FAMILY PROMISE OF WEST MICHIGAN AND RELATED ENTITIES

CONSOLIDATED FINANCIAL STATEMENTS

For the years ended
December 31, 2024 and 2023

HUNGERFORD
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TABLE OF CONTENTS

INDEPENDENT AUDITOR'S REPORT 1

FINANCIAL STATEMENTS

Consolidated Statements of Financial Position 5

Consolidated Statements of Activities 7

Consolidated Statements of Functional Expenses 9

Consolidated Statements of Cash Flows 11

Notes to Consolidated Financial Statements 13

SUPPLEMENTARY INFORMATION

Consolidating Statements of Financial Position 25

Consolidating Statements of Activities 29

Federal Financial Assistance Programs Supplemental Information .....**Issued Under Separate Cover**

HUNGERFORD
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INDEPENDENT AUDITOR'S REPORT

July 14, 2025

Board of Directors
Family Promise of West Michigan and related entities
Grand Rapids, Michigan

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Family Promise of West Michigan and related entities (a non-profit organization), which comprise the consolidated statements of financial position as of December 31, 2024 and 2023, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Family Promise of West Michigan and related entities as of December 31, 2024 and 2023, and the changes in its net assets and its cash flows for the years 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 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Family Promise of West Michigan and related entities 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 opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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 West Michigan and related entities' ability to continue as a going concern within one year after the date that the consolidated 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 consolidated 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 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 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 consolidated 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 consolidated 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 consolidated 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 West Michigan and related entities' 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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Family Promise of West Michigan and related entities' 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 Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information on pages 24-29 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 July 14, 2025, on our consideration of Family Promise of West Michigan and related entities' 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 West Michigan and related entities' 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 West Michigan and related entities' internal control over financial reporting and compliance.

Hungerford

Certified Public Accountants
Grand Rapids, Michigan

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

FAMILY PROMISE OF WEST MICHIGAN AND RELATED ENTITIES

December 31, 2024 and 2023

ASSETS

	2024	2023
Current Assets		
Cash and cash equivalents	$ 623,022	$ 748,857
Restricted cash	39,498	42,013
Accounts receivable	14,875	8,797
Grants receivable	291,309	238,951
Pledges receivable - current portion	195,000	826,500
Notes receivable - current portion	16,836	16,836
Prepaid expenses	17,322	11,881
Mobile homes held for sale	1,340,664	1,446,664
Total Current Assets	2,538,526	3,340,499
Property and Equipment		
Land	5,479,680	5,479,680
Building and improvements	3,391,669	2,377,308
Equipment and furniture	230,949	259,356
Computers and software	5,106	5,106
Vehicles	80,371	107,928
Construction in progress	15,658	911,748
	9,203,433	9,141,126
Less accumulated depreciation	773,039	680,304
Net Property and Equipment	8,430,394	8,460,822
Other Assets		
Pledges receivable - non-current, net	-	174,138
Notes receivable - non-current	35,455	52,291
Operating lease right-of-use assets	-	4,803
Total Other Assets	35,455	231,232
Total Assets	**$ 11,004,375**	**$ 12,032,553**

LIABILITIES AND NET ASSETS

	2024	2023
Current Liabilities		
Accounts payable	$ 57,099	$ 160,455
Security deposits	39,498	42,013
Accrued liabilities	153,214	104,360
Operating lease liabilities - current portion	-	4,803
Notes payable - current portion	60,049	55,069
Line of credit	1,894,467	1,162,500
Deferred revenue	1,411	15,390
Total Current Liabilities	2,205,738	1,544,590
Long-Term Liabilities		
Notes payable, non-current, net	2,868,263	2,923,388
Total Liabilities	5,074,001	4,467,978
Net Assets		
Without donor restrictions:		
Unrestricted	5,618,784	6,082,819
Board designated	100	16,951
With donor restrictions	311,490	1,464,805
Total Net Assets	5,930,374	7,564,575
Total Liabilities and Net Assets	**$ 11,004,375**	**$ 12,032,553**

CONSOLIDATED STATEMENTS OF ACTIVITIES

FAMILY PROMISE OF WEST MICHIGAN AND RELATED ENTITIES

For the year ended December 31, 2024

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
Support and Revenue			
Contributions of cash and other financial assets	$ 2,177,832	$ 95,861	$ 2,273,693
Contributions of nonfinancial assets	291,855	-	291,855
Federal grants	1,252,737	-	1,252,737
State and local grants	396,094	-	396,094
Other grant income	114,223	171,490	285,713
Rental income	758,165	-	758,165
Gross revenues from special events:			
Event revenue	186,983	-	186,983
Less: direct expenses	(79,040)	-	(79,040)
Net special event revenue	107,943	-	107,943
Interest income	5,405	-	5,405
Gain from sale of assets and inventory	7,804	-	7,804
Other income	47,085	-	47,085
Net assets released from restriction	1,420,666	(1,420,666)	-
Total Support and Revenue	6,579,809	(1,153,315)	5,426,494
Expenses			
Program services	5,426,773	-	5,426,773
Management and general	1,186,372	-	1,186,372
Fundraising	447,550	-	447,550
Total Expenses	7,060,695	-	7,060,695
Change in Net Assets	(480,886)	(1,153,315)	(1,634,201)
Net Assets - beginning of year	6,099,770	1,464,805	7,564,575
Net Assets - end of year	**$ 5,618,884**	**$ 311,490**	**$ 5,930,374**

Continued on next page.

