

FAMILY PROMISE OF MONMOUTH COUNTY, INC.

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2013

FAMILY PROMISE OF MONMOUTH COUNTY, INC.

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# VISION FINANCIAL GROUP CPAs, LLP

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## INDEPENDENT AUDITORS' 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, 2013 and the related statements of activities and cash flow 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.

### **Auditors' 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, 2013, 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 schedule of functional expenses on pages 9 and 10 is presented for purposes of additional analysis and is not a required part of the basic 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 07, 2014

**FAMILY PROMISE OF MONMOUTH COUNTY, INC.  
STATEMENT OF FINANCIAL POSITION  
AS OF JUNE 30, 2013**

**ASSETS**

CURRENT ASSETS

Cash	\$	135,278
		135,278
TOTAL CURRENT ASSETS		135,278
Property and Equipment - (Net of Depreciation)		20,630
Security Deposit		1,950
		1,950
TOTAL ASSETS	\$	157,858

**LIABILITIES AND NET ASSETS**

CURRENT LIABILITIES

Deferred Revenue - Avalo Grant	\$	28,600
Loan payable - bank		2,424
		2,424
TOTAL LIABILITIES (ALL CURRENT)		31,024

NET ASSETS

Unrestricted		59,839
Temporarily Restricted		66,995
		66,995
TOTAL NET ASSETS		126,834
TOTAL LIABILITIES AND NET ASSETS	\$	157,858

See Independent Auditors' Report and Notes to Financial Statements.

**FAMILY PROMISE OF MONMOUTH COUNTY, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2013**

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>TOTAL</u>
<b>SUPPORT AND REVENUE</b>			
General Contributions	\$ 148,744	\$ 163,311	\$ 312,055
Special Event	37,639	-	37,639
Investment Income	52	-	52
	<hr/>	<hr/>	<hr/>
TOTAL SUPPORT AND REVENUE	186,435	163,311	349,746
	<hr/>	<hr/>	<hr/>
<b>EXPENSES</b>			
Operations and Administrative	90,721	600	91,321
Shelter program expenses	126,591	58,974	185,565
New beginnings expense	-	78,878	78,878
Depreciation	8,643	-	8,643
	<hr/>	<hr/>	<hr/>
TOTAL EXPENSES	225,955	138,452	364,407
	<hr/>	<hr/>	<hr/>
CHANGES IN NET ASSETS	(39,520)	24,859	(14,661)
NET ASSETS AT BEGINNING OF YEAR	99,359	42,136	141,495
	<hr/>	<hr/>	<hr/>
NET ASSETS AT END OF YEAR	\$ 59,839	\$ 66,995	\$ 126,834
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

See Independent Auditors' Report and Notes to Financial Statements.

**FAMILY PROMISE OF MONMOUTH COUNTY, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2013**

**Cash Flows from Operating Activities**

Change in Net Assets \$ (14,661)

Adjustments to reconcile change in net assets to  
net cash provided (used) by operating activities:

Depreciation expense 8,643

Decrease (increase) in operating assets:

Prepaid expenses 2,572

Increase in operating liabilities:

Accounts payable 22,489

Net cash provided by operating activities 19,043

**Cash Flows From Investing Activities**

-

**Cash Flows From Financing Activities**

Repayment of bank loan (3,465)

Net cash (used in) financing activities (3,465)

Net increase in cash 15,578

Cash and cash equivalents, beginning of year 119,700

Cash and cash equivalents, end of year \$ 135,278

See Independent Auditors' Report and Notes to Financial Statements.

**FAMILY PROMISE OF MONMOUTH COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Organization**

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 financial statements have been prepared on the accrual basis of accounting in accordance with Financial Accounting Standards Board’s Accounting Standards Codification for Non-For-Profit Entities (FASB ASC 958), which require that the Organization 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, described as follows:

Unrestricted Net Assets – The portion of net assets that is neither permanently nor temporarily restricted by donor-imposed stipulations.

Temporarily Restricted Net Assets – Net assets resulting from contributions and other inflows of assets restricted by the donors to later periods of times, or after specified dates, or to specified purposes. When a restriction expires with the passage of time or when the specified purpose has been fulfilled or otherwise removed by actions of the Organization, temporarily restricted 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, 2013, 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.



**FAMILY PROMISE OF MONMOUTH COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**Contributions**

In accordance with FASB ASC 958 contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Donor restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

**Cash and Cash Equivalents**

For financial statement purposes, the Organization considers all cash and other highly liquid instruments with original maturities of three months or less to be cash equivalents.

**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

**Events Occurring after Reporting Date**

The Organization has evaluated events and transactions that accrued between June 30, 2013 and February 7, 2014, which is the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements.

**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 ASC 958 have not been satisfied.

**Income Taxes**

The Organization is a not-for-profit organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code

The Company's prior three years tax returns as filed remain open for examination by the taxing authorities.

**FAMILY PROMISE OF MONMOUTH COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2013**

**NOTE 2. PROPERTY AND EQUIPMENT**

Property and equipment at June 30, 2013 consisted of the following:

Van	\$ 29,306
Furniture and appliances	3,708
Office equipment	<u>13,910</u>
	46,924
Less: Accumulated depreciation	<u>(26,294)</u>
	<u>\$ 20,630</u>

**NOTE 3. LOAN PAYABLE – BANK**

Loans payable – bank, consists of an automobile loan payable. This agreement was entered into in February 2012. The loan is payable in 24 monthly installments totaling \$310, including interest at 5.84%. At June 30, 2013 the outstanding balance on the automobile loan was \$2,424.

**NOTE 4. COMMITMENTS**

The Organization entered into a one year lease agreement for their new office facilities, in November 2012. The future minimum rent for the year ending June 30, 2013 is \$5,200. Rent expense for the year ending June 30, 2013 was \$15,600. As part of the office lease agreement, the Organization is responsible for all utilities.

## **SUPPLEMENTARY INFORMATION**

**FAMILY PROMISE OF MONMOUTH COUNTY, INC.**  
**SCHEDULE OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2013**

Operations and administrative		
Bank and credit card fees	\$	262
Bookkeeping		2,430
Computers		600
Fund raising		9,698
Health insurance		4,259
Insurance		10,355
Interest		562
Membership fees		4,610
Office		1,732
Payroll fees		1,587
Payroll taxes		4,256
Printing and postage		733
Professional fees		5,143
Repairs and maintenance		514
Rent		1,560
Salary - executive directors		13,508
Salary - fundraising		10,807
Salary - transportation and grounds coordinator		14,876
Telephone		2,945
Utilities		884
		<hr/>
Total operations and administrative	\$	91,321
		<hr/>
Shelter program expenses		
Computers	\$	2,725
Client security deposits and 1st months rent		24,740
Client transportation		7,239
Enrichment programs		3,895
Health insurance		14,086
Office		4,359
Payroll taxes		10,785
Repairs and maintenance		3,773
Salary - case manager		42,230
Salary - executive directors		29,719
Salary - transportation and grounds coordinators		22,314
Salary - weekend driver		5,000
Telephone		1,496
Utilities		3,922
Workers compensation insurance		9,282
		<hr/>
Total shelter program expenses	\$	185,565
		<hr/>

**FAMILY PROMISE OF MONMOUTH COUNTY, INC.**  
**SCHEDULE OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2013**

New beginnings expense		
Bank service charges	\$	158
Client gift cards		24,843
Computers		1,675
Client rent and security deposit		39,896
Payroll taxes		1,150
Salary - hourly case workers		10,590
Telephone		<u>566</u>
Total new beginnings expense	\$	<u>78,878</u>