

CENTER FOR FAITHJUSTICE, INC.

(A Nonprofit Corporation)

FINANCIAL STATEMENTS

WITH

INDEPENDENT AUDITORS' REPORT

YEAR ENDED AUGUST 31, 2015

Center for FaithJustice, Inc.
(A Nonprofit Corporation)
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Frederick Butcher & Company

CERTIFIED PUBLIC ACCOUNTANTS

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To the Trustees and Board of Directors
Center for FaithJustice, Inc.
24 Rossa Avenue
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INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of Center for FaithJustice, Inc. (a nonprofit corporation), which comprise the statement of financial position as of August 31, 2015, and the related statements of activities and changes in net assets, and cash flows for the year then ended, and the related notes to 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 of Center for FaithJustice, Inc. (a nonprofit corporation) as of August 31, 2015, and the changes in its net assets and its cash flow for the year then ended in accordance with accounting principles generally accepted in the United States of America.



Frederick Butcher, CPA, CGMA

Blairstown, NJ 07825-0284

December 28, 2015

Center for FaithJustice, Inc.
(A Nonprofit Corporation)
Statement of Activities & Change in Net Assets
Year Ended August 31, 2015

Revenues, Gains & Unrestricted Support:	
Contributions	\$ 32,518
Donated goods & services	6,415
Grant revenue	53,000
Program revenue	275,734
Special event contributions	57,443
Rental income	25,105
Investment income	<u>69</u>
Total revenues	450,284
Program Expenses – Page #10	<u>368,044</u>
Excess of Revenues over Program Expenses	82,240
Expenses:	
General & administrative expenses – Page #10	74,784
Depreciation expense – Note #2	<u>4,372</u>
Total expenses	<u>79,156</u>
Excess of Revenues over Expenses	3,084
Net Assets at Beginning of Year	<u>344,791</u>
Net Assets at End of Year	<u>\$347,875</u>

See independent auditors' report and notes to financial statements.

Center for Faithjustice, Inc.
(A Non-Profit Corporation)
Statement of Cash Flows
Year Ended August 31, 2015

Cash flows from operating activities:	
Excess of revenues over expenses – Page #3	\$ <u>3,084</u>
Adjustments to reconcile net revenues to net cash used by operating activities:	
Depreciation – Note #2	4,372
Decrease in accounts receivable	24,552
Increase in prepaid expenses	(641)
Decrease in accounts payable	(9,617)
Decrease in deferred program revenue – Note #1 & #4	<u>(30,230)</u>
Total adjustments	<u>(11,564)</u>
Net cash used by operating activities	<u>(8,480)</u>
Cash flows from investing activities:	
Additions to property & equipment	<u>(4,500)</u>
Cash used by investing activities	<u>(4,500)</u>
Net decrease in cash	(12,980)
Cash & cash equivalents – beginning of year	<u>342,267</u>
Cash & cash equivalents – end of year	<u>\$329,287</u>

Supplemental Disclosures

Interest	\$ 0
Income taxes paid	0

See independent auditors' report and notes to financial statements.

Center for FaithJustice, Inc.
(A Nonprofit Corporation)
Statement of Financial Position
As of August 31, 2015

Assets

Current Assets:

Cash & cash equivalents – Note #1	\$329,287
Accounts receivable – Note #1	7,199
Prepaid expenses	3,596
Auction inventory – Note #1	<u>1,050</u>
Total current assets	<u>341,132</u>

Other Assets:

Property & equipment, net – Note #2	<u>12,168</u>
Total other assets	<u>12,168</u>
Total assets	<u>\$353,300</u>

Liabilities and Net Assets

Current Liabilities:

Accounts payable	\$ 655
Deferred revenue – Note #4	<u>4,770</u>
Total current liabilities	<u>5,425</u>

Net Assets:

Unrestricted net assets – Page #3	<u>347,875</u>
Total net assets	<u>347,875</u>
Total liabilities and net assets	<u>\$353,300</u>

See independent auditors' report and notes to financial statements.

Center for FaithJustice, Inc.
(A Nonprofit Corporation)
Notes to Financial Statements
August 31, 2015

#1. Summary of Significant Accounting Policies

Nature of Operations:

The Center for FaithJustice, Inc. is a New Jersey nonprofit corporation, incorporated March, 2007. The Center provides transformative experiences of faith in action, community building, service to those in need and justice education.

Revenue and Cost Recognition:

The organization receives support through youth and adult programs, workshops, training & pastoral ministry programs, along with contributions and special events. Accounts receivable represent monthly billings to parishes for these programs and services and contributions pledged. Other contributions are recognized when received by the organization.

Contributions and Grants:

Contributions and grants received are recorded as unrestricted unless specifically restricted by the donor. Contributions and grants received with donor imposed restrictions that are met in the same year in which they are received are classified as unrestricted contributions. When a restriction expires (that is when a stipulated time restriction ends or purpose of the restriction is accomplished) the contribution or grant is reclassified as unrestricted.

Contributed Services:

The organization generally pays for goods and services, however, many individuals volunteer their time and goods in kind. These contributions are included in the amount of contributions shown on the statement of activities and changes in net assets. For the year ended August 31, 2015, the amount contributed was \$6,415.

