

FAMILY PROMISE OF MONMOUTH COUNTY, INC.

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2015

FAMILY PROMISE OF MONMOUTH COUNTY, INC.

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2015

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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, 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 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, 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.

Other Matter

Our audit was conducted for the purposes 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
February 29, 2016

FAMILY PROMISE OF MONMOUTH COUNTY, INC.
STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2015

ASSETS

CURRENT ASSETS

Cash	\$	101,840
Grants Receivable		11,398
Prepaid Expenses		<u>1,300</u>
TOTAL CURRENT ASSETS		114,538
Property and Equipment, net		9,535
Security Deposit		<u>1,950</u>
TOTAL ASSETS	\$	<u><u>126,023</u></u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accrued Expenses	\$	<u>3,500</u>
TOTAL LIABILITIES (ALL CURRENT)		<u>3,500</u>

NET ASSETS

Unrestricted	108,035	
Temporarily Restricted	<u>14,488</u>	
TOTAL NET ASSETS	<u>122,523</u>	
TOTAL LIABILITIES AND NET ASSETS	\$	<u><u>126,023</u></u>

See Notes to Financial Statements.

**FAMILY PROMISE OF MONMOUTH COUNTY, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015**

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>TOTAL</u>
SUPPORT AND REVENUE			
Grants and contributions	\$ 188,230	\$ 45,075	\$ 233,305
Special event revenue	69,639	-	69,639
Miscellaneous	158	-	158
	<hr/>	<hr/>	<hr/>
TOTAL SUPPORT AND REVENUE	258,027	45,075	303,102
	<hr/>	<hr/>	<hr/>
EXPENSES			
Program services	157,771	38,775	196,546
Management and general	38,775	-	38,775
Fund-raising	36,637	-	36,637
	<hr/>	<hr/>	<hr/>
TOTAL EXPENSES	233,183	38,775	271,958
	<hr/>	<hr/>	<hr/>
CHANGES IN NET ASSETS	24,844	6,300	31,144
	<hr/>	<hr/>	<hr/>
NET ASSETS AT BEGINNING OF YEAR, AS RESTATED	83,191	8,188	91,379
	<hr/>	<hr/>	<hr/>
NET ASSETS AT END OF YEAR	<u>\$ 108,035</u>	<u>\$ 14,488</u>	<u>\$ 122,523</u>

See Notes to Financial Statements.

FAMILY PROMISE OF MONMOUTH COUNTY, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2015

CASH FLOWS FROM OPERATING ACTIVITIES

Change in Net Assets	\$ 31,144
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:	
Depreciation expense	5,377
(Increase) decrease in operating assets:	
Pledges receivable	950
Grants receivable	(11,398)
Prepaid expense	(1,300)
(Decrease) in operating liabilities:	
Accrued Expenses	1,623
Net cash provided by operating activities	26,396
Net increase in cash	26,396
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	75,444
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 101,840

See Notes to Financial Statements.

FAMILY PROMISE OF MONMOUTH COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

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, 2015, 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, 2015

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, 2015

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, 2015 consisted of the following:

Van	\$ 29,305
Furniture and appliances	3,868
Office equipment	<u>13,910</u>
	47,083
Less: Accumulated depreciation	<u>(37,548)</u>
	<u>\$ 9,535</u>

NOTE C - COMMITMENTS

The Organization maintained an operating lease which expired on October 31, 2014 to lease office space. The lease has a monthly rate of \$1,300 per month. The lease was not renewed, but the Organization maintained the lease on a month-to-month basis starting from November 1, 2014 at \$1,300 per month. Rent expense for the year ending June 30, 2015 was \$15,600.

NOTE D - SUBSEQUENT EVENTS

Management has evaluated events occurring subsequent to June 30, 2015 through February 29, 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, 2015, including estimates inherent in the processing of financial statements. The following event arose after June 30, 2015 related to conditions that did not exist as of June 30, 2015.

Subsequently to June 30, 2015, the management entered into new operating lease for their office space. The lease expires on July 31, 2016 and requires monthly payments of \$2,200.

FAMILY PROMISE OF MONMOUTH COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE E - PRIOR PERIOD ADJUSTMENT

The financial statements for the year ended June 30, 2014 have been restated to adjust the classification of net assets at July 1, 2014. The result of the restatement increased “unrestricted net assets” and decreased “temporarily restricted net assets” by \$47,583 each. The restatement had no net effect on total net assets.

NOTE F – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consisted of the following at June 30, 2015:

Sandy Relief	\$ 703
Aftercare Job Training	5,146
Security Deposits	4,094
Building 501 - Fort Monmouth	250
Client Assistance - Car Purchases	3,500
Van Expenses	<u>795</u>
	<u>\$14,488</u>

SUPPLEMENTARY INFORMATION

**FAMILY PROMISE OF MONMOUTH COUNTY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and wages	\$ 105,108	\$ 3,982	\$ 19,747	\$ 128,837
Employee benefits	11,428	-	3,040	14,468
Payroll taxes	<u>9,892</u>	<u>403</u>	<u>2,736</u>	<u>13,031</u>
TOTAL PAYROLL AND RELATED EXPENSES	126,428	4,385	25,523	156,336
Bank and credit card fees	-	176	-	176
Bookkeeping	-	3,981	-	3,981
Client assistance-furniture	5,180	-	-	5,180
Client rent and security deposit	7,932	-	-	7,932
Client transportation	8,370	-	-	8,370
Computers	-	498	-	498
Depreciation	2,689	2,688	-	5,377
Food	-	-	9,370	9,370
Insurance	7,392	-	-	7,392
Membership fees	-	4,244	-	4,244
Office	6,438	245	1,209	7,892
Payroll fees	1,526	58	287	1,871
Printing and postage	-	358	-	358
Professional fees	5,974	11,686	-	17,660
Rent	7,800	7,800	-	15,600
Repairs and maintenance	2,098	2,098	-	4,196
Telephone	1,320	50	248	1,618
Utilities	4,575	508	-	5,083
Workers compensation insurance	<u>8,824</u>	<u>-</u>	<u>-</u>	<u>8,824</u>
TOTAL EXPENSES	<u>\$ 196,546</u>	<u>\$ 38,775</u>	<u>\$ 36,637</u>	<u>\$ 271,958</u>