FAMILY PROMISE OF SOUTHERN CHESTER COUNTY
FINANCIAL STATEMENTS
DECEMBER 31, 2025 AND 2024

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Family Promise of Southern Chester County
Kennett Square, Pennsylvania

Opinion
We have audited the accompanying financial statements of Family Promise of Southern Chester County (a non-profit organization), which comprise the statement of financial position as of December 31, 2025, and the related statements of activities, functional expenses, and cash flows 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 financial position of Family Promise of Southern Chester County as of December 31, 2025, 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.

Basis for Opinion
We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization 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.

Responsibilities of Management for the Financial Statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, 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 the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's 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 auditor's 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 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 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, 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 the Organization'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 the Organization'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.

The financial statements for the year ending December 31, 2024 are presented for comparative purposes and were reviewed by us. Our review report dated September 25, 2025, stated we did not audit the financial statements and, accordingly, expressed limited assurance on those financial statements.

Bliss & Company

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September 28, 2026

FAMILY PROMISE OF SOUTHERN CHESTER COUNTY

Statements of Financial Position

December 31, 2025 and 2024

(See Independent Auditors' Report)

Assets

			UNAUDITED
		2025	2024
Current Assets			
Cash	$	455,774	405,485
Certificate of deposit		209,175	100,000
Grants receivable		31,590	67,500
Prepaids and other current assets		2,941	2,941
Total Current Assets		699,480	575,926
Property			
Vehicles		70,322	67,822
Leasehold improvements		82,960	30,510
Furniture and equipment		33,092	33,092
Total Property		186,374	131,424
Less: accumulated depreciation		(67,529)	(54,473)
Net Property		118,845	76,951
Total Assets	$	818,325	652,877

Liabilities and Net Assets

Current Liabilities			
Accounts payable and accrued expenses	$	24,108	13,252
Total Current Liabilities		24,108	13,252
Net Assets			
Net assets without donor restrictions			
Growth Initiatives Fund		60,000	60,000
Operating reserve		207,473	207,473
Undesignated		170,297	40,153
Total without donor restrictions		437,770	307,626
With donor restrictions		356,447	331,999
Total Net Assets		794,217	639,625
Total Liabilities and Net Assets	$	818,325	652,877

FAMILY PROMISE OF SOUTHERN CHESTER COUNTY

Statements of Activities

FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

(See Independent Auditors' Report)

	2025			2024 (UNAUDITED)		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT, REVENUES, AND RECLASSIFICATIONS						
Contributions and grants	326,574	328,975	655,549	219,451	238,572	458,023
Fundraising event, net	191,852	-	191,852	73,685	-	73,685
Interest	18,918	-	18,918	16,536	-	16,536
Net assets released from restrictions	304,527	(304,527)	-	262,863	(262,863)	-
TOTAL SUPPORT, REVENUES, AND RECLASSIFICATIONS	841,871	24,448	866,319	572,535	(24,291)	548,244
EXPENSES						
Program Services	593,080	-	593,080	486,985	-	486,985
Supporting Services						
Management And General	71,788	-	71,788	61,176	-	61,176
Fundraising	46,859	-	46,859	33,805	-	33,805
TOTAL EXPENSES	711,727	-	711,727	581,966	-	581,966
CHANGES IN NET ASSETS	130,144	24,448	154,592	(9,431)	(24,291)	(33,722)
NET ASSETS - BEGINNING OF YEAR	307,626	331,999	639,625	317,057	356,290	673,347
NET ASSETS - END OF YEAR	437,770	356,447	794,217	307,626	331,999	639,625

FAMILY PROMISE OF SOUTHERN CHESTER COUNTY

Statement of Functional Expenses

For the Year Ended December 31, 2025

(See Independent Auditors' Report)

