

**FAMILY PROMISE
OF SOUTHERN CHESTER COUNTY**

FINANCIAL STATEMENTS
FOR THE YEARS ENDED
DECEMBER 31, 2020 AND 2019

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

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

We have reviewed the accompanying financial statements of Family Promise of Southern Chester County (a non-profit organization), which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

Accountants' Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statement for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountants' Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, in 2020, the Organization adopted Accounting Standards Update (ASU) No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* and ASU No. 2014-09, *Revenue from Contracts with Customers* (Topic 606). Our conclusion is not modified with respect to these matters.

Umbreit, Wileczek & Associates, P.C.

Kennett Square, PA
April 27, 2021

FAMILY PROMISE OF SOUTHERN CHESTER COUNTY

STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 440,252	\$ 291,329
Accounts and grants receivable	-	21,642
Promises to give	31,010	10,850
Gift cards	600	-
Prepaid rent	<u>1,500</u>	<u>1,500</u>
TOTAL CURRENT ASSETS	473,362	325,321
Property and equipment, net	<u>22,375</u>	<u>3,607</u>
TOTAL ASSETS	<u><u>\$ 495,737</u></u>	<u><u>\$ 328,928</u></u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 2,792	\$ 427
Loan payable	44,600	-
NET ASSETS		
Without donor restrictions:		
Growth Initiatives Fund	60,000	60,000
Operating reserve	119,844	-
Undesignated	<u>179,926</u>	<u>178,095</u>
Total without donor restrictions	359,770	238,095
With donor restrictions	<u>88,575</u>	<u>90,406</u>
TOTAL NET ASSETS	<u><u>448,345</u></u>	<u><u>328,501</u></u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 495,737</u></u>	<u><u>\$ 328,928</u></u>

See Independent Accountants' Review Report and Notes to Financial Statements

FAMILY PROMISE OF SOUTHERN CHESTER COUNTY

**STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Without Donor Restrictions	With Donor Restrictions	Total 2020
SUPPORT, REVENUES, AND RECLASSIFICATIONS			
Contributions	\$ 436,345	\$ 116,835	\$ 553,180
Fundraising event, net of expenses of \$8,399	77,276	-	77,276
Donated in-kind	30,516	-	30,516
Interest	2,288	-	2,288
Net assets released from restrictions	118,666	(118,666)	-
TOTAL SUPPORT, REVENUES, AND RECLASSIFICATIONS	665,091	(1,831)	663,260
EXPENSES			
Program services	441,460	-	441,460
Supporting services			
Management and general	43,533	-	43,533
Fundraising	58,423	-	58,423
TOTAL EXPENSES	543,416	-	543,416
CHANGES IN NET ASSETS	121,675	(1,831)	119,844
NET ASSETS - BEGINNING OF YEAR	238,095	90,406	328,501
NET ASSETS - END OF YEAR	<u>\$ 359,770</u>	<u>\$ 88,575</u>	<u>\$ 448,345</u>

See Independent Accountants' Review Report and Notes to Financial Statements

FAMILY PROMISE OF SOUTHERN CHESTER COUNTY

STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total 2019
SUPPORT, REVENUES, AND RECLASSIFICATIONS			
Contributions	\$ 191,573	\$ 103,350	\$ 294,923
Fundraising event, net of expenses of \$45,991	99,405	-	99,405
Donated in-kind	22,807	-	22,807
Interest	4,194	-	4,194
Net assets released from restrictions	21,064	(21,064)	-
TOTAL SUPPORT, REVENUES, AND RECLASSIFICATIONS	339,043	82,286	421,329
EXPENSES			
Program services	283,485	-	283,485
Supporting services			
Management and general	37,562	-	37,562
Fundraising	79,309	-	79,309
TOTAL EXPENSES	400,356	-	400,356
CHANGES IN NET ASSETS	(61,313)	82,286	20,973
NET ASSETS - BEGINNING OF YEAR	299,408	8,120	307,528
NET ASSETS - END OF YEAR	\$ 238,095	\$ 90,406	\$ 328,501

