

FAMILY PROMISE OF MONMOUTH COUNTY, INC.

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2016

FAMILY PROMISE OF MONMOUTH COUNTY, INC.

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2016

**TABLE OF CONTENTS**

Independent Auditor's Report	1-2
<u>Financial Statements:</u>	
Statement of Financial Position	3
Statement of Activities	4
Statement of Cash Flows	5
Notes to Financial Statements	6-9
<u>Supplementary Information:</u>	
Statement of Functional Expenses	10



# VISION FINANCIAL GROUP CPAs, LLP

ACCOUNTANTS & CONSULTANTS

1131 Campus Drive West • Morganville, New Jersey 07751

Phone (732) 536-5595 • Fax (732) 536-5592 • Web: [www.vfgcpas.com](http://www.vfgcpas.com)

## INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of  
Family Promise of Monmouth County, Inc.

We have audited the accompanying financial statements of Family Promise of Monmouth County, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2016 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 from 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 on Family Promise of Monmouth County, Inc. as of June 30, 2016, 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.

## **Report on Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The statement of functional expenses on page 10 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.

*Vision Financial Group CPAs LLP*

Morganville, NJ  
November 11, 2016

**FAMILY PROMISE OF MONMOUTH COUNTY, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**AS OF JUNE 30, 2016**

**ASSETS**

**CURRENT ASSETS**

Cash	\$	111,117
Grants Receivable		12,493
Prepaid Expenses		2,200
		125,810

**TOTAL CURRENT ASSETS** 125,810

Property and Equipment, net 5,634

Security Deposit 3,300

**TOTAL ASSETS** \$ 134,744

**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES**

Accrued Expenses \$ 4,847

**TOTAL LIABILITIES (ALL CURRENT)** 4,847

**NET ASSETS**

Unrestricted 111,066

Temporarily Restricted 18,831

**TOTAL NET ASSETS** 129,897

**TOTAL LIABILITIES AND NET ASSETS** \$ 134,744

See Notes to Financial Statements.

**FAMILY PROMISE OF MONMOUTH COUNTY, INC.  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>TOTAL</u>
<b>SUPPORT AND REVENUE</b>			
Grants and contributions	\$ 207,122	\$ 38,488	\$ 245,610
Special event revenue	73,826	-	73,826
Miscellaneous	206	-	206
Net assets released from restrictions	35,850	(35,850)	-
	<hr/>	<hr/>	<hr/>
<b>TOTAL SUPPORT AND REVENUE</b>	317,004	2,638	319,642
<b>EXPENSES</b>			
Program services	207,088	-	207,088
Management and general	58,438	-	58,438
Fundraising	19,358	-	19,358
Cost of direct benefits to donors	27,384	-	27,384
	<hr/>	<hr/>	<hr/>
<b>TOTAL EXPENSES</b>	312,268	-	312,268
<b>CHANGES IN NET ASSETS</b>	4,736	2,638	7,374
<b>NET ASSETS AT BEGINNING OF YEAR, AS RESTATED</b>	<hr/>	<hr/>	<hr/>
	106,330	16,193	122,523
<b>NET ASSETS AT END OF YEAR</b>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	\$ 111,066	\$ 18,831	\$ 129,897

See Notes to Financial Statements.

**FAMILY PROMISE OF MONMOUTH COUNTY, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2016**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Change in Net Assets	\$ 7,374
Adjustments to reconcile change in net assets to net cash provided by (used) in operating activities:	
Depreciation expense	6,391
(Increase) decrease in operating assets:	
Grants receivable	(1,095)
Prepaid expense	(900)
Security deposits	(1,350)
Increase in operating liabilities:	
Accrued Expenses	<u>1,347</u>
Net cash provided by operating activities	<u>11,767</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Purchase of Computers	<u>(2,490)</u>
-----------------------	----------------

Net increase in cash	9,277
----------------------	-------

<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>101,840</u>
---	----------------

<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u><u>\$ 111,117</u></u>
---	--------------------------

See Notes to Financial Statements.

**FAMILY PROMISE OF MONMOUTH COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Family Promise of Monmouth County, Inc. (“the Organization”) is a not-for-profit corporation that unites the religious communities of Monmouth County, New Jersey in its efforts to provide shelter, meals, and assistance for homeless families. The Organization also provides help and counseling for each guest family through the services of a full-time social worker.

*Basis of Presentation*

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles accepted in the United States of America. Net assets, revenues, gains and losses are classified based on the existence or absence of donor imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted net assets – Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets – Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently Restricted Net Assets – Net assets resulting from contributions and other inflows of assets whose use by the Organization is limited by donor-imposed stipulations that neither expire with the passage of time nor can be fulfilled or otherwise removed by actions of the Organization.

For the year ended June 30, 2016, the Organization had unrestricted and temporarily restricted net assets.

*Use of Estimates*

The preparation of financial statements is in conformance with accounting principles generally accepted in the United States of America, which requires management to make estimates and assumptions that affect the reported amount of assets, liabilities and disclosures of contingent assets and liabilities at the date of the financial statements in addition to reported revenue and expense amounts made during the reporting period. Actual results could differ from those estimates.