	Program Services	Management and General	Fundraising	Total
COMPENSATION RELATED				
Salaries	$ 179,938	$ 14,978	$ 27,660	$ 222,576
Payroll taxes	18,364	1,529	2,823	22,716
Employee benefits	3,531	415	208	4,154
TOTAL COMPENSATION RELATED	201,833	16,922	30,691	249,446
RESOURCE CENTER FACILITY				
Occupancy	26,388	5,026	-	31,414
Maintenance and repairs	6,257	905	-	7,162
Program expenses	299,255	-	-	299,255
TOTAL CLIENT ASSISTANCE	331,900	5,931	-	337,831
Association fees	-	7,801	-	7,801
Bank fees	-	1,896	1,896	3,792
Depreciation	10,966	2,089	-	13,055
Insurance	12,137	5,201	-	17,338
Marketing	5,120	-	5,120	10,240
Office expense	13,868	12,394	3,888	30,150
Printing	2,443	171	1,027	3,641
Professional fees	9,519	18,908	4,000	32,427
Training	3,782	445	222	4,449
Travel	1,512	30	15	1,557
	59,347	48,935	16,168	124,450
TOTAL EXPENSE	$ 593,080	$ 71,788	$ 46,859	$ 711,727

FAMILY PROMISE OF SOUTHERN CHESTER COUNTY

Statement of Functional Expenses

For the Year Ended December 31, 2024

(See Independent Auditors' Report)

	UNAUDITED			
	Program Services	Management and General	Fundraising	Total
COMPENSATION RELATED				
Salaries	$ 158,638	15,084	17,796	$ 191,518
Payroll taxes and insurance	13,820	1,314	1,550	16,684
Employee benefits	192	23	11	226
TOTAL COMPENSATION RELATED	172,650	16,421	19,357	208,428
RESOURCE CENTER FACILITY				
Occupancy	26,488	5,045	-	31,533
Maintenance and repairs	9,322	1,716	-	11,038
Program expenses	225,102	-	-	225,102
TOTAL CLIENT ASSISTANCE	260,912	6,761	-	267,673
Association fees	-	7,228	-	7,228
Bank fees	-	1,617	1,617	3,234
Depreciation	3,683	-	-	3,683
Fundraising	-	-	114	114
Insurance	11,193	4,797	-	15,990
Marketing	2,240	-	2,240	4,480
Miscellaneous	-	322	-	322
Office expense	16,136	3,280	4,272	23,688
Printing	2,665	187	1,120	3,972
Professional fees	11,843	20,347	4,977	37,167
Training and education	238	28	14	280
Travel	5,425	188	94	5,707
	53,423	37,994	14,448	105,865
TOTAL EXPENSE	$ 486,985	$ 61,176	$ 33,805	$ 581,966

FAMILY PROMISE OF SOUTHERN CHESTER COUNTY

Statements of Cash Flows

December 31, 2025 and 2024

(See Independent Auditors' Report)

			UNAUDITED
		2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Change in Net Assets	$	154,592	(33,722)
Adjustments to reconcile Change in net assets to cash provided by operating activities:			
Depreciation and amortization		13,055	3,683
(Increase) Decrease in operating assets:			
Promises to give		-	100,000
Grants receivable		35,910	(27,500)
Increase (Decrease) in operating liabilities:			
Accrued Expenses		10,856	11,113
NET CASH PROVIDED BY OPERATING ACTIVITIES		214,413	53,574
CASH FLOWS USED IN INVESTING ACTIVITIES			
Purchase of property and equipment		(54,949)	(69,309)
Investment in certificate of deposit		(109,175)	(100,000)
NET CASH USED BY INVESTING ACTIVITIES		(164,124)	(169,309)
NET CHANGE IN CASH AND CASH EQUIVALENTS		50,289	(115,735)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR		405,485	521,220
CASH AND CASH EQUIVALENTS - END OF YEAR		455,774	405,485

NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Nature of Activities

Family Promise of Southern Chester County (the "Organization") was founded in 2014 and is dedicated to preventing and ending homelessness among working parents with dependent children in Southern Chester County, Pennsylvania. The Organization provides shelter, food, financial assistance, social services and mentoring support to enable families to remain in clean, safe, affordable housing while they work towards independence. This includes training to improve or develop capabilities for increasing income and decreasing expenses.

The Organization operates under a licensing agreement with Family Promise, a New Jersey not-for-profit corporation based in Summit, New Jersey. The Organization must follow specific contingencies outlined in the agreement, including payment of annual affiliate dues to Family Promise, in order to continue operating as "Family Promise".

