CENTER FOR FOOD ACTION IN NEW JERSEY, INC.

FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019
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</tbody>
</table>
INDEPENDENT AUDITORS' REPORT

To the Officers and Board of Directors of
Center For Food Action in New Jersey, Inc.
Englewood, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements of Center For Food Action in New Jersey, Inc. (a New Jersey nonprofit organization), which comprises the statements of financial position as of December 31, 2020 and 2019 and the related statements of activities and changes in net assets, 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits 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 consolidated 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 opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Center For Food Action in New Jersey, Inc. as of December 31, 2020 and 2019, 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.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedules of expenditures of federal, state and county awards 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.

Other Matters

In accordance with Government Auditing Standards, we have also issued our report May 25, 2021, on our consideration of Center For Food Action in New Jersey, Inc. internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Center For Food Action in New Jersey, Inc.’s internal control over financial reporting and compliance.

JVA Accountants & Advisors

Denville, New Jersey
May 25, 2021
### CENTER FOR FOOD ACTION IN NEW JERSEY, INC.

**STATEMENTS OF FINANCIAL POSITION**

**AS OF DECEMBER 31, 2020 AND 2019**

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Without</td>
<td>With</td>
<td>Without</td>
</tr>
<tr>
<td></td>
<td>Donor</td>
<td>Donor</td>
<td>Donor</td>
</tr>
<tr>
<td></td>
<td>Restrictions</td>
<td>Restrictions</td>
<td>Restrictions</td>
</tr>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current Assets:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash (Notes 1 &amp; 2)</td>
<td>$ 3,532,929</td>
<td>$ 0</td>
<td>$ 3,532,929</td>
</tr>
<tr>
<td>Investments (Notes 2 &amp; 8)</td>
<td>560,097</td>
<td>0</td>
<td>560,097</td>
</tr>
<tr>
<td>Grants Receivable (Note 5)</td>
<td>597,354</td>
<td>0</td>
<td>597,354</td>
</tr>
<tr>
<td>Gift Cards &amp; Donations Receivable</td>
<td>224,558</td>
<td>0</td>
<td>224,558</td>
</tr>
<tr>
<td>Deposit on New Truck</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Inventory (Note 2)</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td>4,914,938</td>
<td>0</td>
<td>4,914,938</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Fixed Assets (Note 2):</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Buildings</td>
<td>1,383,646</td>
<td>0</td>
<td>1,383,646</td>
</tr>
<tr>
<td>Leasehold Improvements</td>
<td>34,197</td>
<td>0</td>
<td>34,197</td>
</tr>
<tr>
<td>Furniture and Fixtures</td>
<td>85,922</td>
<td>0</td>
<td>85,922</td>
</tr>
<tr>
<td>Equipment</td>
<td>273,243</td>
<td>0</td>
<td>273,243</td>
</tr>
<tr>
<td>Vehicles</td>
<td>275,337</td>
<td>0</td>
<td>275,337</td>
</tr>
<tr>
<td><strong>Total Fixed Assets</strong></td>
<td>2,052,345</td>
<td>0</td>
<td>2,052,345</td>
</tr>
<tr>
<td><strong>Less: Accumulated Depreciation</strong></td>
<td>1,128,136</td>
<td>0</td>
<td>1,128,136</td>
</tr>
<tr>
<td><strong>Net Fixed Assets</strong></td>
<td>924,209</td>
<td>0</td>
<td>924,209</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>$ 5,839,147</td>
<td>$ 0</td>
<td>$ 5,839,147</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

# LIABILITIES AND NET ASSETS

## Current Liabilities:

<table>
<thead>
<tr>
<th>Item</th>
<th>2023</th>
<th>2022</th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts Payable</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Accrued Expenses Payable</td>
<td>27,500</td>
<td>0</td>
<td>27,500</td>
<td>23,956</td>
<td>0</td>
</tr>
<tr>
<td>Accrued Payroll and Payroll</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Taxes Payable</td>
<td>52,115</td>
<td>0</td>
<td>52,115</td>
<td>38,176</td>
<td>0</td>
</tr>
<tr>
<td>Insurance Advance for Repairs</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>9,854</td>
<td>0</td>
</tr>
<tr>
<td>Deferred Revenue</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>4,100</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total Current Liabilities</strong></td>
<td>79,615</td>
<td>0</td>
<td>79,615</td>
<td>76,086</td>
<td>0</td>
</tr>
</tbody>
</table>

