | 2,264 | |
| Facility costs | 10,751 | 15,141 | | 25,892 | 1,922 | 2,350 | 30,164 | |
| Depreciation | 3,098 | 5,641 | | 8,739 | 1,064 | 1,392 | 11,195 | |
| Insurance | 2,266 | 4,123 | | 6,389 | 777 | 1,014 | 8,180 | |
| Professional fees | 3,425 | 6,232 | | 9,657 | 1,175 | 1,534 | 12,366 | |
| Promotions | 1,844 | 1,843 | | 3,687 | - | 8,604 | 12,291 | |
| Event costs | 2,332 | 2,331.00 | | 4,663 | - | 18,653 | 23,316 | |
| Uncollectible pledges | - | - | | - | - | 15,665 | 15,665 | |
| Other | 239 | 435 | | 674 | 846 | 106 | 1,626 | |
| | \$ 256,636 | 341,310 | | 597,946 | 47,783 | 101,301 | 747,030 | |

See accompanying notes to financial statements.

FAMILY PROMISE OF GREATER ORLANDO, INC.

Statement of Cash Flows

Year ended December 31, 2019

| | |
|---|--------------------------|
| Cash flows from operating activities: | |
| Change in net assets | \$ 110,623 |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: | |
| Depreciation | 11,195 |
| Property distributed to client | 19,000 |
| Change in operating assets and liabilities: | |
| Accounts receivable | (37,074) |
| Pledges receivable | 53,455 |
| Prepaid expenses | (4,628) |
| Accounts payable and accrued expenses | (10,545) |
| Security deposits | 733 |
| Net cash provided by operating activities | <u>142,759</u> |
| Cash flows from investing activities: | |
| Purchases of property and equipment | <u>(115,408)</u> |
| Net cash used in investing activities | <u>(115,408)</u> |
| Change in cash and cash equivalents | 27,351 |
| Cash and cash equivalents at beginning of year | <u>101,742</u> |
| Cash and cash equivalents at end of year | <u><u>\$ 129,093</u></u> |

Supplemental disclosure of non-cash financing and investing activities:

During the year ended December 31, 2019, the Organization received a contribution of two rental properties along with equal notes payable in the amount of \$211,928.

During the year ended December 31, 2019, the Organization transferred a home with a value of \$113,000 for a note receivable in the amount of \$94,000.

See accompanying notes to financial statements.

FAMILY PROMISE OF GREATER ORLANDO, INC.

Notes to Financial Statements

December 31, 2019

(1) **Organization and Summary of Significant Accounting Policies**

(a) **Organization and Purpose**

Family Promise of Greater Orlando, Inc. (the Organization) is a not-for-profit Florida corporation, incorporated in 2000. The mission of the Organization is to end family homelessness in Central Florida by collaborating with community and religious organizations to provide families the support and resources they need to put themselves on a path toward long term housing stability. The Organization offers emergency shelter, housing assistance and success coaching to support and empower families as they overcome the crisis of homelessness and achieve sustainable housing.

(b) **Basis of Presentation**

The accompanying financial statements are presented on the accrual basis and represent the financial position and results of operations of the Organization.

The Organization has adopted the provisions of FASB Accounting Standards Codification Topic 958, Not-for-Profit Entities.

The Organization prepares its financial statements on an entity wide basis, focusing on the organization as a whole and presents balances and transactions according to the existence or absence of donor-imposed restrictions. Net assets and revenue, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

- Net assets without donor restrictions---Net assets that are not subject to donor-imposed stipulations.
- Net assets with donor restrictions---Some donors impose restrictions that are temporary in nature, for example, stipulating that resources be used after a specified date, for particular programs or services, or to acquire buildings or equipment. Other donor-imposed restrictions that are perpetual in nature, for example, stipulating that resources be maintained in perpetuity. Laws may extend those limits to investment returns from those resources and to other enhancements (diminishments) of those resources. Thus, those laws extend donor-imposed restrictions.

FAMILY PROMISE OF GREATER ORLANDO, INC.

