

**INTERFAITH HOSPITALITY NETWORK
OF SOMERSET COUNTY, INC.**

**Financial Statements
December 31, 2019 and 2018**

**INTERFAITH HOSPITALITY NETWORK
OF SOMERSET COUNTY, INC.**

Financial Statements

December 31, 2019 and 2018

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Certified Public Accountants & Business Advisors

INDEPENDENT AUDITOR'S REPORT

P.O. Box 409
75 S. Maple Avenue
Basking Ridge, NJ 07920

T 908.766.8240
F 908.766.8241
www.taborcpas.com

To the Board of Trustees
**INTERFAITH HOSPITALITY NETWORK
OF SOMERSET COUNTY, INC.**
98 West End Avenue
Somerville, NJ 08876

We have audited the accompanying statements of financial position of **INTERFAITH HOSPITALITY NETWORK OF SOMERSET COUNTY, INC.** (a nonprofit organization) as of December 31, 2019 and 2018, and the related statements of activities, functional expenses 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.

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.

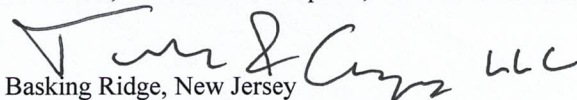
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **INTERFAITH HOSPITALITY NETWORK OF SOMERSET COUNTY, INC.** as of December 31, 2018, 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.

Report on Summarized Comparative Information

We have previously audited the **INTERFAITH HOSPITALITY NETWORK OF SOMERSET COUNTY, INC.'S** 2017 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 16, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.


Basking Ridge, New Jersey

November 6, 2020

INTERFAITH HOSPITALITY NETWORK OF SOMERSET COUNTY, INC.**Statements of Financial Position****December 31,**

	<u>2019</u>	<u>2018</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 265,310	\$ 283,675
Accounts receivable	41,038	44,008
Prepaid expenses	6,907	4,591
Total current assets	<u>313,255</u>	<u>332,274</u>
EQUIPMENT - AT COST		
Automobiles	11,995	-
Improvements	83,773	59,596
	<u>95,768</u>	<u>59,596</u>
Less: Accumulated depreciation	<u>(48,130)</u>	<u>(32,349)</u>
Total equipment	<u>47,638</u>	<u>27,247</u>
TOTAL ASSETS	<u>\$ 360,893</u>	<u>\$ 359,521</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 3,449	\$ 966
Credit card liability	594	1,130
Total current liabilities	<u>4,043</u>	<u>2,096</u>
NET ASSETS		
Net assets without donor restrictions	\$ 355,723	333,321
Net assets with donor restrictions	1,127	24,104
Total net assets	<u>356,850</u>	<u>357,425</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 360,893</u>	<u>\$ 359,521</u>

See notes to the financial statements

INTERFAITH HOSPITALITY NETWORK OF SOMERSET COUNTY, INC.

Statement of Support, Revenue and Expenses

For the Year Ended December 31, 2019 with summarized totals for 2018

	2019		2019	2018
	Without Donor Restrictions	With Donor Restrictions		
SUPPORT AND REVENUE				
In kind donations	\$ 1,117,538	\$ -	\$ 1,117,538	\$ 1,106,400
CDGB special donation	90,940	-	90,940	114,850
Religious organizations	64,101	-	64,101	51,736
Individuals	43,793	-	43,793	25,480
Work First New Jersey	31,970	-	31,970	50,747
Corporations	31,800	-	31,800	24,624
Fundraising events	19,664	-	19,664	12,310
Foundations	13,000	-	13,000	44,980
Immaculate Conception Parish	13,000	-	13,000	13,000
Sunrise contributions	8,547	-	8,547	8,616
Interest income	3,687	23	3,710	2,616
Miscellaneous income	700	-	700	2,450
United Way special donation	-	-	-	25,233
Total support, and revenue	<u>1,438,740</u>	<u>23</u>	<u>1,438,763</u>	<u>1,483,042</u>
EXPENSES				
Program services	1,376,977	23,000	1,399,977	1,374,521
Management and general	35,012	-	35,012	34,687
Fundraising	4,349	-	4,349	742
Total expenses	<u>1,416,338</u>	<u>23,000</u>	<u>1,439,338</u>	<u>1,409,950</u>
Change in net assets	22,402	(22,977)	(575)	73,092
Net assets at beginning of year	<u>333,321</u>	<u>24,104</u>	<u>357,425</u>	<u>284,333</u>
Net assets at end of year	<u>\$ 355,723</u>	<u>\$ 1,127</u>	<u>\$ 356,850</u>	<u>\$ 357,425</u>

See notes to the financial statements

INTERFAITH HOSPITALITY NETWORK OF SOMERSET COUNTY, INC.

Statements of Cash Flows

December 31,

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities		
Changes in net assets	\$ (575)	\$ 73,092
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	15,781	11,993
Changes in operating assets and liabilities:		
Accounts receivable	2,970	(9,814)
Prepaid expenses	(2,316)	(1,090)
Accounts payable	2,483	770
Credit card liability	(536)	89
Net cash provided/(used) by operations	<u>17,807</u>	<u>75,040</u>
Cash flows from investing activities		
Purchase of improvements	<u>(36,172)</u>	<u>(20,823)</u>
Net cash (used) in investing activities	(36,172)	(20,823)
Net increase/(decrease) in cash and cash equivalents	(18,365)	54,217
Cash and cash equivalents - beginning	<u>283,675</u>	<u>229,458</u>
Cash and cash equivalents - ending	<u>\$ 265,310</u>	<u>\$ 283,675</u>

See notes to the financial statements

INTERFAITH HOSPITALITY NETWORK OF SOMERSET COUNTY, INC.