## Long term Liabilities:

<table>
<thead>
<tr>
<th>Item</th>
<th>2023</th>
<th>2022</th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>SBA PPP Loan Payable (Note 9)</td>
<td>150,000</td>
<td>0</td>
<td>150,000</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total Current Liabilities</strong></td>
<td>150,000</td>
<td>0</td>
<td>150,000</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

## Net Assets (Note 2) (Page 5):

<table>
<thead>
<tr>
<th>Item</th>
<th>2023</th>
<th>2022</th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Without Donor Restrictions</td>
<td>5,609,532</td>
<td>0</td>
<td>5,609,532</td>
<td>3,124,034</td>
<td>0</td>
</tr>
<tr>
<td>With Donor Restrictions (Note 6)</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>42,858</td>
<td>42,858</td>
</tr>
<tr>
<td><strong>Total Net Assets</strong></td>
<td>5,609,532</td>
<td>0</td>
<td>5,609,532</td>
<td>3,124,034</td>
<td>42,858</td>
</tr>
</tbody>
</table>

## TOTAL LIABILITIES AND NET ASSETS

<table>
<thead>
<tr>
<th>Item</th>
<th>2023</th>
<th>2022</th>
<th>2021</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Liabilities and Net Assets</strong></td>
<td>$5,839,147</td>
<td>$0</td>
<td>$5,839,147</td>
<td>$3,200,120</td>
<td>$42,858</td>
</tr>
</tbody>
</table>

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

Subject to the comments in the "Independent Auditors' Report".
**CENTER FOR FOOD ACTION IN NEW JERSEY, INC.**  
**STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

<table>
<thead>
<tr>
<th></th>
<th>Without Donor Restrictions</th>
<th>With Donor Restrictions</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Support and Revenue:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Support:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal, State and County Grants (Note 5)</td>
<td>$951,226</td>
<td>$0</td>
<td>$951,226</td>
</tr>
<tr>
<td>General Donations (Notes 2 &amp; 6)</td>
<td>2,183,370</td>
<td>0</td>
<td>2,183,370</td>
</tr>
<tr>
<td>Special Appeals</td>
<td>2,531,438</td>
<td>0</td>
<td>2,531,438</td>
</tr>
<tr>
<td>Special Events</td>
<td>129,116</td>
<td>0</td>
<td>129,116</td>
</tr>
<tr>
<td>In-Kind Food and Other Contributions (Note 2)</td>
<td>5,976,458</td>
<td>0</td>
<td>5,976,458</td>
</tr>
<tr>
<td>In-Kind Rent Contributions (Note 7)</td>
<td>27,600</td>
<td>0</td>
<td>27,600</td>
</tr>
<tr>
<td><strong>Total Support</strong></td>
<td>11,799,208</td>
<td>0</td>
<td>11,799,208</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Revenue:</strong></th>
<th>Without Donor Restrictions</th>
<th>With Donor Restrictions</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest Income</td>
<td>13,150</td>
<td>0</td>
<td>13,150</td>
</tr>
<tr>
<td>Dividend Income</td>
<td>6,906</td>
<td>0</td>
<td>6,906</td>
</tr>
<tr>
<td>Realized Gain (Loss) on Investments (Note 2)</td>
<td>180</td>
<td>0</td>
<td>180</td>
</tr>
<tr>
<td>Unrealized Gain (Loss) on Investments (Note 2)</td>
<td>(22,885)</td>
<td>0</td>
<td>(22,885)</td>
</tr>
<tr>
<td>SBA PPP Loan Forgiveness Income (Note 9)</td>
<td>313,767</td>
<td>0</td>
<td>313,767</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td>311,118</td>
<td>0</td>
<td>311,118</td>
</tr>
</tbody>
</table>

| **Total Support and Revenue** | 12,110,326 | 0 | 12,110,326 | 8,326,852 | 151,950 | 8,478,802 |
**Expenses:**

