

**MONMOUTH COUNTY SOCIETY FOR THE  
PREVENTION OF CRUELTY TO ANIMALS**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2021**

**ROGER K. STEIN, CPA LLC**  
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MEMBER:  
NEW JERSEY SOCIETY OF  
CERTIFIED PUBLIC ACCOUNTANTS

LICENSED:  
NEW JERSEY & NEW YORK

Independent Auditor's Report

TO: THE BOARD OF TRUSTEES  
MONMOUTH COUNTY SOCIETY FOR THE  
PREVENTION OF CRUELTY TO ANIMALS  
EATONTOWN, NEW JERSEY

**Opinion**

I have audited the accompanying financial statements of the Monmouth County Society for the Prevention of Cruelty to Animals (a nonprofit organization) which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Monmouth County Society for the Prevention of Cruelty to Animals as of December 31, 2021, 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.

**Basis for Opinion**

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of the Monmouth County Society for the Prevention of Cruelty to Animals and to meet my other ethical responsibilities in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

**Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Monmouth County Society for the Prevention of Cruelty to Animal's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, I:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Monmouth County Society for the Prevention of Cruelty to Animal's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Monmouth County Society for the Prevention of Cruelty to Animal's ability to continue as a going concern for a reasonable period of time.

I am required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that I identified during the audit.



ROGER K. STEIN, CPA LLC

Neptune, New Jersey

June 27, 2022

MONMOUTH COUNTY SOCIETY FOR THE  
PREVENTION OF CRUELTY TO ANIMALS  
STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2021

ASSETS

Current Assets:

Cash	\$ 3,206,710
Accounts receivable	147,414
Prepaid expenses	33,825
<u>Total Current Assets</u>	<u>3,387,949</u>

Property, Buildings and Equipment:

Land	14,265
Buildings and improvements	8,129,712
Equipment and furniture	1,169,419
Transportation equipment	427,127
Leasehold improvements	213,896
Construction in Progress	105,000
	<u>10,059,419</u>
Less: Accumulated depreciation	<u>(4,342,991)</u>
<u>Net Property, Buildings and Equipment</u>	<u>5,716,428</u>

Other Assets:

Investments	<u>3,396,791</u>
<u>Total Assets</u>	<u>\$ 12,501,168</u>

LIABILITIES

Current Liabilities:

Accounts payable	\$ 106,934
Accrued expenses	79,764
Note payable - current portion	54,582
	<u>241,280</u>

Other Liabilities:

Note payable - long term portion	<u>1,996,375</u>
<u>Total Liabilities</u>	<u>2,237,655</u>

NET ASSETS

Without donor restrictions	9,250,207
With donor restrictions	1,013,306
<u>Total Net Assets</u>	<u>10,263,513</u>
<u>Total Liabilities and Net Assets</u>	<u>\$ 12,501,168</u>

The accompanying notes are an integral  
part of these Financial Statements.

MONMOUTH COUNTY SOCIETY FOR THE  
PREVENTION OF CRUELTY TO ANIMALS  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, gains, and other support:			
Contributions of cash and other financial assets	\$ 1,815,512	\$ 1,217,804	\$ 3,033,316
Contributions of nonfinancial assets	36,346	-	36,346
Program fees - Animal Services	684,546	-	684,546
Program fees - Medical Clinic	1,193,896	-	1,193,896
Program fees - Community Services	400	-	400
Program fees and fines - Law Enforcement	2,177	-	2,177
Sales - Animal Supplies	16,119	-	16,119
Sales - Thrift Store	149,524	-	149,524
Animal control contracts	728,923	-	728,923
Fund-raisers - Gross revenues of \$ 718,578			
Less expenses of ( 106,388)	612,190	-	612,190
Bequests	682,223	-	682,223
Forgiveness of SBA PPP Loan	520,000	-	520,000
Investment income, net	188,994	-	188,994
Net unrealized and realized gains on investments	103,847	-	103,847
Miscellaneous income	1,241	-	1,241
	<u>6,735,938</u>	<u>1,217,804</u>	<u>7,953,742</u>
Net assets released from restrictions:			
Satisfaction of program restrictions	466,150	(466,150)	-
Total revenues, gains, and other support	<u>7,202,088</u>	<u>751,654</u>	<u>7,953,742</u>
Expenses:			
Program services	4,839,954	-	4,839,954
Supporting services			
Management and general	414,543	-	414,543
Fund-raising	603,453	-	603,453
	<u>5,857,950</u>	<u>-</u>	<u>5,857,950</u>
<u>Change in net assets</u>	<u>1,344,138</u>	<u>751,654</u>	<u>2,095,792</u>
Net assets at beginning of year	7,906,069	261,652	8,167,721
Net assets at end of year	<u>\$ 9,250,207</u>	<u>\$ 1,013,306</u>	<u>\$ 10,263,513</u>