Notes to Financial Statements

December 31, 2019

(1) **Organization and Summary of Significant Accounting Policies (Continued)**

(b) **Basis of Presentation (Continued)**

Under generally accepted accounting principles, contributions are generally recognized as revenue when the gift is made and are recorded as with or without donor restrictions, depending on the presence or absence and type of donor-imposed restrictions or conditions.

The Organization displays revenue in the following two natural classifications:

Revenue---Fees earned for the performance of Organization services.

Public Support---Unconditional gifts to the Organization of cash or other assets in a voluntary nonreciprocal transfer by another entity.

Revenue and public support are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions unless their use is limited by donor-imposed restrictions. Expirations with donor restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets. Donor restricted contributions, whose restrictions are met in the same reporting period, are reported as support without donor restrictions.

Contributions, including unconditional promises to give, are recognized as revenue in the period made or received. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. Contributions of assets, materials, and facilities are recorded at their estimated fair value at the date of gift. Such values are recorded in the financial statements as an asset or expense and revenue. For the year ended December 31, 2019, in-kind contributions consisted of donated use of facilities and meals provided to client families.

Contributed services are reported as contributions at their fair market value if such services create or enhance nonfinancial assets, or would have been purchased if not provided by donation, require specialized skills, and are provided by individuals possessing such specialized skills.

FAMILY PROMISE OF GREATER ORLANDO, INC.

Notes to Financial Statements

December 31, 2019

(1) **Organization and Summary of Significant Accounting Policies (Continued)**

(b) **Basis of Presentation (Continued)**

A summary of donated facilities and services included in revenue and support in the accompanying statement of activities is as follows:

| | |
|----------------------|-------------------|
| Day Center Space | \$ 5,000 |
| Meals | 20,634 |
| Shelter Nights | 48,960 |
| Goods and gift cards | 40,637 |
| | <u>\$ 115,231</u> |

A substantial number of unpaid volunteers have donated significant amounts of their time to the Organization's program and administrative services. However, due primarily to the nature of the services provided, the value of such services has not been reflected in the accompanying financial statements.

(c) **Accounts Receivable**

Accounts receivable are carried at their estimated collectible amounts and are recorded net of an allowance for doubtful accounts. The allowance for doubtful accounts is estimated by management based on the Organization's prior years' experience and a review of the current status of the existing receivables. Adjustments to the allowance for doubtful accounts are recorded to an expense account. When management determines that a receivable is uncollectible, it is removed from accounts receivable and is charged to the allowance for doubtful accounts.

(d) **Property and Equipment**

Property and equipment are stated at cost, or estimated market value at the date of receipt if donated, less accumulated depreciation. Depreciation is provided using the straight-line method over the estimated useful lives of the assets. All property expenditures in excess of \$500 are capitalized; maintenance and renewals are charged to expense as incurred.

FAMILY PROMISE OF GREATER ORLANDO, INC.

Notes to Financial Statements

December 31, 2019

(1) **Organization and Summary of Significant Accounting Policies (Continued)**

(e) **Long-Lived Assets**

The Organization follows the policy of lifting restrictions on contributions of cash and other assets received for the acquisition of long-lived assets when the long-lived assets are acquired.

In accordance with generally accepted accounting principles, long-lived assets, such as property and equipment, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If circumstances require a long-lived asset be tested for possible impairment, the Organization first compares undiscounted cash flows expected to be generated by an asset to the carrying value of the asset. If the carrying value of the long-lived asset is not recoverable on an undiscounted cash flow basis, an impairment is recognized to the extent that the carrying value exceeds its fair value. Fair value is determined through various valuation techniques including discounted cash flow models, quoted market value and third-party independent appraisals, as considered necessary. No impairment charges have been recorded in the accompanying financial statements related to long-lived assets.

(f) **Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

(g) **Functional Allocation of Expenses**

The costs of providing Organization programs and the administration of the Organization 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.

(h) **Cash and Cash Equivalents**

The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

FAMILY PROMISE OF GREATER ORLANDO, INC.