**Program Services:**
- Bergen County Human Services Emergency Food Pantry Homeless Prevention: 513,410
- Bergen County Community Development Neighborhood Emergency Food Pantries (Fairview): 0
- Corporation for National and Community Services: 16,243
- United Way of Bergen County National Emergency Food and Shelter Program: 156,151
- Bergen County Community Development Security Deposit Assistance: 80,000
- Bergen County Community Development Security Utility Deposits: 100,000
- Bergen County Board of Chosen Freeholders Homeless Prevention: 0
- Passaic County Human Services Homeless Prevention and Food Pantry: 15,422
- Bergen County Human Services Homeless Trust Fund Homeless Prevention: 70,000
- CFA Emergency Services: 7,855,276
- Total Program Services: 8,806,502

**Supportive Services:**
- Fund Raising Expenses: 216,731
- General and Administrative: 644,453
- Total Supportive Services: 861,184
- Total Expenses: 9,667,686

**Net Assets Released from Restrictions (Notes 2 & 6):**
- 42,858

**CHANGES IN NET ASSETS**
- Net Assets - January 1: 2,485,498
- Net Assets - December 31: 5,609,532

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

Subject to the comments in the "Independent Auditors' Report".
<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Program Services</td>
<td>Fund Raising</td>
</tr>
<tr>
<td>Salaries</td>
<td>$ 1,112,265</td>
<td>$ 108,511</td>
</tr>
<tr>
<td>Payroll Taxes</td>
<td>88,717</td>
<td>8,635</td>
</tr>
<tr>
<td>Employee Benefits</td>
<td>169,458</td>
<td>16,532</td>
</tr>
<tr>
<td>Total Personnel</td>
<td>1,370,440</td>
<td>133,678</td>
</tr>
<tr>
<td>Professional Fees</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Event and Program Expense</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Food Distribution (Note 2)</td>
<td>6,544,540</td>
<td>0</td>
</tr>
<tr>
<td>Printing Expense</td>
<td>0</td>
<td>29,737</td>
</tr>
<tr>
<td>Postage Expense</td>
<td>2,817</td>
<td>2,816</td>
</tr>
<tr>
<td>Office Expense</td>
<td>36,245</td>
<td>0</td>
</tr>
<tr>
<td>Telephone Expense</td>
<td>22,793</td>
<td>0</td>
</tr>
<tr>
<td>Bank Charges</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Rent Expense (Note 7)</td>
<td>98,074</td>
<td>0</td>
</tr>
<tr>
<td>Emergency Services</td>
<td>640,330</td>
<td>0</td>
</tr>
<tr>
<td>Maintenance and Repairs</td>
<td>35,322</td>
<td>0</td>
</tr>
<tr>
<td>Utilities</td>
<td>24,362</td>
<td>0</td>
</tr>
<tr>
<td>Insurance</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Travel and Transportation</td>
<td>28,229</td>
<td>0</td>
</tr>
<tr>
<td>Staff Training &amp; Volunteer Expense</td>
<td>3,350</td>
<td>0</td>
</tr>
<tr>
<td>Dues and Subscriptions</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Interest Expense (Note 4)</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total Expenses Before Depreciation</td>
<td>8,806,502</td>
<td>216,731</td>
</tr>
<tr>
<td>Depreciation (Note 2)</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total Expenses</td>
<td>$ 8,806,502</td>
<td>$ 216,731</td>
</tr>
</tbody>
</table>

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

Subject to the comments in the "Independent Auditors' Report".
CENTER FOR FOOD ACTION IN NEW JERSEY, INC.

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

<table>
<thead>
<tr>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Changes in Net Assets</td>
<td>$ 2,442,640</td>
</tr>
<tr>
<td>Adjustments to Reconcile Changes in Net Assets to Net Cash Provided (Used) by Operating Activities:</td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>70,653</td>
</tr>
<tr>
<td>Decrease (Increase) in Investments</td>
<td>12,667</td>
</tr>
<tr>
<td>Decrease (Increase) in Grants Receivable</td>
<td>(239,228)</td>
</tr>
<tr>
<td>Decrease (Increase) in Gift Cards &amp; Donations Receivables</td>
<td>(143,920)</td>
</tr>
<tr>
<td>Decrease (Increase) in Prepaid Expenses</td>
<td>0</td>
</tr>
<tr>
<td>Decrease (Increase) in Deposit on Truck</td>
<td>1,000</td>
</tr>
<tr>
<td>Increase (Decrease) in Accrued Expenses Payable</td>
<td>3,544</td>
</tr>
<tr>
<td>Increase (Decrease) in Accrued Payroll and Payroll Taxes Payable</td>
<td></td>
</tr>
<tr>
<td></td>
<td>13,939</td>
</tr>
<tr>
<td>Increase (Decrease) in Insurance Advance for Repairs</td>
<td>(9,854)</td>
</tr>
<tr>
<td>Increase (Decrease) in Deferred Revenue</td>
<td>(4,100)</td>
</tr>
<tr>
<td>Net Cash Provided (Used) by Operating Activities</td>
<td>2,147,341</td>
</tr>
</tbody>
</table>