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MONMOUTH COUNTY SOCIETY FOR THE  
PREVENTION OF CRUELTY TO ANIMALS  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Program Services</u>				<u>Supporting Services</u>				
	Animal Services	Medical Clinic	Community Services	Law Enforcement	Program Services Total	Management and General	Fund- raising	Supporting Services Total	Total
Salaries and wages	\$ 1,488,302	\$ 730,645	\$ 40,110	\$ 130,357	\$ 2,389,414	\$ 275,542	\$ 265,069	\$ 540,611	\$ 2,930,025
Payroll taxes	167,654	79,484	4,546	13,056	264,740	26,368	27,171	53,539	318,279
Employee benefits	103,096	75,566	7,290	234	186,186	9,502	22,810	32,312	218,498
Utilities	88,616	9,848	17,660	739	116,863	5,663	2,954	8,617	125,480
Supplies, drugs and food	363,410	371,252	65	-	734,727	-	-	-	734,727
Merchandise supplies	9,290	-	-	-	9,290	-	-	-	9,290
Professional fees	-	-	-	-	-	12,300	-	12,300	12,300
Medical assistance	59,220	96,210	-	-	155,430	-	-	-	155,430
Training and education	-	-	5,835	-	5,835	-	-	-	5,835
Insurance	119,702	60,821	3,422	21,202	205,147	19,204	6,599	25,803	230,950
Maintenance and repairs	69,596	10,170	8,732	469	88,967	3,595	1,875	5,470	94,437
Public relations and newsletter	-	-	19,068	-	19,068	-	-	-	19,068
Office and general	124,504	68,865	3,300	8,918	205,587	35,883	20,466	56,349	261,936
Credit card fees	12,778	22,638	6,208	-	41,624	-	22,267	22,267	63,891
Depreciation	238,980	27,157	35,304	2,037	303,478	15,615	8,147	23,762	327,240
Travel and conferences	3,013	2,228	-	-	5,241	5,296	-	5,296	10,537
Fund-raising expense	-	-	-	-	-	-	223,186	223,186	223,186
Interest	85,328	9,697	12,605	727	108,357	5,575	2,909	8,484	116,841
Total	<u>\$ 2,933,489</u>	<u>\$ 1,564,581</u>	<u>\$ 164,145</u>	<u>\$ 177,739</u>	<u>\$ 4,839,954</u>	<u>\$ 414,543</u>	<u>\$ 603,453</u>	<u>\$ 1,017,996</u>	<u>\$ 5,857,950</u>

The accompanying notes are an integral  
part of these Financial Statements.

MONMOUTH COUNTY SOCIETY FOR THE  
PREVENTION OF CRUELTY TO ANIMALS  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2021

CASH FLOWS FROM OPERATING ACTIVITIES:

Increase in net assets	\$ 2,095,792
Adjustments to reconcile changes in net assets to net cash provided by operating activities:	
Depreciation and amortization	327,856
Loan forgiveness	(520,000)
Net unrealized and realized gains on investments	(103,847)
Noncash contribution of assets	(5,741)
(Increase) decrease in operating assets:	
Accounts receivable	(63,673)
Prepaid expenses	8,226
Increase (decrease) in operating liabilities:	
Accounts payable	(806)
Accrued expenses	17,773
	<hr/>
<u>NET CASH PROVIDED BY OPERATING ACTIVITIES</u>	<u>1,755,580</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchase of property and equipment	(146,803)
Construction in progress	(105,000)
Purchase of investments	(4,182,080)
Sale of investments	4,023,411
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<u>NET CASH USED BY INVESTING ACTIVITIES</u>	<u>(410,472)</u>