CONSOLIDATED STATEMENTS OF ACTIVITIES (Continued)

FAMILY PROMISE OF WEST MICHIGAN AND RELATED ENTITIES

For the year ended December 31, 2023

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
Support and Revenue			
Contributions of cash and other financial assets	$ 1,671,782	$ 3,956,567	$ 5,628,349
Contributions of nonfinancial assets	345,888	-	345,888
Federal grants	1,425,990	-	1,425,990
State and local grants	256,174	-	256,174
Other grant income	94,375	110,000	204,375
Rental income	353,402	-	353,402
Gross revenues from special events:			
Event revenue	194,500	-	194,500
Less: direct expenses	(40,252)	-	(40,252)
Net special event revenue	154,248	-	154,248
Interest income	67,407	-	67,407
Gain (loss) from sale of assets and inventory	18,017	-	18,017
Other income	102,505	-	102,505
Net assets released from restriction	4,737,033	(4,737,033)	-
Total Support and Revenue	9,226,821	(670,466)	8,556,355
Expenses			
Program services	4,820,866	-	4,820,866
Management and general	1,159,905	-	1,159,905
Fundraising	475,396	-	475,396
Total Expenses	6,456,167	-	6,456,167
Change in Net Assets	2,770,654	(670,466)	2,100,188
Net Assets - beginning of year	3,329,116	2,135,271	5,464,387
Net Assets - end of year	**$ 6,099,770**	**$ 1,464,805**	**$ 7,564,575**

CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES

FAMILY PROMISE OF WEST MICHIGAN AND RELATED ENTITIES

For the year ended December 31, 2024

	Program Services	Management and General	Fundraising	Total
Payroll and related expenses:				
Payroll and payroll taxes	$ 2,420,303	$ 835,606	$ 277,214	$ 3,533,123
Employee benefits	186,264	96,624	35,984	318,872
Total payroll and related expenses	2,606,567	932,230	313,198	3,851,995
Client assistance:				
Housing assistance	316,080	-	-	316,080
Basic needs	21,559	-	-	21,559
Repairs and maintenance	5,958	-	-	5,958
Utilities	10,684	-	-	10,684
Transportation	16,169	-	-	16,169
Other	34,243	-	-	34,243
Total client assistance	404,693	-	-	404,693
Overflow shelter	222,761	-	-	222,761
In-kind expense	291,855	-	-	291,855
Repairs and maintenance	436,253	4,376	1,506	442,135
Program housing costs	87,744	-	-	87,744
Depreciation	198,722	32,695	14,012	245,429
Amortization	1,751	-	-	1,751
Professional services	51,799	40,528	22,603	114,930
Telephone and utilities	198,535	23,221	9,071	230,827
Supplies	89,181	7,066	2,074	98,321
Insurance	61,122	10,711	5,133	76,966
Professional development	10,839	10,362	86	21,287
Property taxes	65,268	-	-	65,268
Rent	270,714	-	-	270,714
Travel, meals and entertainment	49,246	13,343	2,598	65,187
Printing, postage and delivery	6,249	4,943	31,444	42,636
Computer and software	39,972	26,243	12,888	79,103
Vehicle expense	19,084	786	337	20,207
Interest expense	308,137	57,568	-	365,705
Marketing plan	-	-	28,567	28,567
Bad debt expense	-	2,105	-	2,105
Miscellaneous	6,281	20,195	4,033	30,509
Total Expenses	**$ 5,426,773**	**$ 1,186,372**	**$ 447,550**	**$ 7,060,695**

Continued on next page.

CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES (Continued)

FAMILY PROMISE OF WEST MICHIGAN AND RELATED ENTITIES

For the year ended December 31, 2023

	Program Services	Management and General	Fundraising	Total
Payroll and related expenses:				
Payroll and payroll taxes	$ 1,636,761	$ 881,444	$ 314,366	$ 2,832,571
Employee benefits	136,797	71,271	29,701	237,769
Total payroll and related expenses	1,773,558	952,715	344,067	3,070,340
Client assistance:				
Housing assistance	211,933	-	-	211,933
Basic needs	38,915	-	-	38,915
Repairs and maintenance	6,685	-	-	6,685
Utilities	7,673	-	-	7,673
Transportation	35,329	-	-	35,329
Other	45,605	-	-	45,605
Total client assistance	346,140	-	-	346,140
Overflow shelter	497,895	-	-	497,895
In-kind expense	345,888	-	-	345,888
Repairs and maintenance	502,612	12,062	4,213	518,887
Program housing costs	396,057	-	-	396,057
Depreciation	84,167	17,778	7,705	109,650
Amortization	584	-	-	584
Professional services	229,694	66,078	38,361	334,133
Telephone and utilities	141,593	17,968	7,550	167,111
Supplies	19,453	4,851	1,452	25,756
Insurance	53,002	13,958	6,217	73,177
Professional development	15,653	22,567	3,822	42,042
Property taxes	30,460	-	-	30,460
Rent	152,634	-	-	152,634
Travel, meals and entertainment	43,441	5,522	6,172	55,135
Printing, postage and delivery	6,595	2,852	22,060	31,507
Computer and software	43,803	25,545	8,796	78,144
Miscellaneous	18,476	17,366	4,313	40,155
Vehicle expense	22,205	643	276	23,124
Interest expense	96,956	-	-	96,956
Marketing plan	-	-	20,392	20,392
Total Expenses	**$ 4,820,866**	**$ 1,159,905**	**$ 475,396**	**$ 6,456,167**

