

FAMILY PROMISE OF GREATER ROCHESTER, INC.

FINANCIAL STATEMENTS

December 31, 2021



TABLE OF CONTENTS

	<u>Page No.</u>
INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
Statements of Financial Position - Modified Cash Basis	4
Statement of Activities - Modified Cash Basis	6
Statement of Functional Expenses - Modified Cash Basis	7
Notes to Financial Statements	8
SUPPLEMENTARY INFORMATION - FEDERAL FINANCIAL ASSISTANCE	
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>	18
Report on Compliance For Each Major Program and Report on Internal Control Over Compliance Required by the Uniform Guidance	20
Schedule of Findings and Questioned Costs	23
Schedule of Expenditures of Federal Awards	25
Notes to the Schedule of Expenditures of Federal Awards	26



INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Family Promise of Greater Rochester, Inc.
Rochester, NY

Opinion

We have audited the accompanying financial statements of Family Promise of Greater Rochester, Inc. (a New York nonprofit organization), which comprise the statement of financial position - modified cash basis as of December 31, 2021, and the related statements of activities - modified cash basis and functional expenses - modified cash basis for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net assets of Family Promise of Greater Rochester, Inc. as of December 31, 2021, and its support, revenue, and expenses for the year then ended in accordance with the cash basis of accounting as described in Note 1.

Basis for Opinion

We conducted our audit 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Family Promise of Greater Rochester, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis of Accounting

We draw your attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.



Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with with the modified cash basis of accounting, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Family Promise of Greater Rochester, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Family Promise of Greater Rochester, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Family Promise of Greater Rochester, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Summarized Comparative Information

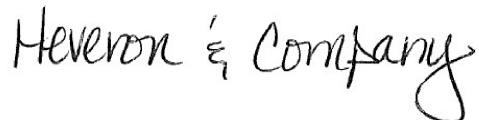
The 2020 financial statements were reviewed by us, and our report thereon, dated April 7, 2021, stated we were not aware of any material modifications that should be made to those financial statements for them to be in accordance with the modified cash basis of accounting. However, a review is substantially less in scope than an audit and does not provide a basis for the expression of an opinion in the financial statements as a whole.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 25, 2022 on our consideration of Family Promise of Greater Rochester, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of Family Promise of Greater Rochester, Inc.'s 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 Rochester, Inc.'s internal control over financial reporting and compliance.



Heveron & Company
Certified Public Accountants

Rochester, New York
April 25, 2022

FAMILY PROMISE OF GREATER ROCHESTER, INC.
STATEMENTS OF FINANCIAL POSITION - MODIFIED CASH BASIS
December 31, 2021 and 2020

ASSETS

	<u>Audited</u>	<u>Reviewed</u>
	<u>2021</u>	<u>2020</u>
<u>Current Assets</u>		
Cash and Cash Equivalents	\$ 613,374	\$ 449,052
Total Current Assets	<u>613,374</u>	<u>449,052</u>
<u>Property and Equipment</u>		
Building and Improvements	22,800	12,900
Furniture and Equipment	6,591	8,460
Transportation Equipment	-	41,007
Less: Accumulated Depreciation	<u>(16,658)</u>	<u>(49,279)</u>
Net Property and Equipment	<u>12,733</u>	<u>13,088</u>
<u>Other Assets</u>		
Investments	<u>129,923</u>	<u>26,349</u>
Total Other Assets	<u>129,923</u>	<u>26,349</u>
TOTAL ASSETS	<u>\$ 756,030</u>	<u>\$ 488,489</u>

LIABILITIES AND NET ASSETS

	<u>Audited</u>	<u>Reviewed</u>
	<u>2021</u>	<u>2020</u>
<u>Net Assets</u>		
Without Donor Restrictions:		
Undesignated	\$ 596,907	\$ 440,404
Designated by the Board	<u>32,923</u>	<u>26,349</u>
Total Net Assets Without Donor Restrictions	<u>629,830</u>	<u>466,753</u>
With Donor Restrictions:		
Purpose Restrictions	24,200	21,736
Perpetual in Nature	<u>102,000</u>	<u>-</u>
Total Net Assets Without Donor Restrictions	<u>126,200</u>	<u>21,736</u>
Total Net Assets	<u>756,030</u>	<u>488,489</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 756,030</u>	 <u>\$ 488,489</u>

See Accompanying Notes to Financial Statements.

