

THE JOSEPH FUND, INC.

FINANCIAL STATEMENTS

Year Ended December 31, 2017

THE JOSEPH FUND, INC.

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees  
The Joseph Fund, Inc.

We have audited the accompanying financial statements of The Joseph Fund, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2017, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

### ***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.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Joseph Fund, Inc. as of December 31, 2017, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Respectfully submitted,

RAGONE, LACATENA, FAIRCHILD & BEPPEL, P.C.  
Certified Public Accountants

Haddonfield, New Jersey  
April 30, 2018



THE JOSEPH FUND, INC.  
STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2017

ASSETS

CURRENT ASSETS

Cash	\$ 454,942
Pledges and Donations Receivable	<u>2,000</u>
Total Current Assets	<u>\$ 456,942</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts Payable	\$ 10,000
Payroll Taxes Payable	<u>4,979</u>
Total Current Liabilities	14,979

NET ASSETS

Unrestricted Net Assets	322,116
Temporarily Restricted Net Assets	<u>119,847</u>
Total Net Assets	<u>441,963</u>
Total Liabilities and Net Assets	<u>\$ 456,942</u>

The accompanying notes are an integral part of these financial statements.

**THE JOSEPH FUND, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<u>REVENUES</u>			
Grants and Contributions	\$ 122,332	\$ 178,675	\$ 301,007
Special Events (Net)	200,946	-	200,946
Interest Income	836	-	836
	<u>324,114</u>	<u>178,675</u>	<u>502,789</u>
<u>FUNCTIONAL EXPENSES</u>			
Program	339,377	112,738	452,115
General and Administrative	46,813	-	46,813
	<u>386,190</u>	<u>112,738</u>	<u>498,928</u>
<u>Change in Net Assets</u>	(62,076)	65,937	3,861
<u>Beginning Net Assets</u>	384,192	53,910	438,102
<u>Ending Net Assets</u>	<u>\$ 322,116</u>	<u>\$ 119,847</u>	<u>\$ 441,963</u>

THE JOSEPH FUND, INC.  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2017

Cash Flows From Operating Activities

Change in Net Assets	\$ 3,861
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:	
Change in:	
Pledges and Donations Receivable	133,500
Accounts Payable	<u>9,432</u>
Total Adjustments	<u>142,932</u>
<u>Net Cash Provided (Used) By Operating Activities</u>	<u>146,793</u>
<u>Net Increase (Decrease) in Cash</u>	146,793
<u>Cash - Beginning of Year</u>	<u>308,149</u>
<u>Cash - End of Year</u>	<u>\$ 454,942</u>

THE JOSEPH FUND, INC.

STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2017

	PROGRAM		GENERAL & ADMINISTRATIVE		TOTAL
	UNRESTRICTED	RESTRICTED	UNRESTRICTED	RESTRICTED	
Grants to Ministries	\$ 153,223	\$ 112,738	\$ -	-	\$ 265,961
Wages and Salaries	127,776	-	17,447	-	145,223
Payroll Taxes	10,402	-	2,252	-	12,654
Employee Benefits	25,270	-	5,472	-	30,742
Advertising and Promotion	1,896	-	411	-	2,307
Public Relations	1,262	-	273	-	1,535
Professional Fees	102	-	16,747	-	16,849
Rent	4,521	-	979	-	5,500
Telephone	36	-	8	-	44
Insurance	5,240	-	1,135	-	6,375
Community Support	239	-	52	-	291
Printing and Copying	3,426	-	742	-	4,168
Postage	820	-	177	-	997
Dues and Subscriptions	871	-	189	-	1,060
Bank and Credit Card Fees	1,656	-	359	-	2,015
Office Expense	1,924	-	417	-	2,341
Meetings and Conferences	712	-	154	-	866
Total	\$ 339,377	\$ 112,738	\$ 46,813	-	\$ 498,928

The accompanying notes are an integral part of these financial statements.  
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**THE JOSEPH FUND, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2017**

**NOTE 1:**    **Nature of Activities** – **THE JOSEPH FUND, INC.** ("Organization") is a non-profit organization exempt under section 501(c)(3) of the Internal Revenue Code. The Organization was founded in April 2012. The Joseph Fund supports educational initiatives, social welfare projects and the work of six charitable programs focused on serving Camden by raising money for program expansion, capital projects and operating shortfalls. The organization will seek private contributions, corporate investment by area businesses and grants from public and private foundations.

**NOTE 2:**    **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

**Basis of Accounting** - The financial statements have been prepared on the accrual basis of accounting which requires, in general, that income be recognized when earned and expenses when incurred without regard to the receipt or disbursement of cash.

**Tax-Exempt Status** – **THE JOSEPH FUND, INC.** qualifies as a 501(c)(3) tax-exempt organization under existing provisions of the Internal Revenue Code. Therefore, it is not subject to federal or state income taxes on revenues that are related to the exempt purpose of the organization.

**Cash and Cash Equivalents** - The Organization considers all highly liquid investments with a maturity of three months or less to be cash equivalents.

**Use of Estimates** - The preparation of financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

**Advertising** – The Organization expenses advertising costs as incurred.

**Accounting Standards** - The Organization's statements are prepared in accordance with the provisions of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC). As required by the Accounting for Contributions topic of FASB ASC, **THE JOSEPH FUND, INC.** recognizes contributions received, including unconditional promises to give, in the period received. The Presentation of Financial Statements topic of FASB ASC establishes standards for general purpose, external financial statements of nonprofit organizations. In particular, it requires organizations to present statements of financial position, activities and cash flows. It also requires that an organization's net assets and its revenues, expenses, gains, and losses be classified based on the existence or absence of donor imposed restrictions.



**THE JOSEPH FUND, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**December 31, 2017**

**NOTE 2:**    **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:** (Continued)

Net Assets – The Organization is required to report information regarding its financial position and activities according to three classes of net assets; unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

- Unrestricted net assets consist of investments and otherwise unrestricted amounts that are available for use in carrying out the mission of the organization, and include those expendable resources which have been designated for special use by the Board of Trustees.
- Temporarily restricted net assets represent those amounts which are donor restricted for specific purposes. When a donor restriction expires, that is, when a restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted as net assets released from restrictions.
- Permanently restricted net assets result from contributions from donors who place restrictions on the use of the funds which mandate that the original principal be invested in perpetuity. This original principal is reported as a permanently restricted net asset, the income from which may be either temporarily restricted or unrestricted, depending on the donor's specifications. There are no permanently restricted net assets as of December 31, 2017.

**NOTE 3:**    **PLEDGES AND DONATIONS RECEIVABLE**

Unconditional promises to give at December 31, 2017 are as follows:

Receivable in less than one year	<u>\$ 2,000</u>
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**NOTE 4:**    **TEMPORARILY RESTRICTED NET ASSETS**

The Organization receives various donor contributions to support various educational initiatives and social welfare projects. As of December 31, 2017, the balance of temporarily restricted net assets was \$119,847.

**NOTE 5:**    **OPERATING LEASES**

The Organization leases its office space on a month-to-month basis at a cost of \$500 a month.

THE JOSEPH FUND, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2017

NOTE 6: EVALUATION OF SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through April 30, 2018, the date which the financial statements were available to be issued.