CASH FLOWS FROM INVESTING ACTIVITIES:
Collection of Security Deposit | 0 | 2,250 |
Acquisitions of Fixed Assets | (113,997) | (112,890) |
Net Cash Provided (Used) for Investing Activities | (113,997) | (110,640) |

CASH FLOWS FROM FINANCING ACTIVITIES:
Collections of SBA Loans | 463,767 | 0 |
Forgiveness of SBA Loan | (313,767) | 0 |
Net Cash Provided (Used) for Financing Activities | 150,000 | 0 |

NET INCREASE (DECREASE) IN CASH FOR THE YEARS
2,183,344 | (544,198) |
CASH BALANCE - JANUARY 1, 1,349,585 | 1,893,783 |
CASH BALANCE - DECEMBER 31, $ 3,532,929 | $ 1,349,585 |

SUPPLEMENTAL DATA:
Interest Paid (Note 4) | $ 0 | $ 0 |
Taxes Paid (Note 2) | $ 0 | $ 0 |

The accompanying notes are an integral part of these financial statements.
Subject to the comments in the "Independent Auditors' Report".
NOTE 1 - NATURE OF OPERATIONS AND CONCENTRATIONS OF CREDIT RISK

The Center For Food Action in New Jersey, Inc., established in 1976, is a non-profit organization that provides direct emergency relief, advocacy and education for people who are without food in Bergen County. The Organization also coordinates a statewide network of over 900 emergency food pantries, soup kitchens and multi-social service organizations in New Jersey. The network provides a clearinghouse for information on hunger and technical assistance. Starting in 1987, the Organization also provided funds for emergency housing and has expanded its role to include a clearinghouse for information and technical assistance for other emergency food organizations.

The Organization maintains cash balances at commercial banks. Accounts at these banks are insured by the Federal Deposit Insurance Corporation (FDIC). At times during the years, balances in these institutions may exceed the FDIC insurance level. Generally, these deposits may be redeemed upon demand and therefore, bear minimal risk.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of significant accounting policies followed by the Organization in the preparation of the accompanying financial statements is set forth below:

BASIS OF ACCOUNTING:

The Organization reports all items of income and expense using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

NET ASSETS:

Net assets, revenues, gains and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions:

Net assets available for use in general operations and not subject to donor restrictions.

Subject to the comments in the “Independent Auditors' Report".
NET ASSETS (CONT.):

Net Assets With Donor Restrictions:

Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. There are no donor-imposed restrictions of a perpetual nature at December 31, 2020 and 2019. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. When a 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.

USE OF ESTIMATES IN THE PREPARATION OF FINANCIAL STATEMENTS:

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 disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

CASH AND CASH EQUIVALENTS:

For the purposes of balance sheet classification and statement of cash flows presentation, investments with an original maturity of three months or less are considered cash equivalents.

Subject to the comments in the “Independent Auditors’ Report”.

CENTER FOR FOOD ACTION IN NEW JERSEY, INC.

NOTES TO THE FINANCIAL STATEMENTS (CONT.)
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

INVESTMENTS:

Investments are carried at market value as of December 31, 2020 and 2019. Donated investments are valued based upon the average price of the investment using the high and low price of the date of the donation. As of December 31, 2020, the cost of the investments in the general fund exceeded the market value of the investments by $22,885 resulting in an unrealized loss of $22,885. As of December 31, 2019, the market value of the investments in the general fund exceeded the cost of the investments by $31,131 resulting in an unrealized gain of $31,131. See Note 8 for fair value measurements.