CONSOLIDATED STATEMENTS OF CASH FLOWS

FAMILY PROMISE OF WEST MICHIGAN AND RELATED ENTITIES

For the years ended December 31, 2024 and 2023

	2024	2023
Cash Flows from Operating Activities		
Change in net assets	$(1,634,201)	$ 2,100,188
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities:		
Depreciation	245,429	109,650
Amortization	1,751	584
Reduction in the carrying amount of right-of-use assets-operating leases	4,803	35,764
(Gain) loss on sale of asset	(7,500)	12,983
Changes in operating assets and liabilities:		
Accounts receivable	(6,078)	(8,797)
Grants receivable	(52,358)	126,817
Pledges receivable	805,638	41,505
Prepaid expenses	(5,441)	(925)
Mobile homes held for sale	106,000	(1,446,664)
Accounts payable and accrued expenses	(54,502)	178,404
Security deposits	(2,515)	39,248
Operating lease liabilities	(4,803)	(36,105)
Deferred revenue	(13,979)	15,390
Net Cash Provided by (Used for) Operating Activities	(617,756)	1,168,042
Cash Flows from Investing Activities		
Proceeds from sale of property and equipment	7,500	-
Purchase of property and equipment	(215,002)	(7,065,099)
Acquisition of notes receivable	-	(73,336)
Payments on notes receivable	16,836	4,209
Net Cash Used for Investing Activities	(190,666)	(7,134,226)
Cash Flows from Financing Activities		
Proceeds from acquisition of debt	-	3,000,000
Proceeds from line of credit	788,967	1,162,500
Payment on debt	(51,895)	(13,374)
Repayment of line of credit	(57,000)	-
Net Cash Provided by Financing Activities	680,072	4,149,126
Net Increase (Decrease) in Cash and Cash Equivalants and Restricted Cash	(128,350)	(1,817,058)
Cash and Cash Equivalants and Restricted Cash, beginning of year	790,870	2,607,928
Cash and Cash Equivalants and Restricted Cash, end of year	**$ 662,520**	**$ 790,870**

Continued on next page.

Supplemental Dislosure of Cash Flow Information		
Cash and cash equivalents	$ 623,022	$ 748,857
Restricted cash	39,498	42,013
Total Cash and Cash Equivalents and Restricted Cash	**$ 662,520**	**$ 790,870**
Noncash transactions		
In-kind contributions reflected as both revenues and expenses in the statements of activities	$ 291,855	$ 345,888
Interest paid	365,705	96,956

Note A – Nature of Organization and Summary of Significant Accounting Policies

Nature of Organization

Family Promise of West Michigan and related entities ("Organization") is a Michigan not-for-profit corporation exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization is an affiliate of Family Promise National that serves families experiencing, and at risk of, homelessness. The mission of the Organization is to end homelessness, one family at a time, by engaging faith-based and community organizations to provide emergency shelter and basic needs to families with children who are homeless and to provide additional programs to assist them in finding housing and sustaining their independence. Additionally, the Organization has invested programming that provides housing and home-ownership opportunities as well as early childhood and family stabilization services.

Ensuring families do not cycle back into homelessness, the Organization partners with other local nonprofits and thousands of volunteers to accomplish its mission. The Organization is supported through, business, congregations and individual contributions as well as grants.

During the year ended December 31, 2023, the Organization purchased mobile home parks and organized, FP Country Corners, LLC, FP Eastern Villa, LLC, and FP Mobile Homes, LLC. See principles of consolidation for further details.

During the year ended December 31, 2023, the Organization changed their name from Family Promise of Grand Rapids to Family Promise of West Michigan to better align with their mission outreach.

Principles of Consolidation

The accompanying consolidated financial statements present the financial position, results of operations, and cash flows of Family Promise of West Michigan, FP Country Corners, LLC, FP Eastern Villa, LLC, and FP Mobile Homes, LLC. All significant transactions between the Organizations have been eliminated in the consolidation.

Method of Accounting

The consolidated financial statements of the Organization are maintained on the accrual basis, recording revenue when earned rather than when received, and recording expenses when incurred rather than when paid.

Consolidated Financial Statement Presentation

The Organization reports information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions – net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the board of directors.

Note A – Nature of Organization and Summary of Significant Accounting Policies (Continued)

Consolidated Financial Statement Presentation (Continued)

Net assets with donor restrictions – net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by the actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where the donor has stipulated the funds be maintained in perpetuity.

The Organization also maintains net assets without donor restrictions, but with board restrictions. As of December 31, 2024 and 2023, $100 and $16,951, respectively, was held in a reserve account and restricted by the Organization's board in order to ensure capital expenses that arise as a result of the ownership of real estate property can be covered without impact to operating revenues.

Donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

Use of Estimates

Management uses estimates and assumptions in preparing consolidated financial statements in accordance with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

Cash and Cash Equivalents

The Organization considers all investment instruments with maturities of less than three months to be cash equivalents. Bank deposits are insured by the Federal Deposit Insurance Corporation up to $250,000 per banking institution. From time to time during the year, the Organization may have cash in a bank checking or savings account in excess of the federally insured limit.

Accounts Receivable

Accounts receivables are related to rents due from the mobile homes. Accounts receivable are all fully collectible per management and therefore allowances have not been booked as of December 31, 2024 and 2023. Accounts receivable at December 31, 2024 and 2023 was $14,875 and $8,797.

Grants Receivable

Unconditional grants receivable are recognized as revenues in the period promised and as assets, decreases in liabilities, or expenses depending on the form of the benefits to be received. Unconditional grants receivable are stated at the amount management expects to collect from outstanding balances, discounted to present value. Conditional grants receivable are recognized when the conditions upon which they depend are substantially met.

Note A – Nature of Organization and Summary of Significant Accounting Policies (Continued)

Grants Receivable (Continued)

Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. When balances are deemed uncollectible, they are written off through a charge to a valuation allowance and a credit to grants receivable. Management has reviewed the balances that comprise grants receivable and determined such balances to be fully collectible. Accordingly, no provision for uncollectible grants receivable is included in the consolidated financial statements. Grants receivable at December 31, 2024 and 2023 were $291,309 and $238,951, respectively.

Pledges Receivable

Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statement of activities.

Notes Receivable

Notes receivables are related to promissory notes that were acquired through the purchase of mobile home parks during the year ended December 31, 2023. Notes receivable at December 31, 2024 and 2023 were $52,291 and $69,127, respectively. Following is a comparative schedule of the collection of the notes receivable at December 31:

	2024	2023
Receivable in less than one year	$ 16,836	$ 16,836
Receivable in two years	16,836	16,836
Receivable in three years	11,497	16,836
Receivable in four years	7,122	11,497
Receivable in five years	-	7,122
Total notes receivable	$ 52,291	$ 69,127

Note A – Nature of Organization and Summary of Significant Accounting Policies (Continued)

Property and Equipment

Property and equipment are recorded at cost, if purchased or, if donated, at fair market value as of the date of the gift. Major improvements and betterments, over $2,500, are capitalized; maintenance and repairs are expensed when incurred. Depreciation is computed principally on the straight-line method over the following useful lives of the assets:

Building and improvements	10 - 39 years
Equipment and furniture	5 - 7 years
Computers and software	3 - 5 years
Vehicles	5 years

Depreciation expense for the years ended December 31, 2024 and 2023 was $245,429 and $109,650, respectively.

Mobile Homes Held for Sale

As part of the purchase of the new mobile homes park during the year ended December 31, 2023, the Organization holds homes as inventory to be sold. The value of these home at December 31, 2024 and 2023, was $1,340,664 and $1,446,664, respectively.

Revenue and Cost Recognition

The Organization recognizes contributions when cash, securities, or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met. The Organization records special events revenue equal to the fair value of direct benefits to donors, and contribution income for the excess received when the event takes place.

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor restrictions. All donor-restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), 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 with donor-imposed restrictions that are met in the same year as received or earned are reported as unrestricted income.

A portion of the Organization's revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/ or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the consolidated statement of financial position.

Revenues from rental income and other charges to residents are recognized in the month earned.

Note A – Nature of Organization and Summary of Significant Accounting Policies (Continued)

Contributions of Nonfinancial Assets

Contributions of nonfinancial assets are recognized as contributions at fair value in accordance with accounting principles generally accepted in the United States of America, if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization.

The Organization generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization with specific assistance programs, campaign solicitations, and various committee assignments. See Note H for more detailed information on the donated services and goods received.

Functional Expense Allocation

Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services on the basis of periodic time and expense studies. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

Income Tax Status

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization evaluates tax positions taken on its federal Exempt Organization Business Income Tax Returns in accordance with accounting principles generally accepted in the United States of America, which require that tax positions taken be more-likely-than-not to be sustained. Management believes that the Organization has no significant unrecognized tax benefits under that criterion. Penalties and interest, if any, assessed by income taxing authorities are included in operating expenses. There were no penalties or interest assessed in the years ended December 31, 2024 and 2023. The Organization's federal Exempt Organization Business Income Tax Returns are generally subject to examination by taxing authorities for three years after they are filed.

FP Country Corners LLC, FP Eastern Villa LLC, and FP Mobile Homes LLC are considered disregarded entities of Family Promise of West Michigan, and as such the results of their operations are consolidated for federal and state tax purposes.

Subsequent Events

Management evaluates events occurring subsequent to the date of the consolidated financial statements in determining the accounting for and disclosure of transactions and events that affect the consolidated financial statements. Subsequent events have been evaluated through July 14, 2025, which is the date the consolidated financial statements were available to be issued.

Note A – Nature of Organization and Summary of Significant Accounting Policies (Continued)

Leases

The Organization has entered into a variety of operating leases for space. The obligations associated with these leases have been recognized as a liability in the statement of financial position based on future lease payments, discounted by the incremental borrowing rate for the Organization's operating leases.

Lease terms may include options to extend or terminate certain leases which is reflected in the valuation if it is reasonably certain management will exercise an option to extend or terminate a lease.