FAMILY PROMISE OF GREATER ROCHESTER, INC.
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
For The Year Ended December 31, 2021
(With Comparative Totals For The Year Ended December 31, 2020)

	Without Donor	With Donor	<u>Audited</u>	<u>Reviewed</u>
	<u>Restrictions</u>	<u>Restrictions</u>	<u>Totals</u>	
			<u>2021</u>	<u>2020</u>
<u>Support and Revenue</u>				
Contributions	\$ 481,818	\$ 106,883	\$ 588,701	\$ 445,755
Grants	1,760,491	-	1,760,491	38,135
Net Investment Returns	4,073	-	4,073	3,343
Net Assets Released from Restrictions	<u>2,419</u>	<u>(2,419)</u>	<u>-</u>	<u>-</u>
Total Support and Revenue	<u>2,248,801</u>	<u>104,464</u>	<u>2,353,265</u>	<u>487,233</u>
<u>Expenses</u>				
Program Expenses	1,990,075	-	1,990,075	286,514
Supporting Services:				
Management and General	55,648	-	55,648	49,084
Fund Raising	<u>48,536</u>	<u>-</u>	<u>48,536</u>	<u>7,455</u>
Total Expenses	<u>2,094,259</u>	<u>-</u>	<u>2,094,259</u>	<u>343,053</u>
<u>Other Income, (Expenses),</u>				
<u>Gain and (Losses)</u>				
Gain on Sale of Assets	<u>8,535</u>	<u>-</u>	<u>8,535</u>	<u>-</u>
Change in Net Assets	163,077	104,464	267,541	144,180
Net Assets - Beginning of Year	<u>466,753</u>	<u>21,736</u>	<u>488,489</u>	<u>344,309</u>
Net Assets - End of Year	<u>\$ 629,830</u>	<u>\$ 126,200</u>	<u>\$ 756,030</u>	<u>\$ 488,489</u>

See Accompanying Notes to Financial Statements.

FAMILY PROMISE OF GREATER ROCHESTER, INC.
STATEMENT OF FUNCTIONAL EXPENSES - MODIFIED CASH BASIS
For The Year Ended December 31, 2021
(With Comparative Totals For The Year Ended December 31, 2020)

	Program Services	Management and General	Fund Raising	<u>Audited</u>	<u>Reviewed</u>
				<u>Totals</u>	
				<u>2021</u>	<u>2020</u>
Salaries and Wages	\$ 159,493	\$ 35,969	\$ 40,903	\$ 236,365	\$ 159,171
Payroll Taxes and Benefits	<u>13,696</u>	<u>3,089</u>	<u>3,513</u>	<u>20,298</u>	<u>13,915</u>
Total Payroll Expenses	173,189	39,058	44,416	256,663	173,086
Emergency Needs	1,768,465	-	-	1,768,465	99,344
Occupancy	22,457	-	-	22,457	22,513
Depreciation	8,794	-	-	8,794	10,460
Professional Fees	-	7,045	-	7,045	7,325
Repairs and Maintenance	5,132	-	-	5,132	3,363
Education	4,946	-	-	4,946	-
Postage and Printing	-	2,095	2,670	4,765	694
Office Expense	394	3,016	-	3,410	3,024
Dues and Memberships	3,000	-	-	3,000	3,000
Insurance	-	2,873	-	2,873	8,073
Telephone	2,539	-	-	2,539	2,398
Other Expenses	358	468	1,450	2,276	6,719
Information Technology	665	1,093	-	1,758	1,911
Travel	<u>136</u>	<u>-</u>	<u>-</u>	<u>136</u>	<u>1,143</u>
Total Expenses	<u>\$ 1,990,075</u>	<u>\$ 55,648</u>	<u>\$ 48,536</u>	<u>\$ 2,094,259</u>	<u>\$ 343,053</u>

See Accompanying Notes to Financial Statements.