INVENTORY:

The Organization accepts donations of food and other items from individuals as well as from other non-profit organizations for distribution. A value is placed on these donations by management based upon a self-conducted study that determined an average "per bag" or "per box" fair market value. Distributions of food and other items to clients were also accounted for on a "per bag" basis with the value varying depending upon the number and ages of persons in the household receiving the food and other items.

Due to the varying values placed on the incoming and outgoing food and the arbitrary nature of the valuation process, the Organization does not place a carrying value on the food and other donations held in inventory.

During 2020 and 2019, $5,976,458 and $5,172,545, respectively, in food and other donations were received and distributed.

CONTRIBUTED SERVICES:

A substantial number of volunteers have made significant contributions of their time in support of the Organization's mission. The value of contributed services is not recorded in the accompanying financial statements as these services do not require specialized skills and are not susceptible to objective measurement or valuation.

Subject to the comments in the "Independent Auditors' Report".
NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

FIXED ASSETS:

Purchased assets in excess of $1,000 with a useful life of more than one year are carried at cost and donated assets are carried at fair value at the date of the donation. All assets are depreciated over the estimated useful lives as follows:

<table>
<thead>
<tr>
<th>Asset</th>
<th>Useful Lives</th>
<th>Cost</th>
<th>Current Year Depreciation</th>
<th>Accumulated Depreciation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buildings</td>
<td>20-39 years - Straight Line</td>
<td>$1,383,646</td>
<td>$26,077</td>
<td>$683,905</td>
</tr>
<tr>
<td>Furniture and Fixtures</td>
<td>5 years - Straight Line</td>
<td>34,197</td>
<td>1,140</td>
<td>1,330</td>
</tr>
<tr>
<td></td>
<td>7 years - Straight Line</td>
<td>85,922</td>
<td>0</td>
<td>85,922</td>
</tr>
<tr>
<td>Equipment</td>
<td>7 years - Straight Line</td>
<td>273,243</td>
<td>13,424</td>
<td>190,453</td>
</tr>
<tr>
<td>Vehicles</td>
<td>5 years - Straight Line</td>
<td>225,337</td>
<td>30,012</td>
<td>166,526</td>
</tr>
</tbody>
</table>

The cost, current year depreciation and accumulated depreciation are as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Cost</th>
<th>Current Year Depreciation</th>
<th>Accumulated Depreciation</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>$2,052,345</td>
<td>$70,653</td>
<td>$1,128,136</td>
</tr>
<tr>
<td>2019</td>
<td>$1,938,348</td>
<td>$62,848</td>
<td>$1,057,483</td>
</tr>
</tbody>
</table>

Subject to the comments in the "Independent Auditors' Report".
NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

FIXED ASSETS (CONT.):

When assets are retired or otherwise disposed of in the normal course of business, the assets and related accumulated depreciation are removed from the accounts and the net amount, less proceeds from disposal, is charged to expense or credited to revenue. As of December 31, 2020, there was no impairments of fixed assets.

INCOME TAXES:

In November of 1978, the Internal Revenue Service granted tax exempt status to the organization under Section 501(c)(3) of the Internal Revenue Code relieving the organization from any liability arising from Income and Excise Taxes.

The Organization adopted the recognition requirements for uncertain income tax positions as required by generally accepted accounting principles, with no cumulative effect adjustment required. Income tax benefits are recognized for income tax positions taken or expected to be taken in a tax return, only when it is determined that the income tax position will more likely than not be sustained upon examination by taxing authorities. The Organization has analyzed tax positions taken for filing with the Internal Revenue Service and all state jurisdictions where it operates. The Organization believes that income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse affect on the Organization’s financial condition, results of operations or cash flows. Accordingly, the Organization has not recorded any reserves, or related accruals for interest and penalties for uncertain income tax positions at December 31, 2020 and 2019.

The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Organization believes it is no longer subject to income tax examinations for years prior to 2017.

The Organization’s policy is to classify income tax related interest and penalties in interest expense and general and administrative expenses, respectively.

Subject to the comments in the "Independent Auditors' Report".
NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

CONTRIBUTIONS:
The Organization receives contributions from various sources. Contributions received are recorded as with or without donor restrictions depending on the existence and/or nature of any donor restrictions. Net assets with donor restrictions are reclassified to net assets without donor restrictions upon satisfaction of the time or purpose restriction.