FAMILY PROMISE OF SOUTHERN CHESTER COUNTY

STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020

	Program Services	Management and General	Fundraising	Total 2020
COMPENSATION RELATED				
Salaries	\$ 167,910	\$ 13,239	\$ 39,681	\$ 220,830
Payroll taxes and insurance	21,530	1,498	4,491	27,519
Employee benefits	9,544	1,123	561	11,228
TOTAL COMPENSATION RELATED	<u>198,984</u>	<u>15,860</u>	<u>44,733</u>	<u>259,577</u>
RESOURCE CENTER FACILITY				
Occupancy	23,639	4,408	329	28,376
Maintenance and repairs	4,195	713	-	4,908
Supplies	30,901	-	-	30,901
Transportation	1,504	-	-	1,504
Program expenses	153,372	-	-	153,372
TOTAL CLIENT ASSISTANCE	<u>213,611</u>	<u>5,121</u>	<u>329</u>	<u>219,061</u>
Association fees	-	7,048	-	7,048
Bank fees	-	1,161	1,162	2,323
Depreciation	6,572	446	-	7,018
Fundraising	-	-	3,280	3,280
Insurance	6,805	2,917	-	9,722
Marketing	5,443	-	5,443	10,886
Miscellaneous	264	1,900	-	2,164
Office expense	3,087	564	1,009	4,660
Postage	-	568	-	568
Printing	321	22	135	478
Professional fees	5,416	7,813	2,276	15,505
Training	839	99	49	987
Travel	118	14	7	139
	<u>28,865</u>	<u>22,552</u>	<u>13,361</u>	<u>64,778</u>
TOTAL EXPENSE	<u>\$ 441,460</u>	<u>\$ 43,533</u>	<u>\$ 58,423</u>	<u>\$ 543,416</u>

FAMILY PROMISE OF SOUTHERN CHESTER COUNTY

**STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2019**

	Program Services	Management and General	Fundraising	Total 2019
COMPENSATION RELATED				
Salaries	\$ 133,377	\$ 9,294	\$ 56,169	\$ 198,840
Payroll taxes and insurance	11,732	816	4,930	17,478
Employee benefits	4,397	517	259	5,173
TOTAL COMPENSATION RELATED	<u>149,506</u>	<u>10,627</u>	<u>61,358</u>	<u>221,491</u>
RESOURCE CENTER FACILITY				
Occupancy	25,928	4,873	229	31,030
Maintenance and repairs	7,003	844	-	7,847
Supplies	23,413	-	-	23,413
Transportation	3,456	-	-	3,456
Program expenses	33,800	-	-	33,800
TOTAL CLIENT ASSISTANCE	<u>93,600</u>	<u>5,717</u>	<u>229</u>	<u>99,546</u>
Association fees	-	5,797	-	5,797
Bank fees	-	783	784	1,567
Depreciation	6,379	842	-	7,221
Fundraising	-	-	5,505	5,505
Insurance	8,652	3,708	-	12,360
Marketing	6,587	-	6,588	13,175
Miscellaneous	1,705	1,319	-	3,024
Office expense	4,739	913	721	6,373
Postage	-	548	-	548
Printing	367	25	154	546
Professional fees	8,885	6,949	3,734	19,568
Training	1,236	136	137	1,509
Travel	1,829	198	99	2,126
	<u>40,379</u>	<u>21,218</u>	<u>17,722</u>	<u>79,319</u>
TOTAL EXPENSES	<u>\$ 283,485</u>	<u>\$ 37,562</u>	<u>\$ 79,309</u>	<u>\$ 400,356</u>