FAMILY PROMISE OF GREATER ROCHESTER, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Family Promise of Greater Rochester, Inc. (the Organization) is a not-for-profit organization formed in 2004 in Rochester, New York. The Organization is an interfaith, culturally-competent organization of faith communities that assist homeless families to achieve sustainable independence by supporting them with tailored services including shelter, food, personalized case management, and a diverse network of caring volunteers. The Organization obtains its support from individuals, organizations and government agencies.

Basis of Accounting

The accompanying financial statements have been prepared on the modified cash basis of accounting, with revenue and expenses being recorded at the time of cash receipt or disbursement. The capitalization of property, plant and equipment and the recording of depreciation over the estimated useful lives of such assets is a modification of the cash basis of accounting. Accordingly, the financial statements are not intended to present financial position and results of operations in conformity with accounting principles generally accepted in the United States of America.

Net Assets

The Organization reports information regarding its financial position and activities according to 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 restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve.

Net Assets With Donor Restrictions – Net assets subject to donor imposed restrictions. 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. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. 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.

FAMILY PROMISE OF GREATER ROCHESTER, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2021
(Continued)

**NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (Continued)**

Net Assets (Continued)

Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or 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 statements of activities as net assets released from restrictions.

Contributions

Contributions are recorded at the time of receipt.

Income Taxes

The Internal Revenue Service has determined that the Organization is qualified as a charity exempt under Section 501(c)(3) of the Internal Revenue Code, and has also determined that the Organization is publicly supported. As a result, no provision for federal or state income taxes has been made.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with the modified cash basis of accounting, which is a comprehensive basis of accounting, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent liabilities at December 31, 2021, and the reported amounts of support, revenue, and expenses for the year then ended. Actual results could vary from those estimates.

Property and Equipment

Property and equipment are stated at cost. The Organization capitalizes property and equipment with a cost of over \$2,000 and an estimated life of more than one year. Depreciation is computed using the straight-line method based on the estimated useful lives of the assets, as follows:

	<u>Years</u>
Improvements	Lesser of 10-20 years or lease term
Furniture and Equipment	5
Transportation Equipment	7

Depreciation expense amounted to \$8,794 and \$10,460 for the years ended December 31, 2021 and 2020, respectively.

FAMILY PROMISE OF GREATER ROCHESTER, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2021
(Continued)

**NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES (Continued)**

Determining Fair Value of Financial Assets and Liabilities

The modified cash basis of accounting follows a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1: Inputs to the valuation method are unadjusted quoted market prices in active markets for identical assets or liabilities.

Level 2: Inputs to the valuation method include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or by other means.

Level 3: Inputs to the valuation method are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Comparative Financial Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2020 from which the summarized information was derived.

FAMILY PROMISE OF GREATER ROCHESTER, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2021
(Continued)

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash, Cash Equivalents, and Restricted Cash

Cash, cash equivalents, and restricted cash include all cash on hand and in banks, which, at times, may exceed federally insured limits. The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. The Organization has not experienced any losses in these accounts and does not believe it is exposed to any significant credit risk with respect to cash, cash equivalents, and restricted cash. There was no restricted cash for the years ended December 31, 2021 and 2020.

Cash and cash equivalents consisted of the following at December 31:

	2021	2020
Petty Cash	\$ 100	\$ 100
Checking	613,274	446,447
Money Market	-	2,505
Total	\$ 613,374	\$ 449,052

Functional Expenses

The costs of providing the various program services have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the program, management and general, and fund raising categories.

Expenses are allocated to program and supporting services on the following bases:

- (a) Management and general expenses are costs not directly related to the Organization's purpose and include those costs for oversight, management, general recordkeeping, budgeting, soliciting grants and payroll functions.
- (b) Personnel expenses are allocated on the basis of direct salaries.
- (c) Building and occupancy costs are allocated on the basis of space used.
- (d) Depreciation is allocated on the basis of usage of the related assets.