Basis of Accounting

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

Basis of Presentation

Under Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958-10-65-1, the Organization is required to report information regarding its financial position and activities according to two mutually exclusive classes according to the existence or absence of donor-imposed restrictions. See Net Assets with Donor Restrictions and Net Assets without Donor Restrictions.

Net Assets with Donor Restrictions

Net assets with donor restrictions is the part of net assets of the Organization that is subject to donor-imposed restrictions (donors include other types of contributors, including makers of certain grants). 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 donors impose 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.

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.

Net Assets without Donor Restrictions

Net assets without donor restrictions is the part of net assets of the Organization that is not subject to donor-imposed restrictions.

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and cash equivalents

Cash and cash equivalents include checking accounts, money market accounts, and certificates of deposit with an original maturity of three months or less.

The Organization maintains cash and cash equivalent balances at local financial institutions. These balances are insured by the Federal Deposit Insurance Corporation up to $250,000. In the normal course of business, the Organization may have deposits that exceed the insured limit.

Contributions and Grants

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Grant revenues are recognized when received or when spent, whichever occurs first. Contributions are recorded at fair value, which is net of estimated uncollectible amounts.

Contributions restricted by donor are reported as an increase in net assets without donor restrictions if the restrictions are met in the reporting period in which the contribution is recognized.

Promises to Give

Unconditional promises to give are recognized as revenues in the period received and as assets, decreases of liabilities, or expenses, depending on the form of the benefits received. Promises to give are recorded at net realizable value if expected to be collected in one year and at fair market value if expected to be collected in more than one year. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

The Organization estimates that all of its promises to give are collectible; accordingly, there is no provision for an allowance for doubtful accounts. If amounts become uncollectible, they will be charged to operations when that determination is made. As of December 31, 2025, and 2024, the Organization has deemed all monies owed collectible.

Accounting principles generally accepted in the United States of America require that promises to give received after one year be discounted. As of December 31, 2025, all promises to give are due within one year and, therefore, no discount has been recorded.

Revenue Recognition

The Organization recognizes revenue when it satisfies a performance obligation by transferring control of a promised good or service to the customer. The Organization's principal activity resulting in contracts with customers is revenue from fundraising events.

Because the benefit received from fundraising events has an original expected duration of one year or less, the Organization has elected the practical expedient and not disclosed the value of unsatisfied performance obligations and expected timing for completion related to the revenue.

Functional Allocation of Expenses

The costs of providing the program and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated between the program and supporting services. Resource Center Facility expenses are costs for the building, supplies for clients, and other client service costs. Fundraising expenses are costs related to campaigns, development, grant writing, and other fundraising efforts. Management and general expenses are costs directly related to the overall operation of the Organization but are not associated with program or fundraising services. Certain management and general expenses, such as payroll, occupancy, and professional fees, are allocated to program and fundraising services based on the usage of employees' time and other resources available.

Donated Materials and Services

Certain contributed services, materials, and facilities were provided to develop and maintain the programs of the Organization; the value of the contributed time and materials is reflected in the financial statements if they meet the criteria for recognition under FASB ASC 958-605, which require that they (I) create or enhance long-lived assets or (2) require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. During the years ended December 31, 2025 and 2024, the Organization received contributed gift cards and materials with a fair market value of $6,862 and $11,155, respectively.

During the years ended December 31, 2025, and 2024, 132 and 122 volunteers, respectively, donated 1,915 and 1,815 hours of service, respectively. No amounts have been recognized in the statements of activities because the criteria for recognition have not been satisfied.

Property and Equipment

Property and equipment are recorded at cost for items greater than $1,000. Depreciation is provided by the use of the straight-line method over the prescribed lives of the related assets, which is currently five to seven years for vehicles and equipment. Building improvements are being depreciated over forty years.

Advertising

The costs of advertising are expensed as incurred. Advertising expense was $10,240 and $4,480 for the years ended December 31, 2025, and 2024, respectively.

Income Tax Status

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, except for certain activities not directly related to the Organization's tax-exempt purpose.

In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2).

Reclassifications

Certain reclassifications have been made to the December 31, 2024, financial statement presentation to correspond to the current year's format. Net assets and changes in net assets are unchanged due to these reclassifications.