CASH FLOWS FROM FINANCING ACTIVITIES:

Reduction of note payable	<hr/> (52,251)
NET INCREASE IN CASH	1,292,857
CASH AT JANUARY 1, 2021	<hr/> 1,913,853
CASH AT DECEMBER 31, 2021	<u><u>\$ 3,206,710</u></u>

The accompanying notes are an integral  
part of these Financial Statements.



MONMOUTH COUNTY SOCIETY FOR THE  
PREVENTION OF CRUELTY TO ANIMALS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

Note 1 - Summary of Significant Accounting Policies -

Nature of Activities - The Organization is a nonprofit corporation which provides shelter and care for animals, humane law enforcement, informational services to the community regarding animal care, a clinic that spays and neuters animals as well as providing other care.

Basis of Presentation - The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

The Organization reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

Without donor restrictions - Resources available to support operations and are not subject to donor restrictions.

With donor restrictions - Resources that are subject to donor-imposed restrictions. When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

Contributions - Unconditional promises to give are recognized as revenue when the underlying promises are received by the Organization. If there is no unconditional promise, the contribution is recognized when received. Contributions received are recorded as support without donor restrictions or support with donor restrictions according to donor stipulations that limit the use of these assets due to time or purpose restrictions. Grants and other contributions of cash and other assets are reported as support with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Contributed Services - During the year ended December 31, 2021, the value of contributed services meeting the requirements for recognition in the financial statements totaled \$34,800 which was for professional medical services. No amounts have been reflected in the financial statements for other contributed services; however, a substantial number of volunteers have donated significant amounts of their time in relation to the Organization's program services and other activities.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Management periodically evaluates estimates used in the preparation of the financial statements for continued reasonableness. Appropriate adjustments, if any, to the estimates used are made prospectively based upon such periodic evaluation. Management believes that the estimates and assumptions are reasonable in the circumstances.



MONMOUTH COUNTY SOCIETY FOR THE  
PREVENTION OF CRUELTY TO ANIMALS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

Note 1 - (continued)

Accounts Receivable - The Organization has animal housing contracts with various towns in Monmouth County which are earned and billed monthly. On a periodic basis, the Organization evaluates its accounts receivable and, if necessary, establishes an allowance for credit losses. There was no allowance for credit losses at December 31, 2021.

Revenue Recognition - The Organization has adopted the guidance under Financial Accounting Standard Board's Accounting Standards Codification (ASC) 606, Revenue from Contracts with Customers, which requires the recognition of revenue when promised services are transferred to customers in an amount that reflects the consideration to which the Organization expects to be entitled in exchange for those services.

Program Service Fees - The Organization charges fees for adoption, shelter, medical services, and animal supplies. The revenue is billed, collected and recognized when the service is rendered.

Gift Shop - The Organization recognizes revenue from its retail operations when the sale is made. The Organization collects sales tax on certain transactions and remits to the State of New Jersey. The Organization's accounting policy is to exclude the tax collected and remitted to the State from revenues and cost of sales.

The Organization adopted the guidance under FASB ASC 405-20-40-1 in regards to recognition of the proceeds of the SBA Paycheck Protection Program loan. The proceeds of the loan were recorded as a liability until the loan was forgiven and the Organization was legally released from the liability. The Organization's loan in the amount of \$520,000 was forgiven in full in March 2021.

Property and Equipment - Property and equipment are carried at cost. Depreciation and amortization are computed using the straight-line and accelerated methods over the estimated useful lives of the assets. Expenditures for major renewals and betterments that extend the useful lives of property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense, as incurred. Depreciation and amortization expense for the year was \$327,856.

Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as support without donor restrictions 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 support with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

Income Taxes - The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

MONMOUTH COUNTY SOCIETY FOR THE  
PREVENTION OF CRUELTY TO ANIMALS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

Note 1 - (continued)

The Organization evaluates its uncertain tax positions and accordingly, a loss contingency is recognized when it is probable that a liability has been incurred as of the date of the financial statements and the amount of the loss can be reasonably estimated. The amount recognized is subject to estimate and management judgment with respect to the likely outcome of each uncertain tax position. The amount that is ultimately sustained for an individual uncertain tax position or for all uncertain tax positions in the aggregate could differ from the amount recognized. As of December 31, 2021, the Organization recognized no liability on uncertain tax positions.

Investments - The Organization's investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in net assets without donor restrictions if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

Fair Value - The Organization has a number of financial instruments, none of which are held for trading purposes. The Organization estimates that the fair value of all financial instruments at December 31, 2021, does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying statement of financial position. The estimated fair value amounts have been determined by the Organization using available market information and appropriate valuation methodologies. Marketable equity and U.S. government securities are valued at quoted prices in active markets for identical assets (Level I). Considerable judgment is necessarily required in interpreting market data to develop the estimates of fair value, and, accordingly, the estimates are not necessarily indicative of the amounts that the Organization could realize in a current market exchange.

Note 2 - Investments - In 2021, the Organization incurred investment expenses of \$22,091 which is reflected in investment income on the statement of activities. As of May 31, 2022, the fair market value of marketable securities was down 11% from December 31, 2021. Management has made no adjustment as of the report date. Cost and fair value of investments at December 31, 2021 are as follows:

	<u>Cost</u>	<u>Gross Unrealized Gains</u>	<u>Gross Unrealized Losses</u>	<u>Gross Fair Value</u>
Available for sale				
Equity Securities (Level I)				
Technology	\$ 5,741	\$ 132	\$( 54)	\$ 5,819
Mutual Funds	<u>2,299,873</u>	<u>27</u>	<u>( 139,213)</u>	<u>2,160,687</u>
	2,305,614	159	( 139,267)	2,166,506
Exchange-Traded Funds (Level 1)	1,244,811	9,243	( 23,769)	1,230,285
Corporate Debt (Level I)				
Financial	<u>98,282</u>	<u>-</u>	<u>( 98,282)</u>	<u>-</u>
Total Investments	<u>\$3,648,707</u>	<u>\$ 9,402</u>	<u>\$( 261,318)</u>	<u>\$ 3,396,791</u>

MONMOUTH COUNTY SOCIETY FOR THE  
PREVENTION OF CRUELTY TO ANIMALS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

- Note 3 - Line of Credit - The Organization has a \$250,000 line of credit with Lakeland Bank, of which none was outstanding as of December 31, 2021. The rate is the Wall Street Journal prime rate plus 1.0% floating, with a floor of 5.0%. The line of credit, secured by a mortgage on the Eatontown property, is due to expire October 2023.
- Note 4 - Note Payable - The Organization has a mortgage note with Lakeland Bank of which \$2,060,921 was outstanding as of December 31, 2021. The mortgage note, secured by the Eatontown property, is payable in monthly installments including interest currently at 5.5%. The interest rate adjusts to the 5-year US Treasury Note rate in effect on April 1, 2021 plus 3% per year, with a floor of 5.5%. The rate adjusts every five years beginning May 1, 2024 and thereafter. The mortgage note is due April 2039.

The Organization has adopted the requirements in FASB ASC 835-30 to present debt issuance costs as a reduction of the carrying amount of the debt rather than as an asset. Amortization of the debt issuance costs is reported as interest expense in the statement of functional expenses.

