

THE JOSEPH FUND, INC.

FINANCIAL STATEMENTS

Year Ended December 31, 2018

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**RAGONE
LACATENA
FAIRCHILD
BEPPEL**

Accountants and Advisors

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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, 2018, 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, 2018, 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,

A handwritten signature in cursive script, likely reading "Ragone, Lacatena, Fairchild & Bepfel".

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

Haddonfield, New Jersey
July 12, 2019

THE JOSEPH FUND, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2018

ASSETS

CURRENT ASSETS

Cash	\$ 537,153
Pledges and Donations Receivable	16,120
Prepaid Expenses	<u>5,825</u>
Total Current Assets	<u><u>\$ 559,098</u></u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Payroll Taxes Payable	<u>\$ 4,181</u>
Total Current Liabilities	4,181

NET ASSETS

Without Donor Restrictions	376,617
With Donor Restrictions	<u>178,300</u>
Total Net Assets	<u>554,917</u>
Total Liabilities and Net Assets	<u><u>\$ 559,098</u></u>

THE JOSEPH FUND, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<u>REVENUES</u>			
Grants and Contributions	\$ 210,546	\$ 189,196	\$ 399,742
Special Events (Net)	317,446	-	317,446
Interest Income	1,131	-	1,131
Released from Restrictions	<u>112,321</u>	<u>(112,321)</u>	<u>-</u>
Total Revenues	641,444	76,875	718,319
<u>FUNCTIONAL EXPENSES</u>			
Program	538,460	-	538,460
Management & General	58,385	-	58,385
Fundraising	<u>8,520</u>	<u>-</u>	<u>8,520</u>
Total Functional Expenses	<u>605,365</u>	<u>-</u>	<u>605,365</u>
<u>TRANSFERS BETWEEN FUNDS</u>	18,422	(18,422)	-
<u>Change in Net Assets</u>	54,501	58,453	112,954
<u>Beginning Net Assets</u>	<u>322,116</u>	<u>119,847</u>	<u>441,963</u>
<u>Ending Net Assets</u>	<u><u>\$ 376,617</u></u>	<u><u>\$ 178,300</u></u>	<u><u>\$ 554,917</u></u>

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

THE JOSEPH FUND, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2018

Cash Flows From Operating Activities

Change in Net Assets	\$ 112,954
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:	
Change in:	
Pledges and Donations Receivable	(14,120)
Prepaid Expenses	(5,825)
Accounts Payable	(10,000)
Payroll Taxes Payable	<u>(798)</u>
Total Adjustments	<u>(30,743)</u>
<u>Net Cash Provided By Operating Activities</u>	<u>82,211</u>
<u>Net Increase in Cash</u>	82,211
<u>Cash - Beginning of Year</u>	<u>454,942</u>
<u>Cash - End of Year</u>	<u><u>\$ 537,153</u></u>

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

THE JOSEPH FUND, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2018

	Program					
	Partner Organizations	Sponsor a Student	Scholarships	Program Total	Management & General	Fundraising
	\$	\$	\$	\$	\$	\$
Programs	251,180	76,150	13,295	340,625	-	-
Wages and Salaries	101,946	30,907	5,396	138,249	18,852	-
Payroll Taxes	9,149	2,774	484	12,407	1,692	-
Employee Benefits	28,344	8,593	1,500	38,437	5,241	-
Advertising and Promotion	-	-	-	-	-	6,589
Professional Fees	-	-	-	-	16,773	-
Rent	-	-	-	-	5,500	-
Telephone	-	-	-	-	400	-
Insurance	-	-	-	-	6,837	-
Community Support	-	-	-	-	-	1,931
Printing and Copying	2,975	902	157	4,034	550	-
Postage	744	225	40	1,009	139	-
Dues and Subscriptions	715	217	38	970	132	-
Bank and Credit Card Fees	1,023	310	54	1,387	189	-
Office Expense	-	-	-	-	1,897	-
Meetings and Conferences	990	300	52	1,342	183	-
Total	\$ 397,066	\$ 120,378	\$ 21,016	\$ 538,460	\$ 58,385	\$ 8,520
						\$ 605,365

THE JOSEPH FUND, INC.
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2018

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, functional expenses 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, 2018

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 two classes of net assets; net assets without donor restrictions and net assets with donor restrictions.

- Without Donor Restrictions – These resources are available for use in general operations and are not subject to donor-imposed restrictions. The Board of Trustees has discretionary control over these resources. Board Designated amounts, if any, represent those net assets that the board has set aside for a particular purpose.
- With Donor Restrictions – These resources are subject to donor-imposed restrictions that will be satisfied by action of the Organization or by the passage of time.

New Accounting Pronouncement – During the year ended December 31, 2018, the Organization adopted the reporting requirements of the Financial Accounting Standards Board's Accounting Standards Update No. 2016-14, Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities (ASU 2016-14). This update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return between not-for-profit entities. A key change required by ASU 2016-14 is the net asset classes used in these financial statements. Amounts previously recorded as unrestricted net assets are now reported as net assets without donor restrictions and amounts previously reported as temporarily restricted net assets and permanently restricted net assets are now reported as net assets with donor restrictions. A footnote on liquidity has also been added (Note 6).

Functional Allocation of Expenses – The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the program services benefited. Directly identifiable expenses are charged to the program services benefited. Expenses related to more than one function are allocated on the basis of estimates of time and effort. Management and general expenses also include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

THE JOSEPH FUND, INC.
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2018

NOTE 3: PLEDGES AND DONATIONS RECEIVABLE

Unconditional promises to give at December 31, 2018 are as follows:

Receivable in less than one year	<u>\$ 16,120</u>
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NOTE 4: NET ASSETS WITH DONOR RESTRICTIONS

The Organization receives various donor contributions to support various educational initiatives and social welfare projects. Net assets with donor restrictions consist of the following as of December 31, 2018:

Restricted for Specific Purposes:	
Partner Organizations	\$ 1,364
Scholarships	<u>176,936</u>
Total	<u>\$ 178,300</u>

NOTE 5: OPERATING LEASES

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

NOTE 6: LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization monitors its liquidity on a regular basis so that it is able to meet its operating needs and other contractual commitments.

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

Cash	\$ 537,153
Pledges and Donations Receivable	16,120
Prepaid Expenses	<u>5,825</u>
Total financial assets	<u>559,098</u>

Less: funds unavailable for general expenditure
within one year due to:

Donor restrictions	<u>178,300</u>
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Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 380,798</u>
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THE JOSEPH FUND, INC.
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2018

NOTE 6: **EVALUATION OF SUBSEQUENT EVENTS**

The Organization has evaluated subsequent events through July 12, 2019, the date which the financial statements were available to be issued.