

FamilyForward
Financial Statements
Years ended June 30, 2022 and June 30, 2021

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors of
Family Forward
Arlington Heights, IL

I have reviewed the accompanying Statements of Financial Position of FamilyForward (a nonprofit organization) as of June 30, 2022 and June 30, 2021, and the related Statements of Activities and Changes in Net Assets, Statements of Cash Flows and the Notes to the Financial Statements for the years then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Organization 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, I do not express such an opinion.

Management's Responsibility for the Financial Statements

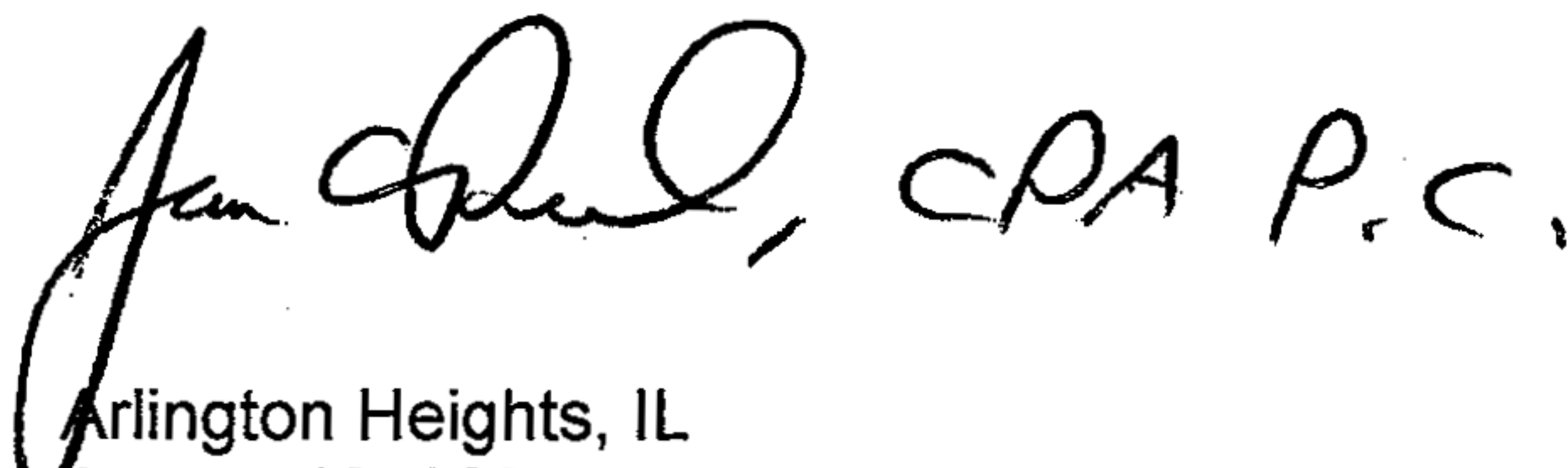
Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair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

Accountant's Responsibility

My responsibility is to conduct the review 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 me to perform procedures to obtain limited assurance as a basis for reporting whether I am aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United State of America. I believe that the results of my procedures provide a reasonable basis for my conclusion.

Accountant's Conclusion

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


Arlington Heights, IL
August 18, 2022

FamilyForward
Statements of Financial Position
June 30, 2022 and June 30, 2021

	<u>2022</u>	<u>2021</u>
Assets		
Current Assets, without donor restrictions		
Cash	\$115,285	\$113,627
Certificates of Deposit	100,476	100,174
Grant receivable	9,983	26,853
Prepaid expenses	1,000	
Rent deposits	-	1,500
	<u>226,744</u>	<u>242,154</u>
Total Current Assets, without donor restrictions	226,744	242,154
 Funds with donor restrictions		
Cash	23,374	26,884
Total Funds with donor restrictions	<u>23,374</u>	<u>26,884</u>
 Fixed assets, net of accumulated depreciation of \$5,857 and \$5,857	<u>-</u>	<u>-</u>
 Total Assets	<u><u>\$250,118</u></u>	<u><u>\$269,038</u></u>
 Liabilities and Net Assets		
Liabilities		
Accrued Liabilities	\$0	\$1,931
Deferred Grant	-	4,000
	<u>-</u>	<u>5,931</u>
Total Liabilities	-	5,931
 Net Assets		
With donor restrictions	23,374	26,884
Without donor restrictions	226,744	236,223
Total Net Assets	<u>250,118</u>	<u>263,107</u>
 Total Liabilities and Net Assets	<u><u>\$250,118</u></u>	<u><u>\$269,038</u></u>

