

**THE GOOD PEOPLE FUND, INC.
FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
Years Ended June 30, 2017 and 2016**

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
The Good People Fund, Inc.

We have audited the accompanying financial statements of The Good People Fund, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2017 and 2016, and the related statements of activities and cash flows for the years 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 of The Good People Fund, Inc. as of June 30, 2017 and 2016, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedules of Functional Expenses are presented for purposes of additional analysis and are 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.

Levine, Jacobs & Company, L.L.C.

November 3, 2017

THE GOOD PEOPLE FUND, INC.
 STATEMENTS OF FINANCIAL POSITION
 June 30, 2017 and 2016

ASSETS

	2017	2016
Cash and Cash Equivalents	\$ 232,954	\$ 236,161
Prepaid Expenses and Other Assets	1,509	3,258
Total Current Assets	234,463	239,419
Property and Equipment - Net	11,936	16,102
Total	\$ 246,399	\$ 255,521

LIABILITIES AND NET ASSETS

Total Liabilities	\$ -	\$ -
Net Assets		
Unrestricted	172,966	163,831
Temporarily Restricted	73,433	91,690
Total Net Assets	246,399	255,521
Total	\$ 246,399	\$ 255,521

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

THE GOOD PEOPLE FUND
STATEMENTS OF ACTIVITIES
Year Ended June 30, 2017
(With Comparative Totals for 2016)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2017 Total</u>	<u>2016 Total</u>
Revenues				
Contributions	\$ 356,016	\$ 1,301,974	\$ 1,657,990	\$ 1,710,276
Investment Income	476	-	476	284
Support and Revenue	356,492	1,301,974	1,658,466	1,710,560
Releases from Restrictions	1,320,231	(1,320,231)	-	-
Total Revenues	<u>1,676,723</u>	<u>(18,257)</u>	<u>1,658,466</u>	<u>1,710,560</u>
Expenses				
Program Services	1,571,252	-	1,571,252	1,561,234
Supporting Services				
General and Administrative	50,651	-	50,651	52,905
Fundraising	45,685	-	45,685	37,758
Total Expenses	<u>1,667,588</u>	<u>-</u>	<u>1,667,588</u>	<u>1,651,897</u>
Change in Net Assets	9,135	(18,257)	(9,122)	58,663
Net Assets at Beginning of Year	<u>163,831</u>	<u>91,690</u>	<u>255,521</u>	<u>196,858</u>
Net Assets at End of Year	<u>\$ 172,966</u>	<u>\$ 73,433</u>	<u>\$ 246,399</u>	<u>\$ 255,521</u>

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

THE GOOD PEOPLE FUND
STATEMENT OF ACTIVITIES
Year Ended June 30, 2016

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2016 Total</u>
Revenues			
Contributions	\$ 375,931	\$ 1,334,345	\$ 1,710,276
Investment Income	284	-	284
Support and Revenue	376,215	1,334,345	1,710,560
Releases from Restrictions	1,312,036	(1,312,036)	-
Total Revenues	<u>1,688,251</u>	<u>22,309</u>	<u>1,710,560</u>
Expenses			
Program Services	1,561,234	-	1,561,234
Supporting Services			
General and Administrative	52,905	-	52,905
Fundraising	37,758	-	37,758
Total Expenses	<u>1,651,897</u>	<u>-</u>	<u>1,651,897</u>
Change in Net Assets	36,354	22,309	58,663
Net Assets at Beginning of Year	<u>127,477</u>	<u>69,381</u>	<u>196,858</u>
Net Assets at End of Year	<u>\$ 163,831</u>	<u>\$ 91,690</u>	<u>\$ 255,521</u>

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

THE GOOD PEOPLE FUND
STATEMENTS OF CASH FLOWS
Years Ended June 30, 2017 and 2016

	2017	2016
Cash Flows from Operating Activities:		
Change in Net Assets	\$ (9,122)	\$ 58,663
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation and Amortization	5,491	5,198
Changes in Assets and Liabilities		
Decrease in Prepaid Expenses and Other Assets	1,749	2,334
Net Cash Provided (Used) by Operating Activities	(1,882)	66,195
Cash Flows from Investing Activities:		
Purchase of Property and Equipment	(1,325)	(15,045)
Net Cash Used by Investing Activities	(1,325)	(15,045)
Net Increase (Decrease) in Cash	(3,207)	51,150
Cash and Cash Equivalents, Beginning of Year	236,161	185,011
Cash and Cash Equivalents, End of Year	\$ 232,954	\$ 236,161