Reclassifications

Certain amounts in the prior-year financial statements have been reclassed to conform to the presentation of current-year financial statements.

Note B – Liquidity and Availability

The Organization regularly monitors liquidity required to meet its operating needs. The Organization's sources of liquidity at its disposal include cash and cash equivalents, accounts receivable, pledges receivable, grants receivable, and notes receivable. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing programmatic activities, as well as conduct of services undertaken to support those activities, to be general expenditures.

Note B – Liquidity and Availability (Continued)

As of December 31, 2024 and 2023, the following financial assets could readily be made available within one year of the statement of financial position date to meet general expenditures:

	2024	2023
Financial assets:		
Cash and cash equivalents	$ 623,022	$ 748,857
Restricted cash	39,498	42,013
Account receivable	14,875	8,797
Grants receivable	291,309	238,951
Pledges receivable, net	195,000	1,000,638
Notes receivable	52,291	69,127
Total financial assets	1,215,995	2,108,383
Less amounts not available to be used within one year:		
Contractual limitations:		
Security deposits	39,498	42,013
Board restricted cash	100	16,951
Donor restricted cash	61,490	464,167
Donor restricted pledges	195,000	826,500
Donor restricted grants	55,000	-
Pledges receivable due after one year, net	-	174,138
Notes receivable, due after one year	35,455	52,291
Financial assets available to meet general expenditures over the next twelve months	$ 829,452	$ 532,323

As part of the Organization's liquidity management, the Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

Note C – Pledges Receivable

The Organization had the following pledges receivable at December 31, 2024 and 2023:

	2024	2023
Receivable in less than one year	$ 195,000	$ 826,500
Receivable in two years	-	205,000
Total pledges receivable	195,000	1,031,500
Less: discount to net present value at 8.50%	-	(30,862)
Net pledges receivable	$ 195,000	$ 1,000,638

Note D – Net Assets with Donor Restrictions

The Organization's net assets with donor restrictions consist of the following at December 31:

	2024	2023
Emergency Shelter	$ 55,000	$ 55,000
Housing	20,000	338,484
Campaign	175,000	1,011,321
Updating and improving financial management reporting	61,490	10,000
Stabilization	-	50,000
Total Net Assets with Donor Restrictions	$ 311,490	$ 1,464,805

Note E – Line of Credit

The Organization holds a secured line of credit of $750,000 with interest on borrowings charged at the prime rate (7.5% and 8.5% effective rates at December 31, 2024 and 2023, respectively). The loan agreement matures on February 26, 2027. There were no outstanding borrowings on the line of credit as of December 31, 2023. As of December 31, 2024, the Organization had an outstanding balance of $750,000 under the line of credit.

The Organization holds a secured line of credit of $1,500,000 in relation to FP Mobile Homes entity. The interest rate is charged at the prime rate (7.5% and 8.50% effective rates at December 31, 2024 and 2023, respectively). The loan agreement matures on November 12, 2028. The balance on the line of credit was $1,144,467 and $1,162,500 at December 31, 2024 and 2023, respectively.

Note F – Long Term Debt

During the year ended December 31, 2023 the Organization entered into a note payable to a financial institution for the mortgage of FP Eastern Villa. The note is secured by property and has an interest rate of 7.75%. Payments, including interest are due monthly and the loan matures in 2028 with a final balloon payment. The oustanding balance as of December 31, 2024 and 2023 was $1,095,628 and $1,118,982, respectively. There is also a promissory that is due at the maturity of the mortgage. The outstanding balance as of December 31, 2024 and 2023 was $207,000.

During the year ended December 31, 2023 the Organization entered into a note payable to a financial institution for the mortgage of FP Country Corners. The note is secured by property and has an interest rate of 7.75%. Payments, including interest are due monthly and the loan matures in 2028 with a final balloon payment. The outstanding balance as of December 31, 2024 and 2023 was $1,339,101 and $1,367,645, respectively. There is also a promissory that is due at the maturity of the mortgage. The outstanding balance as of December 31, 2024 and 2023 was $293,000.

Note F – Long Term Debt (Continued)

The future payments on the loan balances as of December 31, 2024 are summarized as follows:

Years ending December 31, 2025	$	60,049
2026		64,871
2027		70,081
2028		2,739,730
Less: Capitalized loan costs		(6,419)
Total	$	2,928,312

The organization has capitalized loan costs that are amortized yearly. The value of the amortized loan costs are netted against the notes payable. Unamortized loan costs as of December 31, 2024 and 2023 were $6,419 and $8,169, respectively.

Note G – Employee Retirement Plan

The Organization has a tax-deferred 401(k) plan available to all permanent employees working a minimum of 20 hours per week. The plan provides that employees who have attained the age of 18 and completed 90 days of service may voluntarily contribute to the plan up to the maximum contribution allowed by the IRS. Employer contributions are discretionary and are determined and authorized by the Board of Directors each plan year.

During both years ending December 31, 2024 and 2023, the Organization made contributions of 3% of the employees annual salary. Total 401(k) expenses were $88,391 and $69,868 for the years ended December 31, 2024 and 2023, respectively.