Cash and Cash Equivalents:

The organization maintains cash accounts in commercial banks. Accounts are guaranteed by the Federal Deposit Insurance Corporation up to \$250,000. As of August 31, 2015 cash was comprised of balances in several accounts, of which \$6,824 was in excess of the FDIC limit.

Statement of Cash Flows:

The organization uses the indirect method of cash flows and considers cash and cash equivalents as cash. The organization considers cash and cash equivalents as cash. Cash equivalents include time deposits, certificates of deposit, and any highly liquid debt instruments that qualify as current.

Inventory:

Inventory consists of donated items which were recorded as contributions at fair market value.

Center for FaithJustice, Inc.
(A Nonprofit Corporation)

Notes to Financial Statements (Continued)
August 31, 2015

#1. Summary of Significant Accounting Policies (Continued)

Property and Equipment:

Property and equipment is stated at cost, less accumulated depreciation. Depreciation is computed on a straight-line basis over the estimated useful life of the following assets:

Building improvements	5 years
Furniture & office equipment	5 years

Maintenance and repairs are charged to expense as incurred. Major betterments which extend service life are capitalized.

Income Taxes:

The corporation is a nonprofit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The corporation's Form 990, Return of Organization Exempt from Income Tax, for the years ending August 31, 2013, 2014, and 2015 are subject to examination by the Internal Revenue Service which is generally the rule for the three years after they have been filed. Tax returns have all been filed. Currently there are no returns which are under audit.

Use of Estimates:

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities as of the date of the financial statements, and the reported revenues and expenses during the period. Actual results could differ from the estimates that were used in preparing the financial statements.

Advertising Expense:

Advertising costs are expensed in the period paid. There are no prepaid costs or benefits to future periods. Advertising expense was \$3,305 for the year ended August 31, 2015.

#2. Property and Equipment

Property and equipment consist of the following:

Furniture & office equipment	\$18,919
Leasehold improvements	<u>18,629</u>
Total assets	37,548
Less: Accumulated depreciation	<u>25,380</u>
Property and equipment (net)	<u>\$12,168</u>

Depreciation expense for the year ended August 31, 2015 was \$4,372.

Center for Faithjustice, Inc.
(A Nonprofit Corporation)

Note to Financial Statements (Continued)
August 31, 2015

#3. Lease Commitments

Since March, 2009, the Church of St. Ann has permitted the organization to use the Church's Parish House building in Lawrenceville, NJ for an unspecified term.

In October, 2010, the organization entered into an agreement with the Church of St. Ann to use the property in consideration for improvements to be made to the property. There shall be no rental charges associated with the use of the property which extends to September 30, 2015. The organization shall continue payment for utilities, maintenance, repairs and upkeep.

#4. Deferred Revenue

As of August 31, 2015, all restricted grants and contributions were used for their purpose. Deferred revenue consists of rental income for programs in 2016.

#5. Employee Benefits – 401(K) Plan

The organization has adopted a 401(k) plan covering all full time employees which includes matching contributions based on participants elective deferrals. Contributions for the period were \$2,363 which is included in employee benefits.

#6. Subsequent Events Evaluation Date

The organization evaluated subsequent events through December 28, 2015, the date which financial statements were available to be issued. At the organization's October board meeting it was agreed to make a change to the fiscal year from August to September.

To the Trustees and Board of Directors
Center for FaithJustice, Inc.
24 Rossa Avenue
Lawrenceville, New Jersey 08648

INDEPENDENT AUDITORS' REPORT
ON SUPPLEMENTARY INFORMATION

Ladies and Gentlemen:

We have audited the financial statements of Center for FaithJustice, Inc. for the year ended August 31, 2015, and have issued our report thereon dated December 28, 2015, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole.

The schedule of supplementary information is presented for the 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.

Frederick Butcher, CPA, CGMA
Blairstown, NJ 07825-0284
December 28, 2015

Center for FaithJustice, Inc.
(A Nonprofit Corporation)
 Schedule of Supplementary Information
 Year Ended August 31, 2015

Program Expenses:	
Salaries	\$138,497
Payroll taxes	16,105
Employee benefits – Note #5	6,928
Volunteer expense	16,520
Contract services	11,604
Operations expense	6,955
Facilities & equipment expense	20,630
Travel & meetings	5,589
Materials	8,252
Food	23,324
Activity fees	4,514
Services	11,195
Insurance	5,320
Membership fees	970
Advertising	3,305
Processing fees	2,611
Auto expense	49,309
Development expense	<u>36,415</u>
Total program expenses	<u>\$368,044</u>

General & Administrative Expenses:	
Salaries	\$ 26,900
Payroll taxes	1,345
Employee benefits – Note #5	1,732
Contract services	13,967
Operations expense	2,318
Facilities & equipment expense	9,209
Insurance	1,329
Memberships & fees	565
Bank fees	172
Business expense	2,368
Auto expense	5,167
Development expense	8,000
Other expense	<u>1,712</u>
Total general & administrative expenses	<u>\$ 74,784</u>

See independent auditors' report and notes to financial statements.