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

THE GOOD PEOPLE FUND, INC.
NOTES TO FINANCIAL STATEMENTS
Years Ended June 30, 2017 and 2016

NOTE 1 – NATURE OF ACTIVITIES

The Good People Fund, Inc. (GPF) is a nonprofit corporation formed on January 30, 2008 in New Jersey.

GPF provides financial support, guidance and mentoring to charitable organizations and individuals that result in a better life for individuals. This support targets those who might otherwise find it difficult to respond to significant problems such as poverty, disability, trauma and social isolation. The beneficiaries of this support are located primarily throughout the United States and Israel.

Support for The Good People Fund, Inc. comes from individual donations and foundation contributions.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements are prepared using the accrual basis of accounting. Contributions are recognized when pledged and expenses are recognized when incurred.

Financial Statement Presentation

External financial reporting by nonprofit organizations requires that resources be classified for accounting and reporting purposes into net asset categories according to externally (donor) imposed restrictions. GPF has accounting transactions in two net asset categories as follows:

Unrestricted net assets – net assets that are not subject to donor-imposed restrictions

Temporarily restricted net assets – net assets that are subject to donor-imposed restrictions that neither expire by passage of time nor can be fulfilled by actions of the GPF.

Functional Allocation of Expenses

The costs of providing the program and supporting services have been summarized on a functional basis in the Statements of Activities and Schedules of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Cash and Cash Equivalents

GPF considers all cash and money market funds on deposit with bank and all highly liquid investments with maturities of three months or less when purchased to be cash equivalents.

THE GOOD PEOPLE FUND, INC.
NOTES TO FINANCIAL STATEMENTS
Years Ended June 30, 2017 and 2016

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment

GFP capitalizes equipment over \$1,000. Lesser amounts are expensed. Purchased property and equipment are capitalized at cost. Donations of equipment are recorded as contributions at their estimated fair value on the date of the donation. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, GFP reports expirations of donor restrictions when the donated or acquired assets are placed in service. GFP reclassifies temporarily restricted net assets to unrestricted net assets at that time. Property and equipment are depreciated using the straight-line method over estimated useful lives:

	Estimated Useful Life <u>(Years)</u>
Furniture and Equipment	5-10
Software	3-5

Depreciation and amortization expense for the years ended June 30, 2017 and 2016 was \$5,491 and \$5,198, respectively.

Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted net assets depending on the existence and nature of any donor restrictions. Support that is not restricted by the donor is reported as an increase in unrestricted net assets. 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 a restriction expires: when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

It is GFP's policy to immediately sell donated securities in order to convert the donation into cash. The value of the donated securities sold during the fiscal year ended 2017 and 2016 totaled \$30,374 and \$29,641, respectively. There were no securities held at June 30, 2017.

Restricted and Unrestricted Revenue

All donor-restricted contributions are reported as increases in temporarily restricted net assets.

THE GOOD PEOPLE FUND, INC.
NOTES TO FINANCIAL STATEMENTS
Years Ended June 30, 2017 and 2016

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

GPF is exempt from federal income taxes under section 501(c) (3) of the United States Internal Revenue Code and from state and local taxes under comparable laws. However, any unrelated business income may be subject to taxation. Currently, GPF has no obligation for any unrelated business income tax. Accordingly, no provision for income taxes is included in the financial statements.

The GPF's Form 990, Return of Organization Exempt from Income Tax, for the years ending, June 30, 2014, 2015 and 2016 is subject to examination by the IRS, generally for three years after it has been filed.

In compliance with IRS regulations, the Fund's Board of Directors reviews the federal exempt organization return, Form 990, before it is filed.

Compensated Absences

Compensated absences for sick pay and personal time have not been accrued since they cannot be reasonably estimated. The Organization's policy is to recognize these costs when actually paid.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that can affect certain reported amounts and disclosures. Actual results could differ from those estimates.