Note H – Contributed Nonfinancial Assets

Contributed nonfinancial assets recognized within the statement of activities as of December 31, 2024 and 2023 included:

Category	2024 Revenue Recognized	2023 Revenue Recognized	Utilization in Programs/ Activities	Donor Restrictions	Valuation Techniques and Inputs
Food	$45,770	$57,145	Prevention, Emergency Shelter, Stabilization Programs	No associated donor restrictions.	Estimated the fair value based on wholesale values that would be received for selling similar products in the United States.
Shelter	115,784	138,252	IHN Shelter Programs	No associated donor restrictions.	Estimated the fair value based on current rates for similar services.
Clothing and furniture	121,971	122,784	Prevention, Emergency Shelter, Stabilization Programs	No associated donor restrictions.	Estimated the fair value based on wholesale values that would be received for selling similar products in the United States.
Consulting services	3,670	27,707	General & Administrative	No associated donor restrictions.	Estimated the fair value based on current rates for similar services.
Vehicle	4,660	-	General & Administrative	No associated donor restrictions.	Estimated the fair value based on the current used car market.
Total	**$291,855**	**$345,888**			

Note I – Right-of-Use - Operating Leases

Operating lease assets consist primarily of housing leases with unrelated parties. These leases have varying lease periods from month to month up to 24 months and require monthly payments ranging from $800 to $1,288. Lease payments are reported as program housing costs on the statement of functional expenses and as program expenses on the statement of activities for the years ended December 31, 2024 and 2023. At December 31, 2023 the Organization's right of use lease liability balance was $4,803. At December 31, 2024, there was no balance remaining.

	2024	2023
Operating right of use assets	$ -	$ 4,803
Operating lease liabilities	-	4,803
Weighted average:		
Discount rate	-	6%
Remaining lease term (years)	-	1.00

The Organization has made an accounting policy election not to recognize right of use assets and lease liabilities that arise from short term leases (lease periods for less than 12 months and/or month-to-month leases) for any class of underlying asset. For the year ended December 31, 2024 and 2023, total short term lease expense was approximately $265,840 and $115,525, respectively, and long-term lease expense was $4,874 and $37,109, respectively.

Note J – Subsequent Events

On January 27, 2025, the Office of Management and Budget (OMB) of the United States Federal Government announced a freeze on the disbursement of federal grant and loan funds, effective January 28, 2025. Additionally, various other funding freezes have been implemented, which may impact Family Promise of West Michigan's operations, financial results, and cash flows. The full extent of these impacts remains uncertain and will depend on future developments that are unpredictable at this time.

On March 19, 2025, the Organization refinanced its existing mortgage loans for FP Mobile Homes, FP Eastern Villa and FP Country Corners. The refinanced loans are carried at an interest rate of 6% with maturity dates in 2042. Each of the refinanced loans had a principal balance of $2,184,000 at settlement date. The refinancing was undertaken to take advantage of lower interest rates and improve cash flow.

Subsequent to year end, during June, 2025, the Organization sold the Bates House for $220,000. The house is listed as a building in the Statement of Financial Position as of December 31, 2024.

SUPPLEMENTARY INFORMATION

CONSOLIDATING STATEMENTS OF FINANCIAL POSITION

FAMILY PROMISE OF WEST MICHIGAN AND RELATED ENTITIES
December 31, 2024

	Family Promise of West Michigan	FP Country Corners, LLC	FP Eastern Villa, LLC	FP Mobile Homes, LLC	Eliminations	Total
Assets						
Current assets						
Cash and cash equivalents	$ 562,180	$ (2,108)	$ 62,747	$ 203	$ -	$ 623,022
Restricted cash	3,273	25,119	11,106	-	-	39,498
Account receivable	28,780	34,239	5,078	89,448	(142,670)	14,875
Grants receivable	291,309	-	-	-	-	291,309
Pledges receivable - current portion	195,000	-	-	-	-	195,000
Notes receivable - current portion	-	-	-	16,836	-	16,836
Prepaid expenses	17,322	-	-	-	-	17,322
Mobile homes held for sale	-	-	-	1,340,664	-	1,340,664
Total Current Assets	1,097,864	57,250	78,931	1,447,151	(142,670)	2,538,526
Property and Equipment						
Land	374,000	2,802,930	2,302,750	-	-	5,479,680
Building and improvements	3,391,669	-	-	-	-	3,391,669
Construction in progress	-	-	15,658	-	-	15,658
Equipment and furniture	230,949	-	-	-	-	230,949
Computers and software	5,106	-	-	-	-	5,106
Vehicles	80,371	-	-	-	-	80,371
	4,082,095	2,802,930	2,318,408	-	-	9,203,433
Less accumulated depreciation	773,039	-	-	-	-	773,039
Property and Equipment, net	3,309,056	2,802,930	2,318,408	-	-	8,430,394
Other Assets						
Notes receivable - non-current	-	-	-	35,455	-	35,455
Total Assets	**$ 4,406,920**	**$ 2,860,180**	**$ 2,397,339**	**$ 1,482,606**	**$ (142,670)**	**$ 11,004,375**

Continued on next page.