*Revenue Recognition*

Contribution revenue is recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Grant revenue is recognized as revenue in the period in which the funds are utilized by the Organization to carry out the activity stipulated in the grant agreement.



**FAMILY PROMISE OF MONMOUTH COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*Restricted and Unrestricted Support*

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the year in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets as net assets are released from restrictions.

*Cash*

Cash consists of funds on deposit at financial institutions, which never exceeded federally-insured limits. The Organization believes it is not exposed to any significant risk on cash. The Organization has no cash equivalents.

*Grants Receivable*

Receivables are stated at net realizable value and consist primarily of amounts due under grants and contracts administered by various state and local government agencies.

*Promises to give*

Unconditional promises to give are recognized as support in the period received and as assets, decrease of liabilities, or expenses depending on the form of benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

*Property and Equipment*

Property and equipment are stated at cost. For financial reporting purposes depreciation is computed using straight-line methods over the estimated useful lives of the assets.

	<u>Years</u>
Automobile	5
Office Equipment	5
Appliances	5

*Donated Services*

The Organization receives a significant amount of donated services from unpaid volunteers, mainly board members. No amounts have been recognized in the statement of activities because the criteria for recognition under Financial Accounting Standards Board Accounting Standards Codification 958 (FASB ASC 958), Financial Statements of Not-for-Profit Organizations, have not been satisfied.

*Federal Income Taxes*

The Internal Revenue Service has recognized the Organization as exempt from federal income taxes under provision of Section 501 (a) of the Internal Revenue Code as an entity described in Section 501(c)(3) and not as a private foundation. The Organization is required to file a federal

**FAMILY PROMISE OF MONMOUTH COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

return of organizations exempt from income tax (Form 990) and the last three years returns are subject to examination by the Internal Revenue Service (IRS).

*Functional Allocation of Expenses*

The cost of providing the various programs and supporting services has been summarized on a functional basis in the accompanying Statement of Activities and Statement of Functional Expenses. Accordingly, certain costs have been allocated among program, fundraising, and supporting services in reasonable ratios determined by management.

**NOTE B - PROPERTY AND EQUIPMENT**

Property and equipment at June 30, 2016 consisted of the following:

Van	\$ 31,795
Furniture and appliances	3,868
Office equipment	<u>13,910</u>
	49,573
Less: Accumulated depreciation	<u>(43,939)</u>
	<u>\$ 5,634</u>

Depreciation expense for the year ended June 30, 2016 amounted to \$6,391.

**NOTE C - COMMITMENTS**

The Organization maintained its lease of office space on a month-to-month basis from November 1, 2014 to August 31, 2015 at \$1,300 per month.

Effective September 1, 2015, the Organization entered into a one year lease for its office space with monthly payments of \$2,200. Minimum annual rental commitment are as follows:

June 30, 2017	<u>\$2,200</u>
---------------	----------------

Rent expense related to these leases totaled \$25,005 for the year ending June 30, 2016.

**NOTE D - SUBSEQUENT EVENTS**

Management has evaluated events occurring subsequent to June 30, 2016 through November 11, 2016, which is the date the financial statements were available to be issued and has recognized in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at June 30, 2016, including estimates inherent in the processing of financial statements.

**FAMILY PROMISE OF MONMOUTH COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2016**

**NOTE E - PRIOR PERIOD ADJUSTMENT**

The financial statements for the year ended June 30, 2015 have been restated to adjust the classification of net assets at July 1, 2015. The result of the restatement decreased "unrestricted net assets" and increased "temporarily restricted net assets" by \$1,705 each. The restatement had no net effect on total net assets.

**NOTE F – TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets consisted of the case management salary for \$18,831 at June 30, 2016.

**FAMILY PROMISE OF MONMOUTH COUNTY, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and wages	\$ 117,678	\$ 10,082	\$ 6,202	\$ 133,962
Employee benefits	18,887	1,618	996	21,501
Payroll taxes	10,478	898	552	11,928
<b>TOTAL PAYROLL AND RELATED EXPENSES</b>	<u>147,043</u>	<u>12,598</u>	<u>7,750</u>	<u>167,391</u>
Bookkeeping	-	16,270	4,000	20,270
Program administration	4,995	-	-	4,995
Client expenses	16,937	-	-	16,937
Client transportation	5,667	-	-	5,667
Depreciation	3,196	3,195	-	6,391
Grant writer	-	-	6,363	6,363
Insurance	2,427	4,855	809	8,091
Membership fees	5,012	557	-	5,569
Office	2,199	188	116	2,503
Payroll fees	1,710	147	90	1,947
Printing and postage	-	230	230	460
Professional fees	-	5,000	-	5,000
Rent	12,503	12,502	-	25,005
Repairs and maintenance	575	574	-	1,149
Utilities	2,009	2,009	-	4,018
Telephone and internet	2,815	313	-	3,128
<b>TOTAL EXPENSES</b>	<u><u>\$ 207,088</u></u>	<u><u>\$ 58,438</u></u>	<u><u>\$ 19,358</u></u>	<u><u>\$ 284,884</u></u>