

**HOME OF SOMERSET COUNTY INC.**  
**formerly: Interfaith Hospitality Network**  
**Financial Statements**  
**December 31, 2022 and 2021**

**HOME OF SOMERSET COUNTY, INC.**  
**formerly Interfaith Hospitality Network**  
**Financial Statements**  
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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

**HOME OF SOMERSET COUNTY, INC.**

**formerly: Interfaith Hospitality Network of Somerset County Inc.**

98 West End Avenue  
Somerville, NJ 08876

We have audited the accompanying statements of financial position of **HOME OF SOMERSET COUNTY INC.**(a nonprofit organization) as of December 31, 2022 and 2021, 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 HOME OF SOMERSET COUNTY INC. as of December 31, 2022, 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 HOME OF SOMERSET COUNTY INC.'S 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated August 29, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

  
Basking Ridge, New Jersey  
October 5, 2023

**HOME OF SOMERSET COUNTY INC.**  
**Statements of Financial Position**  
**December 31,**

	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 374,927	\$ 326,805
Accounts receivable	40,419	30,697
Prepaid expenses	5,328	5,709
<b>Total current assets</b>	<u>420,674</u>	<u>363,211</u>
<b>EQUIPMENT - AT COST</b>		
Automobiles	11,995	11,995
Improvements	94,683	94,683
	<u>106,678</u>	<u>106,678</u>
Less: Accumulated depreciation	(70,114)	(64,558)
<b>Total equipment</b>	<u>36,564</u>	<u>42,120</u>
<b>TOTAL ASSETS</b>	<u>\$ 457,238</u>	<u>\$ 405,331</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 4,225	\$ 7,543
Credit card liability	170	24
<b>Total current liabilities</b>	<u>4,395</u>	<u>7,567</u>
<b>NET ASSETS</b>		
Net assets without donor restrictions	\$ 452,614	397,578
Net assets with donor restrictions	229	186
<b>Total net assets</b>	<u>452,843</u>	<u>397,764</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 457,238</u>	<u>\$ 405,331</u>

See notes to the financial statements

**HOME OF SOMERSET COUNTY INC.****Statement of Support, Revenue and Expenses****For the Year Ended December 31, 2022 with summarized totals for 2021**

	2022		2021
	Without Donor Restrictions	With Donor Restrictions	2021 Total
			2022 Total
<b>SUPPORT AND REVENUE</b>			
In kind donations	\$ 1,085,732	\$ -	\$ 1,085,732
CDGB special donation	99,760	-	99,760
Fundraising events	86,873	-	86,873
Foundations	55,003	-	55,003
Religious organizations	47,389	-	47,389
Individuals	38,749	-	38,749
Corporations	19,000	-	19,000
Immaculate Conception Parish	13,000	-	13,000
Sunrise contributions	7,486	-	7,486
Interest income	1,681	43	1,724
Miscellaneous income(non-taxable)	-	-	-
<b>Total support, and revenue</b>	<u>1,454,673</u>	<u>43</u>	<u>1,454,716</u>
<b>EXPENSES</b>			
Program services	1,352,846	-	1,352,846
Management and general	28,937	-	28,937
Fundraising	17,854	-	17,854
<b>Total expenses</b>	<u>1,399,637</u>	<u>-</u>	<u>1,399,637</u>
<b>Change in net assets</b>	55,036	43	55,079
<b>Net assets at beginning of year</b>	<u>397,578</u>	<u>186</u>	<u>397,764</u>
<b>Net assets at end of year</b>	<u>\$ 452,614</u>	<u>\$ 229</u>	<u>\$ 397,764</u>

See notes to the financial statements

**HOME OF SOMERSET COUNTY INC.****Statements of Cash Flows****December 31,**

	<u>2022</u>	<u>2021</u>
<b>Cash flows from operating activities</b>		
Changes in net assets	\$ 55,079	\$ 3,310
<b>Adjustments to reconcile net income to net cash provided by operating activities:</b>		
Depreciation	5,556	5,556
<b>Changes in operating assets and liabilities:</b>		
Accounts receivable	(9,722)	(8,693)
Prepaid expenses	381	2,310
Accounts payable	(3,318)	6,115
Credit card liability	146	(36)
PPP/SBA loan	-	(4,000)
<b>Net cash provided by operations</b>	<u>48,122</u>	<u>4,562</u>
<b>Cash flows from investing activities</b>		
Purchase of improvements	-	-
<b>Net cash (used) in investing activities</b>	-	-
<b>Net increase/(decrease) in cash and cash equivalents</b>	48,122	4,562
<b>Cash and cash equivalents - beginning</b>	<u>326,805</u>	<u>322,243</u>
<b>Cash and cash equivalents - ending</b>	<u>\$ 374,927</u>	<u>\$ 326,805</u>