Long-term debt at December 31, 2021, consisted of the following:

Note Payable	\$ 2,060,921
Less: Unamortized debt issuance costs	<u>9,964</u>
Long-term debt, less unamortized Debt issuance costs	2,050,957
Less: current portion	<u>54,582</u>
Total long-term debt, less current Portion	<u>\$ 1,996,375</u>

Maturity of long-term debt is as follows:

<u>Year ending December 31,</u>	<u>Amount</u>
2022	\$ 54,582
2023	57,696
2024	60,985
2025	64,460
2026	68,131
Thereafter	<u>1,745,103</u>
	<u>\$ 2,050,957</u>

MONMOUTH COUNTY SOCIETY FOR THE  
PREVENTION OF CRUELTY TO ANIMALS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

Note 5 - Net Assets With Donor Restrictions - Activities related to net assets with donor restrictions in the year ended December 31, 2021 are summarized as follows:

	Net Assets With Donor Restrictions- Beginning Of Year	Restricted Donations Received During Year	Restrict- ions Satisfied by Payments	Net Assets With Donor Restrictions- End of Year
Animal Services	\$ 172,673	\$ 186,010	\$ 179,274	\$ 179,409
Medical Clinic	68,979	86,794	86,366	69,407
Payroll/Staffing	-	350,000	67,651	282,349
Building Improvements	<u>20,000</u>	<u>595,000</u>	<u>132,859</u>	<u>482,141</u>
Total	<u>\$ 261,652</u>	<u>\$ 1,217,804</u>	<u>\$ 466,150</u>	<u>\$ 1,013,306</u>

Note 6 - Liquidity - The following reflects the Organization's financial assets as of December 31, 2021, reduced by amounts not available for general use because of contractual, donor-imposed or board-imposed restrictions within one year of the statement of financial position date:

Financial assets at December 31, 2021:	
Cash	\$ 3,206,710
Accounts receivable	147,414
Investments	<u>3,396,791</u>
	<u>\$ 6,750,915</u>
Less those unavailable for general expenditures within one year, due to:	
Contractual or donor-imposed restrictions:	
Restricted for Animal Services program	( 179,409)
Restricted for Medical Clinic program	( 69,407)
Restricted for Payroll/Staffing	( 282,349)
Restricted for Building Improvements	( <u>482,141</u> )
	( <u>1,013,306</u> )
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 5,737,609</u>

As part of the Organization's liquidity management, the Organization structures its financial assets to be available as general expenditures and liabilities become due. The Organization also has a line of credit of \$250,000 with Lakeland Bank that is available for any expenditures.

MONMOUTH COUNTY SOCIETY FOR THE  
PREVENTION OF CRUELTY TO ANIMALS  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

Note 7 - Functional Allocation of Expenses - The costs of providing programs and other activities have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Directly identifiable expenses are charged to the programs and supporting services. Expenses related to more than one function are charged to programs and supporting services on the basis of periodic time and expense studies. Management and general expenses 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 8 - Operating Leases - The Organization leases office equipment under an operating lease with a term of five years. The lease expense was \$26,515 for the year ended December 31, 2021.

The following is a schedule of minimum rental payments under the leases at December 31, 2021:

<u>Year ending December 31,</u>	<u>Amount</u>
2022	\$ 26,148
2023	26,148
2024	26,148
2025	26,148
	<u>\$ 104,592</u>

Note 9 - Cash Flows - For purposes of the statement of cash flows, the Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents. Total interest paid for the year was \$116,225.

Note 10 - Professional Employer Service Agreement - The Organization has a professional employer service agreement with Insperity PEO Services, LP. All of the Organization's employees are leased from Insperity PEO Services, LP.

Note 11 - Concentrations of Credit Risk - The Organization maintains cash balances at a financial institution which are insured by the Federal Deposit Insurance Corporation up to \$250,000. At December 31, 2021, the Organization's uninsured cash balances totaled \$2,781,156.

Note 12 - Thrift Store - The Organization operates a thrift store that sells clothing and other items with gross revenue of \$ 149,524 in 2021. Costs are reported under community services expense. Most of the labor was volunteers. No inventory was reported since management determined it was not material to the financial statements.

Note 13 - Contingencies - In March 2020, by executive order, the State of New Jersey mandated non-essential businesses to close due to the Coronavirus pandemic and some restrictions continue as of the report date. The Organization has received assistance through SBA Coronavirus relief programs. Management has determined that although there has been some impact to operations, there are no material adjustments necessary as of the report date.

Note 14 - Subsequent Events - The Organization has evaluated subsequent events through June 27, 2022, which is the date the financial statements were available to be issued. No subsequent events requiring recognition or disclosure in the financial statements were identified by management.