CONSOLIDATING STATEMENTS OF FINANCIAL POSITION (Continued)

FAMILY PROMISE OF WEST MICHIGAN AND RELATED ENTITIES
December 31, 2024

	Family Promise of West Michigan	FP Country Corners, LLC	FP Eastern Villa, LLC	FP Mobile Homes, LLC	Eliminations	Total
Liabilities and Net Assets						
Current Liabilities						
Accounts payable	$ 29,709	$ 28,503	$ 135,429	$ 6,128	$ (142,670)	$ 57,099
Security deposits	3,273	25,119	11,106	-	-	39,498
Accrued liabilities	143,405	5,395	4,414	-	-	153,214
Notes payable - current portion	-	33,027	27,022	-	-	60,049
Line of credit	750,000	-	-	1,144,467	-	1,894,467
Deferred revenue	-	360	1,051	-	-	1,411
Total Current Liabilities	926,387	92,404	179,022	1,150,595	(142,670)	2,205,738
Long-Term Liabilities						
Notes payable, net	-	1,592,657	1,275,606	-	-	2,868,263
Total Liabilities	926,387	1,685,061	1,454,628	1,150,595	(142,670)	5,074,001
Net Assets and Member's Equity						
Without donor restrictions:						
Undesignated	3,168,943	-	-	-	2,449,841	5,618,784
Board designated	100	-	-	-	-	100
With donor restrictions	311,490	-	-	-	-	311,490
Member's Equity without donor restrictions	-	1,175,119	942,711	332,011	(2,449,841)	-
Total Net Assets	3,480,533	1,175,119	942,711	332,011	-	5,930,374
Total Liabilities and Net Assets	**$ 4,406,920**	**$ 2,860,180**	**$ 2,397,339**	**$ 1,482,606**	**$ (142,670)**	**$ 11,004,375**

CONSOLIDATING STATEMENTS OF FINANCIAL POSITION

FAMILY PROMISE OF WEST MICHIGAN AND RELATED ENTITIES
December 31, 2023

	Grand Rapids	Country Corners, LLC	Eastern Villa, LLC	Mobile Homes, LLC	Eliminations	Total
Assets						
Current assets						
Cash and cash equivalents	$ 679,960	$ 9,598	$ (5,757)	$ 65,056	$ -	$ 748,857
Restricted cash	2,765	25,850	13,398	-	-	42,013
Account receivable	22,497	4,137	4,660	4,209	(26,706)	8,797
Grants receivable	238,951	-	-	-	-	238,951
Pledges receivable - current	826,500	-	-	-	-	826,500
Notes receivable	-	-	-	16,836	-	16,836
Prepaid expenses	11,881	-	-	-	-	11,881
Mobile homes held for sale	-	-	-	1,446,664	-	1,446,664
Total Current Assets	1,782,554	39,585	12,301	1,532,765	(26,706)	3,340,499
Property and Equipment						
Land	374,000	2,802,930	2,302,750	-	-	5,479,680
Building and improvements	2,377,308	-	-	-	-	2,377,308
Construction in progress	911,748	-	-	-	-	911,748
Equipment and furniture	259,356	-	-	-	-	259,356
Computers and software	5,106	-	-	-	-	5,106
Vehicles	107,928	-	-	-	-	107,928
	4,035,446	2,802,930	2,302,750	-	-	9,141,126
Less accumulated depreciation	680,304	-	-	-	-	680,304
Property and Equipment, net	3,355,142	2,802,930	2,302,750	-	-	8,460,822
Other Assets						
Pledges receivable - non-current, net	174,138	-	-	-	-	174,138
Notes receivable, non-current	-	-	-	52,291	-	52,291
Operating lease right-of-use assets	4,803	-	-	-	-	4,803
Total Other Assets	178,941	-	-	52,291	-	231,232
Total Assets	**$ 5,316,637**	**$ 2,842,515**	**$ 2,315,051**	**$ 1,585,056**	**$ (26,706)**	**$ 12,032,553**

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CONSOLIDATING STATEMENTS OF FINANCIAL POSITION (Continued)

FAMILY PROMISE OF WEST MICHIGAN AND RELATED ENTITIES
December 31, 2023

	Family Promise of Grand Rapids	FP Country Corners	FP Eastern Villa	FP Mobile Homes	Eliminations	Total
Liabilities and Net Assets						
Current Liabilities						
Accounts payable	$ 160,455	19,431	$ 7,275	$ -	$ (26,706)	$ 160,455
Security deposits	2,765	25,850	13,398	-	-	42,013
Accrued liabilities	84,770	8,089	6,087	5,414	-	104,360
Operating lease liabilities - current	4,803	-	-	-	-	4,803
Note payable - current	-	30,288	24,781	-	-	55,069
Line of credit	-	-	-	1,162,500	-	1,162,500
Deferred revenue	-	8,929	6,461	-	-	15,390
Total Current Liabilities	252,793	92,587	58,002	1,167,914	(26,706)	1,544,590
Long-Term Liabilities						
Note payable, net	-	1,622,188	1,301,200	-	-	2,923,388
Total Liabilities	252,793	1,714,775	1,359,202	1,167,914	(26,706)	4,467,978
Net Assets						
Without donor restrictions:						
Undesignated	3,582,088	-	-	-	2,500,731	6,082,819
Board designated	16,951	-	-	-	-	16,951
With donor restrictions	1,464,805	-	-	-	-	1,464,805
Member's Equity without donor restrictions	-	1,127,740	955,849	417,142	(2,500,731)	-
Total Net Assets	5,063,844	1,127,740	955,849	417,142	-	7,564,575
Total Liabilities and Net Assets	**$ 5,316,637**	**$ 2,842,515**	**$ 2,315,051**	**$ 1,585,056**	**$ (26,706)**	**$ 12,032,553**