See notes to the financial statements

**HOME OF SOMERSET COUNTY INC.****Statements of Functional Expenses****For the Year Ended December 31, 2022 with summarized totals for 2021**

	2022				
	<u>Program Services</u>	<u>Management and General</u>	<u>Fund Raising</u>	<u>2022 Total</u>	<u>2021 Total</u>
In kind expenses	\$ 1,072,732	\$ -	\$ -	\$ 1,072,732	\$ 1,068,427
Salaries	141,068	8,921	-	149,989	139,248
Payroll taxes and benefits	44,004	2,782	-	46,786	41,732
Designated specific client/task	41,798	-	-	41,798	44,329
Fundraising	-	-	17,854	17,854	4,415
Rent expense	13,000	-	-	13,000	13,000
Guest expense	11,059	-	-	11,059	10,294
Insurance	10,224	-	-	10,224	12,320
Office and miscellaneous	-	8,817	-	8,817	8,509
Professional fees	-	8,417	-	8,417	9,045
Vehicle	5,892	-	-	5,892	2,333
Depreciation	5,556	-	-	5,556	5,556
Utilities	5,142	-	-	5,142	5,142
Advertising	2,371	-	-	2,371	1,306
<b>Total Expenses</b>	<u>\$ 1,352,846</u>	<u>\$ 28,937</u>	<u>\$ 17,854</u>	<u>\$ 1,399,637</u>	<u>\$ 1,365,656</u>

See notes to the financial statements

# HOME OF SOMERSET COUNTY, INC.

## Notes to the Financial Statements

### NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Nature of Activities

**HOME 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. Effective January 1, 2020, the Organization changed its name from Interfaith Hospitality Network of Somerset County, Inc. to **HOME OF SOMERSET COUNTY, INC.**

#### 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,

	2022	2021
Hosting supervision and support	\$ 595,000	\$ 580,390
Shelter provided by religious organizations	257,232	257,232
Holiday support	37,200	36,680
Meal planning and preparation	40,000	39,686
Vehicles and vehicle repair	2,000	18,339
Sunrise House	26,800	26,800
Furnishing apartments	23,300	26,000
Food, Clothing and supplies	52,000	34,823
Volunteer services, pro bono tutoring, mentoring	12,100	7,100
Flynn Day Center	8,000	6,885
Host moving and setup	2,100	5,600
Scholarships	30,000	28,892
	<u>\$ 1,085,732</u>	<u>\$ 1,068,427</u>
Immaculate Conception Parish	<u>\$ 13,000</u>	<u>\$ 13,000</u>

# HOME 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 August 18, 2023 until July 31, 2024. 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, 2022, and 2021 were \$23,520 and \$23,520 respectively.

Minimum contributions on an annual basis, are as follows:

2023	\$	6,000
2024		6,000
	\$	<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, 2022. 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, 2022 and 2021, the Organization had no uninsured cash balances.

# HOME 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, 2021, from which the summarized information was derived.

### NOTE 4 NET ASSETS WITH DONOR RESTRICTIONS

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

	<u>2022</u>	<u>2021</u>
Individual funds	\$ 230	\$ 186
	<u>\$ 230</u>	<u>\$ 186</u>

### NOTE 5 PAYCHECK PROTECTION PROGRAM (PPP) LOAN

On May 4, 2020, the Company received loan proceeds in the amount of \$29,400 under the Paycheck Protection Program(PPP). The PPP, was established as part of the CARES Act, provides for loans to qualifying businesses for amounts up to 2.5 times the average monthly payroll expenses of the qualifying business. The loans and accrued interest are forgivable as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent, utilities and maintains its payroll levels. The amount of loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during the covered period.

The unforgiven portion of the PPP loan is payable over two years at an interest rate of 1% per annum, with deferral of payments for the first six months. The Company intends to use the proceeds for purposes consistent with the PPP.

On January 7, 2021 the remaining balance of \$4,000 loan was repaid in full. The forgiven amount of the PPP loan totaled \$25,400.

### NOTE 6 Subsequent events

The Financial Accounting Standards Board has established general standards of accounting for and disclosure of events that occur after the balance sheet date but before the date that the financial statements are issued or are available to be issued. These standards also require disclosure of the date through which an entity has evaluated subsequent events. Accordingly, the Company has evaluated, for potential recognition and disclosure, events that have occurred through June 30, 2023, the date the financial statements were available to be issued.

As a result of the spread of Covid-19 coronavirus, economic uncertainties have arisen which are likely to negatively impact the sales and profitability. However, at this point, the extent to which the Covid-19 pandemic may impact the Company's financial condition or results of operations is uncertain.