

THE JOSEPH FUND, INC.
FINANCIAL STATEMENTS
Years Ended December 31, 2015

THE JOSEPH FUND, INC.

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RAGONE, LACATENA, FAIRCHILD & BEPPEL

A PROFESSIONAL CORPORATION
CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
The Joseph Fund, Inc.

* ACCREDITED IN BUSINESS VALUATION
** ENROLLED AGENT
^Δ RETIRED

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, 2015, 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.

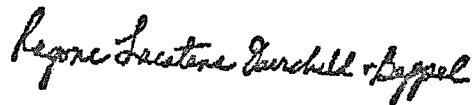
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or 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.

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, 2015, 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, appearing to read "Ragone Lacatena Fairchild & Bepfel".

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

Haddonfield, New Jersey
July 8, 2016

THE JOSEPH FUND, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2015

ASSETS

CURRENT ASSETS

Cash	\$ 406,952
Pledges Receivable	<u>203,089</u>
Total Current Assets	<u><u>\$ 610,041</u></u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts Payable	\$ 6,479
Due to L.U.C.Y. Ministry	<u>116,389</u>
Total Current Liabilities	122,868

NET ASSETS

Unrestricted Net Assets	467,189
Temporarily Restricted Net Assets	<u>19,984</u>
Total Net Assets	<u>487,173</u>
Total Liabilities and Net Assets	<u><u>\$ 610,041</u></u>

THE JOSEPH FUND, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<u>REVENUES</u>			
Grants and Contributions	\$ 98,284	\$ 128,712	\$ 226,996
Special Events (Net)	<u>163,769</u>	<u>115,389</u>	<u>279,158</u>
Total Revenue	262,053	244,101	506,154
<u>FUNCTIONAL EXPENSES</u>			
Program	304,571	225,223	529,794
General and Administrative	<u>25,137</u>	<u>-</u>	<u>25,137</u>
Total Functional Expenses	<u>329,708</u>	<u>225,223</u>	<u>554,931</u>
<u>Change in Net Assets</u>	(67,655)	18,878	(48,777)
<u>Beginning Net Assets</u>	<u>534,844</u>	<u>1,106</u>	<u>535,950</u>
<u>Ending Net Assets</u>	<u><u>\$ 467,189</u></u>	<u><u>\$ 19,984</u></u>	<u><u>\$ 487,173</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, 2015

Cash Flows From Operating Activities

Change in Net Assets \$ (48,777)

Adjustments to Reconcile Change in Net Assets
to Net Cash From Operating Activities:

Change in:

Pledges Receivable 196,911

Accounts Payable 5,379

Due to L.U.C.Y. Ministry 116,389

Total Adjustments 318,679

Net Cash Provided (Used) By Operating Activities 269,902

Net Change in Cash and Cash Equivalents 269,902

Cash and Cash Equivalents - Beginning of Year 137,050

Cash and Cash Equivalents - End of Year \$ 406,952

THE JOSEPH FUND, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2015

	PROGRAM		PROGRAM TOTAL	GENERAL & ADMINISTRATIVE UNRESTRICTED	TOTAL
	UNRESTRICTED	RESTRICTED			
Grants to Ministries	\$ 137,061	\$ 225,223	362,284	-	\$ 362,284
Wages and Salaries	115,920	-	115,920	12,880	128,800
Payroll Taxes	8,803	-	8,803	978	9,781
Employee Benefits	20,199	-	20,199	2,244	22,443
Advertising and Promotion	264	-	264	29	293
Public Relations	10,373	-	10,373	1,153	11,525
Professional Fees	1,530	-	1,530	6,695	8,225
Rent	4,320	-	4,320	480	4,800
Insurance	1,614	-	1,614	179	1,793
Community Support	86	-	86	10	95
Printing and Copying	431	-	431	48	479
Postage	192	-	192	21	213
Dues and Subscriptions	899	-	899	100	999
Office Expense	2,168	-	2,168	241	2,409
Meetings and Conferences	713	-	713	79	792
Total	\$ 304,571	\$ 225,223	\$ 529,794	\$ 25,137	\$ 554,931

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, 2015

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 to support the Ministries of the St. Joseph’s Pro-Cathedral by raising money to support program expansion, capital projects and to underwrite any operating shortfall experienced by the individual Ministries. The organization will seek private contributions, corporate investment by area business 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, 2015

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.

NOTE 3: **PLEDGES RECEIVABLE**

Unconditional promises to give at December 31, 2015 are as follows:

Receivable in less than one year	<u>\$ 203,089</u>
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NOTE 4: **TEMPORARILY RESTRICTED NET ASSETS**

The Organization receives various donor contributions to support the Ministries of the St. Joseph's Pro-Cathedral. As of December 31, 2015, the balance of temporarily restricted net assets was \$19,984.

THE JOSEPH FUND, INC.
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015

NOTE 5: **UNCERTAIN TAX POSITIONS**

The Organization has adopted the recognition requirements for uncertain income tax positions as required by generally accepted accounting principles, Fin48 (ASC740). Income tax benefits are recognized for income tax positions taken or expected to be taken in a tax return only when it is determined that the income tax position will more-likely-than not be sustained upon examination by taxing authorities. The Organization believes that income tax positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse affect on the Organization's financial condition, results of operations or cash flows. Accordingly, the Organization has not recorded any reserves, or related accruals for interest and penalties for uncertain income tax positions at December 31, 2015.

The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Organization believes it is no longer subject to income tax examinations for years prior to 2012.

NOTE 6: **EVALUATION OF SUBSEQUENT EVENTS**

The Organization has evaluated subsequent events through July 8, 2016, the date which the financial statements were available to be issued.