Notes to Financial Statements

December 31, 2019

(1) **Organization and Summary of Significant Accounting Policies (Continued)**

(i) **Income Taxes**

The Organization is exempt from federal income tax under provisions of Section 501(c)(3) of the Internal Revenue Code. In addition, the Organization has been determined by the Internal Revenue Service not to be a private foundation within the meaning of Section 509(a) of the Code. Consequently, no provision for income taxes has been included in the accompanying financial statements.

In accordance with “Income Taxes” FASB Accounting Standards Codification Topic 740 (Topic 740), all entities are required to evaluate and disclose income tax risks. Topic 740 clarifies the accounting for uncertainty in tax positions and prescribes guidance related to the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The tax benefit from an uncertain tax position is only recognized in the statement of financial position if the tax position is more likely than not to be sustained upon an examination, based on the technical merits of the position. Interest and penalties, if any, are included in expenses in the statement of activities. As of December 31, 2019, the Organization had no uncertain tax positions that qualify for recognition or disclosure in the financial statements.

The Organization’s income tax returns are subject to review and examination by federal authorities, generally for three years after they are filed. The Organization is no longer subject to examination by taxing authorities for the years ended before December 31, 2016.

The Organization is not aware of any activities that would jeopardize its tax-exempt status and is not aware of any activities that are subject to tax on unrelated business income, excise or other taxes.

(j) **Financial Instruments Fair Value, Concentration of Business and Credit Risks**

The Organization’s financial instruments are cash and cash equivalents, restricted cash, accounts receivable, pledges receivable, accounts payable and accrued expenses and family savings held in trust. Their recorded values approximate fair value based on their short-term nature.

FAMILY PROMISE OF GREATER ORLANDO, INC.

Notes to Financial Statements

December 31, 2019

(1) **Organization and Summary of Significant Accounting Policies (Continued)**

(j) **Financial Instruments Fair Value, Concentration of Business and Credit Risks (Continued)**

Grants and contracts receivable arise as a result of the agreements with third parties to provide specified services. The grants and contracts are monitored on a monthly basis and are not collateralized.

The Organization maintains its cash balances at certain financial institutions in which balances are insured by the Federal Deposit Insurance Corporation up to \$250,000.

(k) **Subsequent Events**

In preparing these financial statements, the Organization has evaluated subsequent events and transactions for potential recognition and disclosure through March 27, 2020, which is the date the financial statements were available to be issued.

(2) **Liquidity and Availability**

As of December 31, 2019, the Organization has \$284,000 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditure. Financial assets subject to donor or other restrictions that make them unavailable for general expenditure within one year of the balance sheet date were \$129,862 as of December 31, 2019. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

The following table reflects the Organization's financial assets as of December 31, 2019 reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date.

| | |
|---|-------------------|
| Cash and cash equivalents | \$ 129,093 |
| Total pledges receivable, net | 192,656 |
| Accounts receivable | <u>92,113</u> |
| Total financial assets | 413,862 |
| Non-current pledges receivable, net | <u>(129,862)</u> |
| Financial assets available to meet cash needs for general expenditures within one year | <u>\$ 284,000</u> |

FAMILY PROMISE OF GREATER ORLANDO, INC.

Notes to Financial Statements

December 31, 2019

(3) **Note Receivable**

During the year ended December 31, 2019, the Organization transferred a home to a client in the amount of \$113,000 and recorded a mortgage deed and note receivable in the amount of \$94,000. The borrower and lender agree that so long as the borrower remains the fee simple owner of the property and continues to reside on the property during the entire term of the mortgage which ends on April 18, 2024, then the principal balance of the mortgage shall not be amortized and will be forgiven.

(4) **Pledges Receivable**

Pledges receivable, net of discount to present value (at a rate of 3%) and allowance for uncollectible contributions are as follows as of December 31, 2019:

| | |
|---|-------------------|
| Receivable in less than one year | \$ 65,660 |
| Receivable in one to five years | 153,208 |
| | <hr/> |
| | 218,868 |
| Less: discount to present value | (16,657) |
| | <hr/> |
| | 202,211 |
| Less: allowance for uncollectible contributions | (9,555) |
| | <hr/> |
| Pledges receivable, net | <u>\$ 192,656</u> |

Pledges receivable are recorded as net assets with donor restrictions in the accompanying statement of financial position.