FAMILY PROMISE OF SOUTHERN CHESTER COUNTY

**STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 119,844	\$ 20,973
Adjustments to reconcile change in net assets to cash provided by operating activities:		
Depreciation and amortization	7,018	7,221
(Increase) decrease in operating assets:		
Accounts receivable	21,642	(21,642)
Promises to give	(20,160)	(10,850)
Gift cards	(600)	-
Prepaid rent	-	(1,500)
Increase (decrease) in operating liabilities:		
Accrued expenses	2,364	(1,642)
Deferred revenue	-	(5,000)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>130,108</u>	<u>(12,440)</u>
CASH FLOWS USED IN INVESTING ACTIVITIES		
Purchase of equipment	<u>(25,785)</u>	<u>-</u>
CASH FLOWS PROVIDED BY FINANCING ACTIVITIES		
Proceeds from loan payable	<u>44,600</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH	148,923	(12,440)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>291,329</u>	<u>303,769</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 440,252</u></u>	<u><u>\$ 291,329</u></u>

See Independent Accountants' Review Report and Notes to Financial Statements

FAMILY PROMISE OF SOUTHERN CHESTER COUNTY**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019****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.

FAMILY PROMISE OF SOUTHERN CHESTER COUNTY**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019****NOTE 1 – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT
ACCOUNTING POLICIES (Cont'd)**Net Assets with Donor Restrictions (Cont'd)

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. Balances in excess of insured amounts at December 31, 2020 and 2019 were \$185,702 and \$48,191, respectively.

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.

FAMILY PROMISE OF SOUTHERN CHESTER COUNTY**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019****NOTE 1 – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT
ACCOUNTING POLICIES (Cont'd)**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, 2020 and 2019, 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, 2020, 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.

FAMILY PROMISE OF SOUTHERN CHESTER COUNTY**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019****NOTE 1 – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT
ACCOUNTING POLICIES (Cont'd)**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 (1) 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, 2020 and 2019, the Organization received contributed materials with a fair market value of \$30,516 and \$22,807, respectively.

During the years ended December 31, 2020 and 2019, 694 and 745 volunteers, respectively, donated 4,516 and 10,895 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.

Advertising

The costs of advertising are expensed as incurred. Advertising expense was \$10,886 and \$13,175 for the years ended December 31, 2020 and 2019, 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, 2019 financial statement presentation to correspond to the current year's format. Net assets and changes in net assets are unchanged due to these reclassifications.

FAMILY PROMISE OF SOUTHERN CHESTER COUNTY

NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 1 – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Date of Management Approval

Management has evaluated subsequent events through April 27, 2021, 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, 2020, financial assets and liquidity resources available within one year for general expenditures such as operating expenses were as follows:

Financial assets:

Cash and cash equivalents	\$	440,252
Promises to give		31,010
Prepaid rent		1,500
Less: donor restricted financial assets		(57,565)
Total financial assets available within one year	\$	<u>415,197</u>

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 – PROPERTY AND EQUIPMENT

Property and equipment at December 31, 2020 and 2019 consisted of the following:

	<u>2020</u>	<u>2019</u>
Vehicles	\$ 29,022	\$ 29,022
Fixtures and equipment	33,092	7,307
	62,114	36,329
Less: accumulated depreciation	<u>(39,739)</u>	<u>(32,722)</u>
	<u>\$ 22,375</u>	<u>\$ 3,607</u>

Depreciation expense for the years ended December 31, 2020 and 2019 was \$7,018 and \$7,221, respectively.

FAMILY PROMISE OF SOUTHERN CHESTER COUNTY

NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 4 – LOAN PAYABLE

The Organization was approved for a \$44,600 loan under the Paycheck Protection Program created as part of the relief efforts related to COVID-19 and administered by the Small Business Administration (“SBA”). The loan accrues interest at 1%, but payments are not required to begin for six months after the funding of the loan. The Organization is eligible for loan forgiveness of up to 100% of the loan, upon meeting certain requirements. The loan is uncollateralized and fully guaranteed by the Federal government.