CONSOLIDATING STATEMENTS OF ACTIVITIES

FAMILY PROMISE OF WEST MICHIGAN AND RELATED ENTITIES

For the year ended December 31, 2024

	Family Promise of West Michigan		FP Country Corners, LLC	FP Eastern Villa, LLC	FP Mobile Homes, LLC	Eliminations	
	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Member's Equity Without Donor Restrictions	Member's Equity Without Donor Restrictions	Member's Equity Without Donor Restrictions		Total
Revenue, Gains, and Other Support							
Contributions of cash and other financial assets	$ 2,177,832	$ 95,861	$ -	$ -	$ -	$ -	$ 2,273,693
Contributions of nonfinancial assets	291,855	-	-	-	-	-	291,855
Federal grants	1,252,737	-	-	-	-	-	1,252,737
State and local grants	396,094	-	-	-	-	-	396,094
Other grant income	114,223	171,490	-	-	-	-	285,713
Rental income	74,670	-	443,179	240,316	-	-	758,165
Gross revenues from special events:							
Event revenue	186,983	-	-	-	-	-	186,983
Less: direct expenses	(79,040)	-	-	-	-	-	(79,040)
Net special event revenue	107,943	-	-	-	-	-	107,943
Interest income	4,106	-	764	216	319	-	5,405
Gain (loss) from sale of assets and inventory	7,500	-	-	7,025	(6,721)	-	7,804
Other income	84,436	-	4,008	9,986	20,000	(71,345)	47,085
Net assets released from restriction	1,420,666	(1,420,666)	-	-	-	-	-
Total Revenue, Gains, and Other Support	5,932,062	(1,153,315)	447,951	257,543	13,598	(71,345)	5,426,494
Expenses							
Program services	4,728,136	-	400,572	270,681	98,729	(71,345)	5,426,773
Management and general	1,186,372	-	-	-	-	-	1,186,372
Fundraising	447,550	-	-	-	-	-	447,550
Total Expenses	6,362,058	-	400,572	270,681	98,729	(71,345)	7,060,695
Change in Net Assets and Member's Equity	(429,996)	(1,153,315)	47,379	(13,138)	(85,131)	-	(1,634,201)
Net Assets and Member's Equity at Beginning of Year	3,599,039	1,464,805	1,127,740	955,849	417,142	-	7,564,575
Net Assets and Member's Equity at End of Year	**$ 3,169,043**	**$ 311,490**	**$ 1,175,119**	**$ 942,711**	**$ 332,011**	**$ -**	**$ 5,930,374**

Continued on next page.

CONSOLIDATING STATEMENTS OF ACTIVITIES (Continued)

FAMILY PROMISE OF WEST MICHIGAN AND RELATED ENTITIES

For the year ended December 31, 2023

	Family Promise of West Michigan		FP Country Corners, LLC	FP Eastern Villa, LLC	FP Mobile Homes, LLC	Eliminations	
	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Member's Equity Without Donor Restrictions	Member's Equity Without Donor Restrictions	Member's Equity Without Donor Restrictions		Total
Revenue, Gains, and Other Support							
Contributions of cash and other financial assets	$ 1,671,782	$ 3,956,567	$ -	$ -	$ -	$ -	$ 5,628,349
Contributions of nonfinancial assets	345,888	-	-	-	-	-	345,888
Federal grants	1,425,990	-	-	-	-	-	1,425,990
State and local grants	256,174	-	-	-	-	-	256,174
Other grant income	94,375	110,000	-	-	-	-	204,375
Rental income	154,684	-	127,367	71,351	-	-	353,402
Gross revenues from special events:							
Event revenue	194,500	-	-	-	-	-	194,500
Less: direct expenses	(40,252)	-	-	-	-	-	(40,252)
Net special event revenue	154,248	-	-	-	-	-	154,248
Interest income	67,142	-	141	45	79	-	67,407
Gain (loss) from sale of assets and inventory	(12,983)	-	-	-	31,000	-	18,017
Other income	122,952	-	5,000	7,500	34,000	(66,947)	102,505
Net assets released from restriction	4,737,033	(4,737,033)	-	-	-	-	-
Total Revenue, Gains, and Other Support	9,017,285	(670,466)	132,508	78,896	65,079	(66,947)	8,556,355
Expenses							
Program services	4,676,469	-	103,221	72,686	35,437	(66,947)	4,820,866
Management and general	1,159,905	-	-	-	-	-	1,159,905
Fundraising	475,396	-	-	-	-	-	475,396
Total Expenses	6,311,770	-	103,221	72,686	35,437	(66,947)	6,456,167
Change in Net Assets and Member's Equity	2,705,515	(670,466)	29,287	6,210	29,642	-	2,100,188
Net Assets and Member's Equity at Beginning of Year	3,329,116	2,135,271	-	-	-	-	5,464,387
Transfer of Net Assets	(2,435,592)	-	1,098,453	949,639	387,500	-	-
Net Assets and Member's Equity at End of Year	**$ 3,599,039**	**$ 1,464,805**	**$ 1,127,740**	**$ 955,849**	**$ 417,142**	**$ -**	**$ 7,564,575**