See accompanying notes and independent accountant's review report.

Statements of Activities and Changes in Net Assets

For the years ended June 30, 2022 and June 30, 2021

	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue						
Participating churches	\$55,498		\$55,498	\$64,365		\$64,365
Grant income	48,773		48,773	55,302	\$6,000	61,302
Donations received	76,301	7,350	83,651	158,559	-	158,559
Fundraising	77,179		77,179			
In kind revenue	85,115		85,115	58,667		58,667
Interest income	324	-	324	200	1	201
Total Revenue	343,190	7,350	350,540	337,093	6,001	343,094
Program services	268,151	10,860	279,011	227,636	15,000	242,636
Fundraising expenses	36,923		36,923	21,921		21,921
Management and general activity	47,595		47,595	40,730		40,730
Total supporting services	352,669	10,860	363,529	290,287	15,000	305,287
Change in net assets	(9,479)	(3,510)	(12,989)	46,806	(8,999)	37,807
Net assets - beginning	236,223	26,884	263,107	189,417	35,883	225,300
Net assets - ending	<u>\$226,744</u>	<u>\$23,374</u>	<u>\$250,118</u>	<u>\$236,223</u>	<u>\$26,884</u>	<u>\$263,107</u>

See accompanying notes and independent accountant's review report.

FamilyForward
Statements of Cash Flow
For the years ended June 30, 2022 and June 30, 2021

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities		
Net income for the period	(\$12,989)	\$37,807
Depreciation	-	586
Adjustments to reconcile change in net assets to cash used in operating activities:		
Grant receivable	16,870	(20,191)
Rent deposits	1,500	4,425
Prepaid Expenses	(1,000)	
Accrued liabilities	(1,931)	(30)
Deferred grant	<u>(4,000)</u>	<u>4,000</u>
Net increase (decrease) in cash and cash equivalents	(1,551)	26,597
Cash and cash equivalents - beginning of period	240,685	214,087
Cash and cash equivalents - end of period	<u><u>\$239,135</u></u>	<u><u>\$240,685</u></u>

See accompanying notes and independent accountant's review report.

FamilyForward
Statements of Functional Expenses
For the years ended June 30, 2022 and June 30, 2021

-----2022-----2021-----

Expense	Program	Fundraising	Admin	TOTAL	Program	Fundraising	Admin	TOTAL
Salaries & related expenses	\$84,315	\$8,213	\$24,638	\$117,166	\$84,067	\$6,227	\$12,454	\$102,748
Volunteer time	19,800		23,600	43,400	15,000		22,000	37,000
Fundraising expenses		13,747		13,747		4,673		4,673
Rental support	101,690			101,690	106,238			106,238
Other family support	24,875			24,875	8,377			8,377
Rent expenses	12,300			12,300	12,200			12,200
Depreciation			-	-			586	586
Write off of loans/rent deposits	1,500			1,500	5,925	-	-	5,925
Marketing	2,496	9,844		12,340	2,314	7,013		9,327
Administrative	1,409	1,409	1,752	4,571	929	929	957	2,815
Computer	1,642	1,740	3,266	6,648	2,545	1,562	1,610	5,717
Office	4,646	1,908	1,966	8,520	2,896	1,516	1,562	5,974
Insurance	2,099		1,443	3,542	1,721		1,560	3,281
Other	1,164		1,204	2,368	424		-	424
Total expenses	<u>\$257,937</u>	<u>\$36,862</u>	<u>\$57,870</u>	<u>\$352,669</u>	<u>\$242,635</u>	<u>\$21,921</u>	<u>\$40,730</u>	<u>\$305,286</u>

See accompanying notes and independent accountant's review report.