FUNCTIONAL ALLOCATION OF EXPENSES:
The costs of program and supporting services have been summarized on a functional basis in the statement of activities. The statements of functional expenses present the natural classification detail of expenses by function. Expenses that are identified with a specific program or support services are charged directly to the appropriate function. Other shared costs have been allocated among the programs and supporting services benefited based on management’s estimates of the relative effort expended for the related functions.

NOTE 3 – LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, are comprised of the following:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>$3,532,929</td>
</tr>
<tr>
<td>Investments</td>
<td>560,097</td>
</tr>
<tr>
<td>Grants Receivable</td>
<td>597,354</td>
</tr>
<tr>
<td>Gift Cards &amp; Donations Receivable</td>
<td>224,558</td>
</tr>
<tr>
<td>Less: amounts restricted for certain purposes</td>
<td>(0)</td>
</tr>
<tr>
<td>Total</td>
<td>$4,914,938</td>
</tr>
</tbody>
</table>

NOTE 4 - INTEREST EXPENSE

During the years ended December 31, 2020 and 2019, the Organization incurred no interest expense.

Subject to the comments in the "Independent Auditors' Report".
NOTE 5 - GRANTS RECEIVABLE

During 2020, the Organization was awarded a grant from the Bergen County Community Development Security Deposit Assistance Program in the amount of $80,000. As of December 31, 2020, $0 was received from the Bergen County Security Deposit Assistance Program resulting in a grant receivable of $80,000.

During 2020, the Organization was awarded a grant from the Bergen County Human Services Emergency Food-Food Pantry Homeless Prevention Program in the amount of $494,620. As of December 31, 2020, $293,191 was received from this program resulting in a grant receivable of $201,429 plus an additional outstanding amount from 2019 of $61,323.

During 2020, the Organization was awarded a Federal Phase 37 grant from the Emergency Food and Shelter Program in the amount of $156,151. As of December 31, 2020, $63,374 was received from this program resulting in a grant receivable of $92,777.

During 2020, the Organization was awarded grants from the Passaic County Human Services Homeless Prevention and Food Pantry totaling $34,212. As of December 31, 2020, $21,838 was received from this program resulting in a grant receivable of $12,374.

During 2020, the Organization was awarded a grant from the Bergen County Community Development Security Utility Deposit Program in the amount of $100,000. As of December 31, 2020, $0 was received from this program resulting in a grant receivable of $100,000.

During 2020, the Organization was awarded a grant from the Bergen County Human Services Homeless Trust Fund Homeless Prevention Program in the amount of $70,000. As of December 31, 2020, $37,594 was received from this program resulting in a grant receivable of $32,406 plus an additional outstanding amount from 2019 of $17,045.

During 2020, the Organization was awarded a grant from the Corporation for National and Community Service in the amount of $16,243. As of December 31, 2020, $16,243 was received from this program resulting in a grant receivable of $0.
CENTER FOR FOOD ACTION IN NEW JERSEY, INC.

NOTES TO THE FINANCIAL STATEMENTS (CONT.)
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

NOTE 5 - GRANTS RECEIVABLE (CONT.)

During 2019, the Organization was awarded a grant from the Bergen County Community Development Security Deposit Assistance Program in the amount of $80,000. As of December 31, 2019, $24,464 was received from the Bergen County Security Deposit Assistance Program, resulting in a grant receivable of $55,536.

During 2019, the Organization was awarded a grant from the Bergen County Human Services Emergency Food-Food Pantry Homeless Prevention in the amount of $535,082. As of December 31, 2019, $349,537 was received from this program resulting in a grant receivable of $185,545.

During 2019, the Organization was awarded a Federal Phase 36 grant from the Emergency Food and Shelter Program in the amount of $57,227. As of December 31, 2019, $57,227 was received from this program resulting in a grant receivable of $0.

During 2019, the Organization was awarded grants from the Passaic County Human Services Homeless Prevention and Food Pantry totaling $26,638. As of December 31, 2019, $26,638 was received from this program resulting in a grant receivable of $0.