NOTE 5 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at December 31, 2020 and 2019 consist of the following:

	<u>2020</u>	<u>2019</u>
Time restricted grant receivables and promises to give	\$ 26,010	\$ 40,850
Homelessness prevention	32,177	33,036
Food and gift cards	852	-
Program expenses	5,500	-
COVID-19 relief and upgrades	17,137	-
Executive coaching	-	4,000
Furniture Resource Center	-	7,500
AED purchase	1,000	1,000
Computer classes	3,000	3,000
Pet expenses	1,020	1,020
Computer equipment	1,079	-
Website	800	-
	<u>\$ 88,575</u>	<u>\$ 90,406</u>

FAMILY PROMISE OF SOUTHERN CHESTER COUNTY

NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 5 – NET ASSETS WITH DONOR RESTRICTIONS (Cont'd)

Net assets released from restrictions at December 31, 2020 and 2019 are as follows:

	<u>2020</u>	<u>2019</u>
Time restricted promises to give	\$ 51,860	\$ 10,000
Homelessness prevention	37,059	6,964
Family rental assistance	-	2,400
Executive coaching	2,750	1,000
Playground	-	700
Furniture Resource Center	7,500	-
Website	450	-
Computer equipment	1,661	-
Food and gift cards	23	-
Program expenses	1,000	-
COVID-19 relief and upgrades	16,363	-
	<u>\$ 118,666</u>	<u>\$ 21,064</u>

NOTE 6 – 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, 2020 and 2019.

During the year ended December 31, 2020, the Board of Directors designated \$119,844 of net assets without donor restrictions to an Operating Reserve. Funds will be held in reserve in the event of unforeseen circumstances so that operations may continue. The balance of the Operating Reserve was \$119,844 at December 31, 2020.

NOTE 7 – 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.

FAMILY PROMISE OF SOUTHERN CHESTER COUNTY

NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 7 – REVENUE RECOGNITION (Cont’d)

Performance Obligations (Cont’d)

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.

Net exchange revenues of \$77,276 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, 2020 is as follows:

	<u>Point in Time</u>	<u>Over Time</u>	<u>Total</u>
Special events revenue	\$ 77,276	\$ -	\$ 77,276
	\$ 77,276	\$ -	\$ 77,276

NOTE 8 – LEASE COMMITMENT

During the year ended December 31, 2017, the Organization entered into a four year lease agreement for a new facility. The lease agreement expires December 31, 2020 with the possibility to renew at the sole option of the Organization for two additional three-year terms with a third, three-year renewal at the mutual consent of the Organization and the lessor. In August 2020, the Organization provided written notice to the lessor of its intent to renew for the first of two additional three-year terms. Monthly rental payments are \$1,500. Rent expense for the years ended December 31, 2020 and 2019 was \$18,000. Minimum future rental payments under the non-cancelable lease are as follows:

Year ended December 31:	
2021	\$ 18,000
2022	18,000
2023	18,000
	\$ 54,000

FAMILY PROMISE OF SOUTHERN CHESTER COUNTY**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019****NOTE 9 – COVID-19 IMPACT**

In December 2019, an outbreak of a novel strain of coronavirus (COVID-19) originated in Wuhan, China and has since spread to other countries including the United States of America. On March 11, 2020 the World Health Organization characterized COVID-19 as a pandemic. In addition, as of March 19, 2020, Pennsylvania Governor Tom Wolf ordered the closure of the physical location of every “non-life sustaining” business through June 26, 2020. Restrictions on indoor capacity and social gathering limits continue as of April 27, 2021; the date the financial statements were available to be issued.

The Organization began seeing an increase in demand for its program services. The Organization applied for and received relief grants and government loans. There was also an increase in donations due to the awareness in the community of the Organization. The Organization increased its program services to capacities allowed and found alternative ways to service its clients. Future potential impacts may include continued increased demand for services, but decreased contributions. The future effects of these issues are unknown.