FamilyForward

Notes to Financial Statements

1. Summary of significant accounting policies

This summary of significant accounting policies of FamilyForward (FF) is presented to assist in understanding the organization's financial statements. The financial statements and notes are representations of the organization's management, which is responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of the financial statements.

a. Description of business

FF is a not-for-profit organization. FF was incorporated on July 22, 2003 in the state of Illinois. FF provides rental support and financial counseling to low-income Illinois families in Arlington Heights, Palatine, Elk Grove, Wheeling and Schaumburg/Hoffman Estates. FF is primarily supported by local churches and governmental agencies.

b. Basis of presentation

The financial statements are presented on an accrual basis. FF has adopted Accounting Standards Update (AUS) 2016-14, "Not-for-Profit Entities (Topic 958): Presentation of Financial Statements for Not-for-Profit Entities". Under these pronouncements, FF is required to report information regarding its financial position and activities according to two classes of net assets: With Donor Restrictions and Without Donor Restrictions. (See additional description below.) In addition, FF is required to present Statements of Cash Flow and Statements of Functional Expenses. There were no material transitional differences reported during this adoption.

c. Cash

Cash - without donor restrictions and Cash – with donor restrictions consists of amounts in a checking account, money market account, savings account and certificates of deposit.

d. Grant receivable

Grant receivable is for amounts owed from local government agencies for the periods ending June 30, 2022 and June 30, 2021.

e. Rent deposits

Rent deposits are paid to the landlords of the supported families. Beginning in 2022, FF is accounting for the rent deposits as a rental payment (expense) as they do not anticipate collecting the deposit at the end of the lease.

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Notes to Financial Statements

f. Property and equipment

Property and equipment are the company website. It is stated at cost and is depreciated on a straight-line basis over its estimated useful life. All other purchases and donations of furniture and equipment are expensed due to materiality.

g. Investments

FF has no investment accounts other than certificates of deposit that are purchased to provide a higher rate of return on excess cash.

h. Deferred grant

FF received a \$6,000 grant from the Village of Schaumburg on May 18, 2021 for the period March 1, 2021 through February 28, 2022. Eight months of this grant is deferred as of June 30, 2021.

i. Revenue

Revenue is received in the form of grants from local municipalities and contributions from local churches and individual donors. Contributions, including unconditional promises to give, are recorded when made. All contributions are available for unrestricted use unless specifically restricted by the donor. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Unconditional promises to give with due dates extending beyond one year are discounted, although there were none reported as of June 30, 2022 or June 30, 2021.

j. Income taxes

FF has been approved as a tax-exempt organization under the Internal Revenue Code section 501(c)(3). Accordingly, no provision for income taxes is made in the financial statements.

k. Classification of net assets

Net assets of FF are classified based on the presence or absence of donor-imposed restrictions. Net assets are comprised of two groups as follows:

Net Assets Without Donor Restrictions - Amounts that are not subject to usage restrictions based on donor-imposed requirements. This class also includes assets previously restricted where restrictions have expired or been met.

Net Assets with Donor Restrictions - Assets subject to usage limitations based on donor-imposed or grantor restrictions. These restrictions may be temporary or may be based on a particular use. Restrictions may be met by the passage of time or by actions of FF. Certain restrictions may be needed to be maintained in perpetuity. Examples of funds with donor

FamilyForward

Notes to Financial Statements

restrictions are funds donated for the families from a specific community, textbooks for the families' children or support for a specific family in the program.

Earnings related to restricted net assets will be included in net assets without donor-restrictions unless otherwise specifically required to be included in donor-restricted net assets by the donor or by applicable state law.

The balance in these categories is noted on the statements of financial position in the Net Assets section. The activity for the years is separately reported on the Statements of Activities and Changes in Net Assets.