During 2019, the Organization was awarded a grant from the Bergen County Community Development Security Utility Deposit Program in the amount of $100,000. As of December 31, 2019, $0 was received from this program resulting in a grant receivable of $100,000.

During 2019, the Organization was awarded a grant from the Bergen County Human Services Homeless Trust Fund Homeless Prevention Program in the amount of $70,000. As of December 31, 2019, $52,955 was received from this program resulting in a grant receivable of $17,045.

Subject to the comments in the "Independent Auditors' Report".
NOTE 6 – NET ASSETS WITH DONOR RESTRICTIONS

During 2020, the Organization purchased a truck for $75,164 releasing the donor restrictions of $42,858.

During 2019, the Organization received a contribution in the amount of $34,198 towards an addition to one of the facilities. The project was completed and the amount was released from restrictions. The Organization also received contributions in the amount of $117,752 towards the purchase of two new trucks. One truck was purchased for $74,894 and the amount was released from restricting leaving net assets with donor restrictions in the amount of $42,858.

NOTE 7 - RENT EXPENSE

The Organization rents various locations in New Jersey on a month-to-month basis and also has space donated to the Organization. The locations and annual rent expense are as follows:

<table>
<thead>
<tr>
<th>Location</th>
<th>Annual Rent 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hackensack, NJ</td>
<td>$18,000</td>
</tr>
<tr>
<td>Saddlebrook, NJ</td>
<td>52,464</td>
</tr>
<tr>
<td>Englewood, NJ</td>
<td>31,200</td>
</tr>
<tr>
<td>Mahwah, NJ</td>
<td>10</td>
</tr>
<tr>
<td>Ringwood, NJ</td>
<td>3,600</td>
</tr>
<tr>
<td>Bergen, NJ</td>
<td>6,000</td>
</tr>
<tr>
<td>Mahwah, NJ</td>
<td>18,000 donated</td>
</tr>
<tr>
<td></td>
<td><strong>$129,274</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Location</th>
<th>Annual Rent 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hackensack, NJ</td>
<td>$15,000</td>
</tr>
<tr>
<td>Saddlebrook, NJ</td>
<td>50,928</td>
</tr>
<tr>
<td>Englewood, NJ</td>
<td>31,200</td>
</tr>
<tr>
<td>Mahwah, NJ</td>
<td>10</td>
</tr>
<tr>
<td>Ringwood, NJ</td>
<td>3,600</td>
</tr>
<tr>
<td>Bergen, NJ</td>
<td>6,000</td>
</tr>
<tr>
<td>Mahwah, NJ</td>
<td>18,000</td>
</tr>
<tr>
<td></td>
<td><strong>$124,738</strong></td>
</tr>
</tbody>
</table>

Subject to the comments in the "Independent Auditors' Report".
NOTE 7 - RENT EXPENSE (CONT.)

The Organization estimates the fair rental value of donated locations for 2020 and 2019 at $27,600 and $27,600, respectively. The in-kind rental donations have been recorded as support along with rental expense for both years ended December 31, 2020 and 2019.

NOTE 8 – FAIR VALUE MEASUREMENTS

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, Fair Value Measurements and Disclosures, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

| Level 1 | Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the plan has the ability to access. |
| Level 2 | Inputs to the valuation methodology include |
|        | • Quoted prices for similar assets or liabilities in active markets; |
|        | • Quoted prices for identical or similar assets or liabilities in active markets; |
|        | • Inputs other than quoted prices that are observable for the asset or liability |
|        | • Inputs that are derived principally from or corroborated by observable market data by correlation or other means. |
|        | If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability. |
| Level 3 | Inputs to the valuation methodology are unobservable and significant to the fair value measurement. |

Subject to the comments in the "Independent Auditors' Report".
NOTE 8 – FAIR VALUE MEASUREMENTS (CONT.)

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets at fair value. There have been no changes in the methodologies used at December 31, 2020 and 2019.

Common stocks are valued at the market value of shares held by the Organization at year end.