Date of Management Approval

Management has evaluated subsequent events through September 28, 2026, the date the financial statements were available to be issued and determined there were no other items to be disclosed.

NOTE 2 - FINANCIAL ASSETS AND LIQUIDITY RESOURCES

As of December 31, 2025 and 2024, financial assets and liquidity resources available within one year for general expenditures such as operating expenses were as follows:

	2025	2024
Financial assets:		
Cash and cash equivalents	$ 455,774	$ 405,485
Certificate of deposit	209,175	100,000
Grants receivable	31,590	67,500
Less: donor restricted financial assets	(356,447)	(331,999)
Total financial assets available within one year	$ 340,092	$ 240,986

The Organization's cash flows have seasonal variations during the year attributable to the timing of contributions received. To manage liquidity, the Organization maintains a money market account that may be drawn upon as needed during the year to manage cash flows. The Organization also holds an operating reserve that may be used as needed.

NOTE 3 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at December 31, 2025 and 2024 consist of the following:

	2025	2024
Time restricted grant receivables and promises to give	$ -	$ 67,500
Back to school program	9,320	9,501
Building improvements	68,212	-
Cultural compentency	-	2,500
Homelessness prevention	137,978	216,159
HUMI	21,542	21,213
Promise House	100,000	-
Diversion	5,818	5,818
Pet expenses	1,020	1,020
Computer expenses	2,496	1,429
Holiday gifts	1,022	1,022
Meals	145	145
Savings match program	-	604
Strategic planning	4,788	4,788
Wheels to work	4,106	300
	$ 356,447	$ 331,999

Net assets released from restrictions at December 31, 2025 and 2024 are as follows:

	2025	2024
Homelessness prevention	$ 218,969	$ 204,452
Building improvements	83,677	15,210
Box truck purchase and expenses	-	41,815
Program expenses	141	-
Savings match program	1,500	81
Wheels to work	240	1,305
	$ 304,527	$ 262,863

NOTE 4 - NET ASSETS WITHOUT DONOR RESTRICTIONS

The governing Board of a nonprofit organization may designate a portion of net assets without donor restrictions for a specific purpose as a management tool. Those Board designations are not donor restrictions because the designations may be reversed by the Board, and they do not alter the nature of unrestricted contributions.

During the year ended December 31, 2017, the Board of Directors designated $60,000 of net assets without donor restrictions to the Growth Initiatives Fund. Funds will be used for new initiatives to expand the mission of the Organization. The balance of the Growth Initiatives Fund was $60,000 at both December 31, 2025 and 2024.

During the year ended December 31, 2020, the Board of Directors designated $119,844 of net assets without donor restrictions to an Operating Reserve. Effective December 31, 2021, the Board has also reserved the 2021 surplus of $87,629. Funds will be held in reserve in the event of unforeseen circumstances so that operations may continue. The balance of the Operating Reserve was $207,473 at December 31, 2025 and 2024.

NOTE 5 - REVENUE RECOGNITION

Performance Obligations

Revenue and support received for the Organization's special events are comprised of an exchange element based upon the benefits provided to the participants and a contribution element for the portion of the payment received in excess of the participant benefits.

The Organization recognizes exchange revenue from its special events at a point in time to which the fundraiser relates. The performance obligation consists of providing participants with access to the special event.

For the years ended December 31, 2025 and 2024, net exchange revenues of $191,852 and $73,685, respectively, from the Organization's special events are reported as fundraising event revenue on the statement of activities.

Disaggregation of Revenue

The disaggregation of the timing of recognizing revenue from contracts with customers for the year ended December 31, 2025 and 2024, is as follows:

	Point in Time	Over Time	Total
2025			
Special events revenue	$ 191,852	$ -	$ 191,852
2024			
Special events revenue	$ 73,685	$ -	$ 73,685

NOTE 6 – LEASE COMMITMENT

The Organization has lease agreements with terms of one year or less for office and residential use. The Organization has elected to apply the short-term lease exception to all leases with a term of one year or less. At December 31, 2025 and 2024, there were no leases required to be recorded as right-of-use (ROU) assets. Rent expense for the years ended December 31, 2025, and 2024 was $164,433 and $168,529, respectively.