1. 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. Actual results could differ from those estimates.

2. In kind service income and expenses

FF is required to include "In Kind Service Income" and "In Kind Service Expense" in the financial statements. This income/expense includes the following with an estimate made by management on the values of the services or property.

	<u>2022</u>	<u>2021</u>
Volunteer time from mentors (Hours @ \$25/hour)	\$26,400	\$20,000
Gift cards/certificates for families	21,815	6,067
Board volunteers (Hours @ \$25/hour)	17,000	17,000
Office space in Palatine	11,000	11,000
Social Media/Website volunteer	3,500	2,500
Household & School Supplies	2,000	1,100
Office Supplies	1,300	-0-
Services donated by local businesses	1,000	1,000
Children's books	600	-0-
Service time from volunteers (Hours @ \$15/hour)	300	-0-
Clothing donations for families	<u>200</u>	<u>-0-</u>
Total In Kind Income & Expenses	<u>\$85,115</u>	<u>\$58,667</u>

3. Related party transactions

A member of the Board of Directors provides printing services to FF through the member's company. The total amount of printing services purchased by FF from the member during

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Notes to Financial Statements

the year ended 2022 was \$10,762 and during the year 2021 was \$6,906. There were no amounts owed this member as of June 30, 2022 or June 30, 2021.

A member of the Board of Directors is employed as an officer at Village Bank and Trust. FF uses Village Bank and Trust for their banking requirements. All transactions between FF and the bank are executed as independent, arm's length transactions. The cash balances held at Village Bank and Trust are reported on the Statements of Financial Position. The amounts paid for the banking services and amounts earned as interest income are not material to the financial statements.

4. Name change

On May 27, 2021, the board of directors voted to legally change the name of the organization from Faith Community Homes to FamilyForward. This change did not impact the operations.

5. Subsequent events

Subsequent events have been evaluated through the date of the Independent Accountant's Report, which is the date the financial statements were available to be issued.

6. Liquidity and availability of financial assets

FF manages its financial assets to meet its current obligations through an annual budget and regular review of financial information at board meetings. It has adequate resources to fund short term reductions in revenue and maintain its services. At June 30, 2022, FF had \$224,994 available to meet needs for general expenditures which is approximately 84% of FF's annual expenditures consisting of cash and cash equivalents of \$215,761 and grants receivable of \$9,233. At June 30, 2021, FF had \$240,654 available to meet needs for general expenditures which is approximately 104% of FF's annual expenditures consisting of cash and cash equivalents of \$213,801 and grants receivable of \$26,853. None of these financial assets are subject to donor or other contractual restrictions. Accordingly, all such funds are available to meet the cash needs of FF in the next 12 months. In addition, FF maintains funds with donor restrictions. These funds are used for the specific purpose as determined by the donor.

7. Fair value of assets

Generally accepted accounting principles provide a uniform framework for the definition, measurement and disclosure of fair value measurements. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability. FF does not have any assets that would require valuation under this pronouncement.

8. Functional allocation of expenditures

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Notes to Financial Statements

The costs of providing the programs and activities have been summarized on a functional basis in the statements of activities and changes in net assets and statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. If evident from the type of expense it is charged directly to the program or supporting service. Other costs, such as the executive director, office expenditures, volunteer time, etc. are allocated based on the time spent by the executive director or the impact of the expenditure on the program or supporting service.

9. Adoption of accounting standards

In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Updated (ASU) No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. ASU 2016-14 requires significant changes to the financial reporting model of organizations who follow the not-for-profit reporting model. The changes include reducing the classes of net assets from three to two - net assets with donor restrictions and net assets without donor restrictions. The ASU also requires changes in the way certain information is aggregated and reported by FF, including required disclosures about liquidity and availability of resources and increased disclosures on functional expenses. The new standard is effective for FF's year ending June 30, 2018 and thereafter and must be applied on a retrospective basis. The Organization adopted the ASU effective January 1, 2018. Adoption of the ASU did not result in any reclassification or restatements to net assets or change in net assets.