NOTE 3 – CONCENTRATIONS

In the current year, a significant amount of contributions was provided by a small number of contributors. It is always considered reasonably possible that benefactors, grantors or contributors might be lost in the near term.

GPF maintains accounts at a financial institution located in northern New Jersey. Accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000. GPF cash balance did not exceed the FDIC limit as of June 30, 2017 and 2016.

NOTE 4 – PROPERTY AND EQUIPMENT

Equipment consists of the following at:

	<u>June 30, 2017</u>	<u>June 30, 2016</u>
Database Software	\$ 31,195	\$ 31,195
Computers	3,646	2,321
	<u>34,841</u>	<u>33,516</u>
Less Accumulated Depreciation	<u>(22,905)</u>	<u>(17,414)</u>
Equipment, Net	<u>\$ 11,936</u>	<u>\$ 16,102</u>

THE GOOD PEOPLE FUND, INC.
NOTES TO FINANCIAL STATEMENTS
Years Ended June 30, 2017 and 2016

NOTE 4 – PROPERTY AND EQUIPMENT (Continued)

Database Software amortization expense was \$4,894 and \$4,733 for the years ended June 30, 2017 and 2016. Estimated future amortization expense for database software assets is as follows:

<u>June 30,</u>	<u>Amount</u>
2018	\$ 3,009
2019	3,009
2020	3,009
2021	1,505
Thereafter	<u>0</u>
	<u>\$10,532</u>

NOTE 5 – RELATED PARTY TRANSACTION

During the fiscal year ended June 30, 2017, GPF paid \$337 to a company to improve its website. During the fiscal year ended June 30, 2016, GPF paid \$9,956 to a company to improve its website. A principal of the company is a member of the Board of Trustees.

NOTE 6 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through November 3, 2017, the date on which the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

THE GOOD PEOPLE FUND
SCHEDULE OF FUNCTIONAL EXPENSES
Year Ended June 30, 2017

	Program Services	General and Administrative	Fundraising	Total
Grants	\$ 1,463,173	\$ -	\$ -	\$ 1,463,173
Salaries	52,787	11,312	27,464	91,563
Payroll Taxes	4,053	1,157	2,638	7,848
Administrative Support	14,956	4,273	2,137	21,366
Bank and Credit Card Fees	4,594	1,312	656	6,562
Consulting	-	14,183	-	14,183
Depreciation and Amortization	3,426	1,576	489	5,491
Insurance	1,317	377	188	1,882
Marketing	15,775	-	10,517	26,292
Office	-	2,983	-	2,983
Payroll Service	621	178	89	888
Postage and Shipping	785	224	112	1,121
Professional Fees	-	10,287	-	10,287
Telephone and Internet	365	104	52	521
Travel and Entertainment	5,017	1,433	717	7,167
Technology Expense	4,383	1,252	626	6,261
Total	<u>\$ 1,571,252</u>	<u>\$ 50,651</u>	<u>\$ 45,685</u>	<u>\$ 1,667,588</u>

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

THE GOOD PEOPLE FUND
SCHEDULE OF FUNCTIONAL EXPENSES
Year Ended June 30, 2016

	Program Services	General and Administrative	Fundraising	Total
Grants	\$ 1,448,991	\$ -	\$ -	\$ 1,448,991
Salaries	51,912	15,721	15,721	83,354
Payroll Taxes	4,300	1,394	1,352	7,046
Administrative Support	10,634	3,038	1,519	15,191
Bank and Credit Card Fees	3,771	1,077	539	5,387
Consulting	-	14,335	-	14,335
Depreciation and Amortization	3,314	1,411	473	5,198
Insurance	1,316	376	188	1,880
Marketing	24,211	-	16,141	40,352
Office	-	1,425	-	1,425
Payroll Service	603	172	86	861
Postage and Shipping	791	226	113	1,130
Professional Fees	-	10,475	-	10,475
Telephone and Internet	447	128	63	638
Travel and Entertainment	5,957	1,702	851	8,510
Web-related Expenses	4,987	1,425	712	7,124
Total	<u>\$ 1,561,234</u>	<u>\$ 52,905</u>	<u>\$ 37,758</u>	<u>\$ 1,651,897</u>

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