(5) **Other Assets**

Other assets consist of manufactured homes used as temporary housing for needy families. The Organization donates these homes to these families upon successful completion of the partners in housing program.

FAMILY PROMISE OF GREATER ORLANDO, INC.

Notes to Financial Statements

December 31, 2019

(6) **Operating Lease**

The Organization leases its administrative office and Day Center space located in Orlando, Florida under an operating lease agreement. The annual rent of \$21,600 is to be paid in two parts, guaranteed rent and non-guaranteed rent. The total non-guaranteed rent for this agreement is \$33,000. The Organization will work towards receiving contributions of materials and/or labor to be applied to the non-guaranteed rent. Once the non-guaranteed rent is satisfied, any additional contributions of materials and/or labor may be applied toward the guaranteed rent. The annual guaranteed rent will be reduced by any additional contributions, with the remaining balance of guaranteed return to be paid in 12 equal consecutive monthly installments. The guaranteed rent cannot be reduced below zero.

Approximate future minimal rental payments of guaranteed rent in connection with the Orlando lease agreement are as follows:

| <u>Year Ending December 31</u> | |
|--------------------------------|-----------|
| 2020 | \$ 11,000 |
| 2021 | 14,000 |
| 2022 | 17,000 |
| 2023 | 20,000 |
| 2024 | 7,000 |

Total rent expense was approximately \$11,000 during 2019 for the operating lease in Orlando, Florida, including donated use of facility of \$5,000.

(7) **Notes Payable**

During the year ended December 31, 2019, the Organization entered into two agreements with the City of Orlando, whereby the City transferred two homes to the Organization. Per the agreement, a restrictive covenant will be recorded by the City in Orange County, Florida restricting the use of the properties to provide affordable housing to low-income households throughout the 15-year affordability period ending on August 31, 2025. To secure the Neighborhood Stabilization Program (NSP) funds invested in the properties, the Organization will grant the City a mortgage on each property and issue two promissory notes in the amounts of \$103,855 and \$108,073, respectively, which is the estimated values of each property. No payment shall be due to the City as long as the Organization complies with the NSP requirements. The Organization's failure to comply with the terms of the agreements will be considered a default under the notes and mortgages which would require repayment of the

FAMILY PROMISE OF GREATER ORLANDO, INC.

Notes to Financial Statements

December 31, 2019

(7) **Notes Payable (Continued)**

amounts due under the agreements. At the end of the affordability period, the City will cancel the notes and restrictive covenants and satisfy the mortgages. The homes were recorded in the amount of \$211,928 in the financial statements on the statement of financial position and are being depreciated on the straight-line method over the estimated useful lives of the homes. The two notes payable were recorded in the amount of \$211,928 in the financial statements on the statement of financial position.

(8) **Net Assets With Donor Restrictions**

Temporarily restricted net assets at December 31, 2019 are restricted for the following:

| | |
|-------------------------------|-------------------|
| Purpose restrictions: | |
| Cash | \$ 54,000 |
| Time restrictions: | |
| For periods after December 31 | <u>192,656</u> |
| | <u>\$ 246,656</u> |

SCHAFFER, TSCHOPP, WHITCOMB, MITCHELL & SHERIDAN, LLP

Certified Public Accountants

Michael R. Schafer, CPA
Thomas R. Tschopp, CPA
Tom V. Whitcomb, CPA

541 S. Orlando Avenue, Suite 312
Maitland, Florida 32751
(407) 875-2760

Joseph P. Mitchell, CPA
Stephen J. Sheridan, CPA
Daniel M. Hinson, CPA

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Independent Auditor's Report

To the Board of Directors
Family Promise of Greater Orlando, Inc.:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Family Promise of Greater Orlando, Inc., which comprise the statements of financial position as of December 31, 2019, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 27, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Family Promise of Greater Orlando, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Family Promise of Greater Orlando, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Family Promise of Greater Orlando, Inc.'s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the organization's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Family Promise of Greater Orlando, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Schatz, Tschopp, Whittemt, Mitchell & Shuikan, LLP

Maitland, Florida
March 27, 2020