NOTE 2 - DONATED SERVICES AND GOODS

The Organization receives donated services that, although substantial, do not meet the criteria for recording as revenue and expense under the modified cash basis of accounting. Donors contribute their time to both the administrative and program activities of the Organization. Donors also regularly contribute certain supplies for day care center guests that are not recorded as revenue or expenses in these financial statements. During 2021 and 2020, approximately 235 and 520 active volunteers provided 940 and 2,860 hours of service, respectively.

FAMILY PROMISE OF GREATER ROCHESTER, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2021
(Continued)

NOTE 3 - LIQUIDITY AND AVAILABILITY

For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing program activities, as well as the conduct of services undertaken to support those activities to be general expenditures.

The following financial assets will be available for general expenditures within one year of the balance sheet date:

	<u>2021</u>	<u>2020</u>
Cash and Cash Equivalents	\$ 613,374	\$ 449,052
Investments	129,923	26,349
Less: Donor Restrictions	(126,200)	(21,736)
Less: Board Designations	<u>(32,923)</u>	<u>(26,349)</u>
	<u>\$ 584,174</u>	<u>427,316</u>

Although the Organization does not intend to spend from their board-designated endowment these amounts could be made available if necessary.

The Organization has a goal to maintain financial assets, which consist of cash and short-term investments, on hand to meet 90 days of normal operating expenses.

The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, as part of its liquidity management, the Organization invests cash in excess of daily requirements in various short-term investments, including certificate of deposits and short-term treasury instruments.

NOTE 4 - COMMITMENTS

The Organization was obligated under a non-cancelable operating lease for its day center and office facilities through June 3, 2021. The office facilities lease agreement calls for monthly payments of \$1,450. The lease is now month to month. The Organization also has three short-term leases for space that expire in June and July 2022. Rent expense for the years ended December 31, 2021 and 2020 totaled \$49,268 and \$17,400, respectively. There was \$31,868 included in emergency needs expenses for the year ended December 31, 2021.

Future minimum lease payment commitments are as follows:

<u>Year</u>	<u>Amount</u>
2022	\$ 12,700

FAMILY PROMISE OF GREATER ROCHESTER, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2021
(Continued)

NOTE 5 - INVESTMENTS

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair market value. Unrealized gains or losses on securities result from differences between the cost and fair market value of securities on a specified valuation date.

Investment securities are exposed to various risks, such as interest rate, market, economic conditions, world affairs and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the accompanying financial statements.

Investments are held in investment funds managed by professional investment advisors. As of December 31, 2021, the investments consisted primarily of mutual funds and equity investments. A summary of investments at market value at December 31 are as follows:

	<u>2021</u>	<u>2020</u>
Equity Exchange Traded Products	\$ 114,452	\$ 18,485
Mutual Funds	15,471	-
Fixed Income Exchange Traded Products	<u>-</u>	<u>7,864</u>
Total Investments	<u>\$ 129,923</u>	<u>\$ 26,349</u>

All of the investments are based on level 1 inputs in the hierarchy as described in Note 1.

NOTE 6 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes at December 31:

	<u>2021</u>	<u>2020</u>
Subject to expenditure for specified purpose:		
Prevention, Diversion, and Re-Housing Program	\$ 24,200	\$ 19,317
Emergency Services	-	2,419
Endowments:		
Perpetual in Nature	<u>102,000</u>	<u>-</u>
Total Net Assets with Donor Restrictions	<u>\$ 126,200</u>	<u>\$ 21,736</u>

FAMILY PROMISE OF GREATER ROCHESTER, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2021
(Continued)

NOTE 7 - ENDOWMENT

The Organization's endowment consists of one individual fund established to support the prevention, diversion, and re-housing program. As required by modified cash basis of accounting, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Organization has interpreted the New York Prudent Management of Institutional Funds Act (NYPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as net assets with donor restrictions, the original value of gifts donated to the perpetual endowment, the original value of subsequent gifts to the perpetual endowment, and accumulations to the perpetual endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. In accordance with NYPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Organization (7) where appropriate and circumstances would otherwise warrant alternatives to expenditure of the endowment fund, giving due consideration to the effect that such alternatives may have on the Organization, and (8) the Organization's investment policies.

