

THE JOSEPH FUND, INC.

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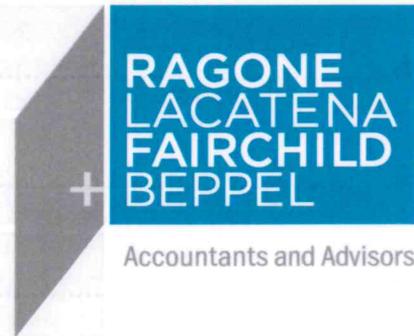
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INDEPENDENT AUDITOR'S REPORT

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, 2020, and the related statements of activities, cash flows and functional expenses 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, 2020 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,



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

Haddonfield, New Jersey
June 18, 2021

THE JOSEPH FUND, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2020

ASSETS

CURRENT ASSETS

Cash	\$ 555,870
Pledges and Donations Receivable	13,802
Prepaid Expenses	<u>5,000</u>
Total Current Assets	<u>\$ 574,672</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Payroll Taxes Payable	<u>\$ 4,297</u>
Total Current Liabilities	4,297

NET ASSETS

Without Donor Restrictions	328,282
With Donor Restrictions	<u>242,093</u>
Total Net Assets	<u>570,375</u>
Total Liabilities and Net Assets	<u>\$ 574,672</u>

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

THE JOSEPH FUND, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<u>REVENUES</u>			
Grants and Contributions	\$ 262,533	\$ 120,665	\$ 383,198
Special Events (Net)	211,885	-	211,885
Interest Income	2,782	-	2,782
Released from Restrictions	113,401	(113,401)	-
	<hr/>	<hr/>	<hr/>
Total Revenues	590,601	7,264	597,865
<u>FUNCTIONAL EXPENSES</u>			
Program	466,423	-	466,423
Management & General	60,023	-	60,023
Fundraising	3,582	-	3,582
	<hr/>	<hr/>	<hr/>
Total Functional Expenses	530,028	-	530,028
<u>Change in Net Assets</u>	60,573	7,264	67,837
<u>Beginning Net Assets</u>	<hr/> 267,709	<hr/> 234,829	<hr/> 502,538
<u>Ending Net Assets</u>	<hr/> <u>\$ 328,282</u>	<hr/> <u>\$ 242,093</u>	<hr/> <u>\$ 570,375</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, 2020

Cash Flows From Operating Activities

Change in Net Assets	\$ 67,837
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:	
Change in:	
Pledges and Donations Receivable	3,044
Payroll Taxes Payable	<u>101</u>
Total Adjustments	<u>3,145</u>
<u>Net Cash Provided By Operating Activities</u>	<u>70,982</u>
<u>Net Increase in Cash</u>	70,982
<u>Cash - Beginning of Year</u>	<u>484,888</u>
<u>Cash - End of Year</u>	<u>\$ 555,870</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, 2020

	Program					
	Partner Organizations	Scholarships	Program Total	Management & General	Fundraising	TOTAL
Programs	\$ 275,720	\$ 18,514	\$ 294,234	-	-	\$ 294,234
Wages and Salaries	117,919	7,477	125,396	17,099	-	142,495
Payroll Taxes	9,392	596	9,988	1,362	-	11,350
Employee Benefits	27,750	1,760	29,510	4,024	-	33,534
Advertising and Promotion	-	-	-	-	3,557	3,557
Professional Fees	-	-	-	18,545	-	18,545
Rent	-	-	-	6,325	-	6,325
Telephone	-	-	-	59	-	59
Insurance	-	-	-	7,382	-	7,382
Community Support	-	-	-	-	25	25
Printing and Copying	2,166	137	2,303	314	-	2,617
Postage	707	45	752	103	-	855
Dues and Subscriptions	641	41	682	93	-	775
Bank and Credit Card Fees	2,226	141	2,367	323	-	2,690
Office Expense	-	-	-	4,232	-	4,232
Meetings and Conferences	1,120	71	1,191	162	-	1,353
Total	\$ 437,641	\$ 28,782	\$ 466,423	\$ 60,023	\$ 3,582	\$ 530,028

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, 2020

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, 2020

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Contributions – Contributions received are recognized as revenue and recorded as net assets with donor restrictions or net assets without donor restrictions depending on the existence or nature of any donor restrictions.

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.

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 specific programs benefited. Directly identifiable expenses are charged to the specific programs 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.

NOTE 3: CONCENTRATION OF CREDIT RISK

The Organization maintains its cash in bank deposit accounts, which, at times, may exceed federally insured limits.

NOTE 4: PLEDGES AND DONATIONS RECEIVABLE

Unconditional promises to give at December 31, 2020 are as follows:

Receivable in less than one year	<u>\$ 13,802</u>
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THE JOSEPH FUND, INC.
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

NOTE 5: 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, 2020:

Restricted for Specific Purposes:	
Partner Organizations	\$ 22,110
Scholarships	<u>219,983</u>
Total	<u>\$ 242,093</u>

NOTE 6: OPERATING LEASES

The Organization leases its office space on a month-to-month basis at a cost of \$575 a month.

NOTE 7: 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	\$ 555,870
Pledges and Donations Receivable	13,802
Prepaid Expenses	<u>5,000</u>
Total financial assets	574,672
Less: funds unavailable for general expenditure within one year due to:	
Donor restrictions	<u>242,093</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 332,579</u>

THE JOSEPH FUND, INC.
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

NOTE 8: CONTINGENCY

In May 2020, the Organization received a loan in the amount of \$32,328 from Republic Bank under the Small Business Administration's (SBA) Paycheck Protection Program. Under this program the SBA will forgive all, or a portion of, the loan if certain employee retention criteria are met and the funds are used for eligible expenses. Loan forgiveness will first be determined by Republic Bank based on SBA guidance. Final loan forgiveness is determined by the SBA. On April 21, 2021, the Organization received the final determination from the SBA that the PPP loan will be forgiven 100%. The SBA retains the right to audit the Organization for six years to substantiate that all forgiveness criteria has been met. Management believes the Organization has fulfilled all loan criteria and spending requirements to sustain 100% loan forgiveness. The Organization has recognized the entire \$32,328 as a government grant this year.

As a result of the COVID-19 outbreak, economic uncertainties may arise which may negatively impact the operating results of the Organization. The extent of the impact of COVID-19 on our operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on our donors, employees and vendors all of which are uncertain and cannot be predicted. At this point, the related financial impact and duration cannot be reasonably estimated.

NOTE 9: EVALUATION OF SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through June 18, 2021, the date which the financial statements were available to be issued.