Statements of Functional Expenses

For the Year Ended December 31, 2019 with summarized totals for 2018

	2019				
	<u>Program Services</u>	<u>Management and General</u>	<u>Fund Raising</u>	<u>2019 Total</u>	<u>2018 Total</u>
In kind expenses	\$ 1,117,538	\$ -	\$ -	\$ 1,117,538	\$ 1,106,400
Salaries	128,754	15,368	-	144,122	131,560
Designated specific client/task	49,617	-	-	49,617	60,808
Payroll taxes and benefits	38,012	4,223	-	42,235	35,406
Depreciation	15,781	-	-	15,781	11,993
Rent expense	13,000	-	-	13,000	13,000
Guest expense	11,389	-	-	11,389	11,351
Insurance	10,559	-	-	10,559	9,058
Vehicle	10,288	-	-	10,288	11,152
Professional fees	-	9,312	-	9,312	9,008
Office and miscellaneous	-	6,109	-	6,109	4,568
Utilities	4,992	-	-	4,992	4,902
Fundraising	-	-	4,349	4,349	742
Advertising	47	-	-	47	2
Total Expenses	<u>\$ 1,399,977</u>	<u>\$ 35,012</u>	<u>\$ 4,349</u>	<u>\$ 1,439,338</u>	<u>\$ 1,409,950</u>

See notes to the financial statements

INTERFAITH HOSPITALITY NETWORK OF SOMERSET COUNTY, INC.

Notes to the Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

INTERFAITH HOSPITALITY NETWORK OF SOMERSET COUNTY, INC. is a New Jersey non-profit corporation whose purpose is to provide temporary shelter programs providing meals, shelter and counseling services for women, children and their families. The Organization is qualified under Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income tax.

Basis of Presentation

Financial statement presentation follows the recommendations of the Accounting Standards Codification 958-205 "Not-for-Profit Entities - Presentation of Financial Statements" (formerly FAS 117). Under ASC 958-205, the Organization is required to 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.

Public Support and Revenue

Contributions are generally available for unrestricted use in the related campaign year unless specifically restricted by the donor. Unconditional promises to give are recorded as received.

Grants and other contributions of cash and other assets are reported as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, 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.

Donated Goods and Services

Contributions of donated noncash assets are recorded at their fair values in the period received as unrestricted revenue. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received. Donated goods and services for the years ended December 31,

	2019	2018
Hosting supervision and support	\$ 580,390	\$ 595,620
Shelter provided by religious organizations	287,125	274,125
Vehicles and vehicle repair	76,800	69,050
Furnishing apartments	49,625	48,725
Meal planning and preparation	37,788	35,800
Sunrise House	26,800	25,600
Holiday support	20,500	17,000
Host moving and setup	10,000	10,130
Food, Clothing and supplies	11,110	9,700
Flynn Day Center	6,300	8,800
Volunteer services, pro bono tutoring, mentoring	7,200	6,000
Scholarships	3,900	5,850
	<u>\$ 1,117,538</u>	<u>\$ 1,106,400</u>
Immaculate Conception Parish	<u>\$ 13,000</u>	<u>\$ 13,000</u>

INTERFAITH HOSPITALITY NETWORK OF SOMERSET COUNTY, INC.
Notes to the Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Donated Facilities

On August 1, 2016 the Organization entered into a lease agreement with North Branch Reformed Church for property including house and garage in Bridgewater, NJ to be used as transitional housing. The term of the lease is effective August 1, 2016 through July 31, 2017. The lease was extended on July 18, 2019 until July 31, 2020. The lease calls for a monthly base contribution of \$400, plus utilities. Total contributions paid to North Branch Reformed Church for the years ended December 31, 2019, and 2018 were \$23,302 and \$23,551 respectively.

Minimum contributions on an annual basis, are as follows:

2020	\$	6,000
2021		6,000
	<u>\$</u>	<u>12,000</u>

In addition to the use of the house and garage, the Organization entered into a lease agreement with the Church of the Immaculate Conception for office space for the Organization's operations. The Organization has renewed the existing lease through November 30, 2019. At this time they are on a month to month verbal agreement. The fair value of the lease is estimated at \$13,000 per year and has been reported as a contribution by the Church.

Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Property and Equipment

Property and equipment is carried at cost. Donated equipment is capitalized at its fair market value at the date of receipt. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets: 5 to 10 years for furniture and fixtures, 5 years for equipment, 10 years for leasehold improvements and 5 years for vehicles. Repairs and maintenance which do not extend the useful life of the related assets are expensed as incurred. It is the Organization's policy to capitalize property and equipment over \$500.

NOTE 2 CONCENTRATION OF CREDIT RISK

The Organization maintains cash balances at three financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC insured) up to \$250,000. At various times there were balances in the bank that were over the FDIC limit. However, at December 31, 2019 and 2018, the Organization had no uninsured cash balances.

INTERFAITH HOSPITALITY NETWORK OF SOMERSET COUNTY, INC.
Notes to the Financial Statements

NOTE 3 COMPARATIVE FINANCIAL STATEMENTS

The financial statements include certain prior-year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2018, from which the summarized information was derived.

NOTE 2 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following purposes or periods:

	<u>2019</u>	<u>2018</u>
CDGB	\$ -	\$ 23,000.00
Individual Funds	1,127	1,104
	<u>\$ 1,127</u>	<u>\$ 24,104</u>