Funds with Deficiencies

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). The Board of Directors of the Organization has interpreted NYPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. There were no such deficiencies as of December 31, 2021.

FAMILY PROMISE OF GREATER ROCHESTER, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2021
(Continued)

NOTE 7 - ENDOWMENT (Continued)

Investment Return Objectives, Risk Parameters and Strategies

The Organization has adopted investment and spending policies approved by the Board of Directors for endowment assets that attempt to provide a predictable stream of funding for programs supported by these investments, while also maintaining the purchasing power of those endowment assets over the long-term. Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income, as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk.

Endowment assets are invested in a well diversified asset mix, which includes a combination of cash, common stock, and fixed income investments that is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make an annual distribution when needed, while growing the funds if possible. Therefore, the Organization expects its endowment assets, over time, to produce an average rate of return sufficient for this distribution, and also to provide for the long-term growth of the principal of the invested funds. Actual returns in any given year may vary from this amount. Investment risk is measured in terms of the total endowment fund, investment assets, and allocation between asset classes, and strategies are managed to not expose the fund to unacceptable levels of risk.

Spending Policy

The earnings on the endowment are to be used to support the Organization's program as necessary. Earnings include interest, dividends, and realized and unrealized gains, net of investment fees.

Endowment net asset composition by type of fund as of December 31, 2021:

	<u>With Donor Restrictions</u>
Donor-restricted endowment fund:	
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	\$ <u>102,000</u>
Total Endowment Net Assets	\$ <u><u>102,000</u></u>

FAMILY PROMISE OF GREATER ROCHESTER, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2021
(Continued)

NOTE 7 - ENDOWMENT (Continued)

Changes in endowment net assets as of December 31, 2021 are as follows:

	<u>With Donor Restrictions</u>
Endowment Net Assets	
- Beginning of Year	\$ -
Net Investment Returns	-
Contributions/Deposits	<u>102,000</u>
Endowment Net Assets - End of Year	<u><u>\$ 102,000</u></u>

NOTE 8 - BOARD-DESIGNATED NET ASSETS

The Board of Directors has designated net assets in excess of six months worth of operating expenditures.

The changes in net assets of the board designated fund consist of the following for the years ended December 31, 2021 and 2020, respectively:

	<u>2021</u>	<u>2020</u>
Beginning Balance	\$ 26,349	\$ -
Contributions	2,606	25,000
Net Investment Return	<u>3,968</u>	<u>1,349</u>
Ending Balance	<u><u>\$ 32,923</u></u>	<u><u>\$ 26,349</u></u>

NOTE 9 - RELATED PARTY TRANSACTIONS

During the years ended December 31, 2021 and 2020, \$136,114 and \$10,955 was donated by board members, respectively.

FAMILY PROMISE OF GREATER ROCHESTER, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2021
(Continued)

NOTE 10 - SUBSEQUENT EVENTS

Subsequent events have been evaluated through April 25, 2022, which is the date the statements were available for issuance.

As a result of the spread of the COVID-19 coronavirus, economic uncertainties continue to have a negative impact on contributions. There continues to be considerable uncertainty around the duration. Therefore, the related financial impact and duration cannot be reasonably estimated at this time.

FAMILY PROMISE OF GREATER ROCHESTER, INC.

SUPPLEMENTARY INFORMATION

FEDERAL FINANCIAL ASSISTANCE

For the Year Ended December 31, 2021



**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 Auditors' Report

To the Board of Directors
Family Promise of Greater Rochester, Inc.
Rochester, NY

We have audited, in accordance with the 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 Rochester, Inc. (a nonprofit organization) which comprise the balance sheet - modified cash basis as of December 31, 2021, and the related statements of activities and functional expenses - modified cash basis for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated April 25, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Family Promise of Greater Rochester, Inc.'s internal control over financial reporting (internal control) as a basis for designing 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 Rochester, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Family Promise of Greater Rochester, 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity'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.

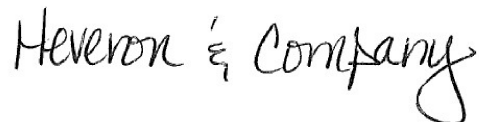
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Family Promise of Greater Rochester, Inc.'s financial statements are free of material misstatements, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the financial statements. 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Heveron & Company
Certified Public Accountants

Rochester, New York
April 25, 2022



**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM
AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE**

Independent Auditors' Report

To the Board of Directors
Family Promise of Greater Rochester, Inc.
Rochester, NY

**Report on Compliance for Each Major Federal Program
*Opinion on Each Major Federal Program***

We have audited Family Promise of Greater Rochester, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Family Promise of Greater Rochester, Inc.'s major federal programs for the year ended December 31, 2021. Family Promise of Greater Rochester, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Family Promise of Greater Rochester, Inc. complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Family Promise of Greater Rochester, Inc. and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Family Promise of Greater Rochester, Inc.'s compliance with the compliance requirements referred to above.



Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Family Promise of Greater Rochester, Inc.'s federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Family Promise of Greater Rochester, Inc.'s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Family Promise of Greater Rochester, Inc.'s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Family Promise of Greater Rochester, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of Family Promise of Greater Rochester, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Family Promise of Greater Rochester, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

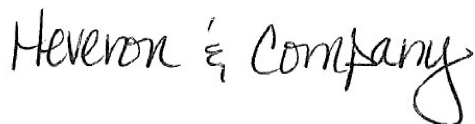
Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Heveron & Company
Certified Public Accountants

Rochester, New York
April 25, 2022

**FAMILY PROMISE OF GREATER ROCHESTER, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended December 31, 2021**

Section I - Summary of Auditors' Results

Financial Statements

The auditors' report expresses an unmodified opinion on the general-purpose financial statements of Family Promise of Greater Rochester, Inc.

No material weaknesses were identified in the internal controls over financial reporting.

No significant deficiencies were identified in the internal controls over financial reporting.

No instances of noncompliance material to the financial statements of Family Promise of Greater Rochester, Inc. were disclosed during the audit.

Federal Awards

The auditors' report on compliance for major programs expresses an unmodified opinion.

No material weaknesses were identified in the internal control over major programs.

No significant deficiencies were identified in the internal controls over major programs.

There are no audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a).

Identification of Major Programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
21.023	Emergency Rental Assistance Program

Dollar threshold used to distinguish
between type A and type B programs: \$ 750,000

The auditee did not qualify as a low-risk auditee.

FAMILY PROMISE OF GREATER ROCHESTER, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended December 31, 2021
(Continued)

Section II - Financial Statement Findings

None

Section III - Federal Award Findings and Questioned Costs

None

FAMILY PROMISE OF GREATER ROCHESTER, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended December 31, 2021

<u>Federal Grantor/Pass Through Grantor / Program Title</u>	<u>Federal CFDA Number</u>	<u>Agency or Pass Through Number</u>	<u>Passed Through to Sub-recipients</u>	<u>Federal Expenditures</u>
<u>Department of Housing and Urban Development</u>				
Emergency Solutions Grant Program Passed Through City of Rochester	14.231	134746/136279	\$ -	\$ 44,417
Total Department of Housing and Urban Development			<u>-</u>	<u>44,417</u>
<u>Department of the Treasury</u>				
COVID-19 - Emergency Rental Assistance Program Passed Through Monroe County	21.023	Not Available	<u>-</u>	<u>1,704,501</u>
Total Federal Expenditures			<u>\$ -</u>	<u>\$ 1,748,918</u>

FAMILY PROMISE OF GREATER ROCHESTER, INC.
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended December 31, 2021

Note 1 - Basis of Presentation:

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of Family Promise of Greater Rochester, Inc. under programs of the federal government for the year ended December 31, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Family Promise of Greater Rochester, Inc., it is not intended to and does not present the assets, liabilities, and net assets of Family Promise of Greater Rochester, Inc.

Note 2 - Summary of Significant Accounting Policies:

Expenditures reported on the Schedule are reported on modified cash basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Family Promise of Greater Rochester, Inc. has not yet elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.