The preceding methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of December 31, 2020 and 2019:

**Assets at Fair Value as of December 31, 2020:**

<table>
<thead>
<tr>
<th></th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Common Stocks</td>
<td>$ 560,097</td>
<td>$ 0</td>
<td>$ 0</td>
<td>$ 560,097</td>
</tr>
<tr>
<td>TOTAL ASSETS AT FAIR VALUE</td>
<td>$ 560,097</td>
<td>$ 0</td>
<td>$ 0</td>
<td>$ 560,097</td>
</tr>
</tbody>
</table>

**Assets at Fair Value as of December 31, 2019:**

<table>
<thead>
<tr>
<th></th>
<th>Level 1</th>
<th>Level 2</th>
<th>Level 3</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Common Stocks</td>
<td>$ 572,764</td>
<td>$ 0</td>
<td>$ 0</td>
<td>$ 572,764</td>
</tr>
<tr>
<td>TOTAL ASSETS AT FAIR VALUE</td>
<td>$ 572,764</td>
<td>$ 0</td>
<td>$ 0</td>
<td>$ 572,764</td>
</tr>
</tbody>
</table>

Subject to the comments in the "Independent Auditors' Report".
NOTE 9 – SBA LOAN AND FORGIVENESS:

In April of 2020, the Organization received a forgivable loan under the Small Business Administration (SBA) Payroll Protection Program (PPP) in the amount of $313,767. The amount is forgiven under conditions that 60 percent of the loan proceeds be used for payroll costs (gross payroll, local taxes, health insurance and retirement benefits) in the eight week period following the receipt of the loan proceeds, and the remaining 40 percent can be used for rent, utilities and loan interest in the twenty-four week period following the receipt of the loan period. The amount, if any that is not forgiven would become a loan at a one percent interest rate payable over a two or five year payback period. During 2020, the entire amount was forgiven.

On June 25, 2020, the Organization received an SBA loan in the amount of $150,000. The loan bears interest at a rate of 2.75 percent and is payable over 30 years with monthly payments on interest & principle of $641. The payments begin starting June 25, 2021.

The future maturities of this loan for the next five year and thereafter are as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>$1,783</td>
</tr>
<tr>
<td>2022</td>
<td>3,133</td>
</tr>
<tr>
<td>2023</td>
<td>3,232</td>
</tr>
<tr>
<td>2024</td>
<td>3,334</td>
</tr>
<tr>
<td>2025</td>
<td>3,439</td>
</tr>
<tr>
<td>Thereafter</td>
<td>135,079</td>
</tr>
<tr>
<td>Total</td>
<td>$150,000</td>
</tr>
</tbody>
</table>

NOTE 10 - SUBSEQUENT EVENTS:

The Organization has evaluated subsequent events through May 24, 2021, the date the financial statements were available to be issued.

Subject to the comments in the "Independent Auditors' Report".
NOTE 11 – RECENT ACCOUNTING PRONOUNCEMENTS:

In February 2016, the Financial Accounting Standards Board (FASB) amended the Lease topic of the Accounting Standards Codification to revise certain aspects of recognition, measurement, presentation and disclosure of leasing transactions. The amendments will be effective for fiscal years beginning after December 15, 2020, and interim periods within fiscal years beginning after December 15, 2021. The Organization is currently evaluating the effect that implementation of the new standard will have on its financial position, results of operations, and cash flow.

Subject to the comments in the "Independent Auditors' Report".
**CENTER FOR FOOD ACTION IN NEW JERSEY, INC.**

**SCHEDULE OF EXPENDITURES OF FEDERAL, STATE AND COUNTY AWARDS**

**FOR THE YEAR ENDED DECEMBER 31, 2020**

<table>
<thead>
<tr>
<th>Federal Grantor/Pass-Through Grantor/Program Title</th>
<th>Federal CFDA Number</th>
<th>Pass-Through Grantor's Number</th>
<th>Disbursements</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>FEDERAL AWARDS:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corporation for National and Community Service</td>
<td>N/A</td>
<td>19MKHNJ002</td>
<td>$16,243</td>
</tr>
<tr>
<td>Passed through the County of Bergen Community Development Program:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Security Utility Deposits</td>
<td>97.024</td>
<td>21-213-751-335-41-08</td>
<td>100,000</td>
</tr>
<tr>
<td>Security Deposit Assistance</td>
<td>97.024</td>
<td>21-213-750-450-41-28</td>
<td>80,000</td>
</tr>
<tr>
<td>Passed through the United Way of Bergen County:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>National Emergency Food and Shelter Program (Phase 37 Grant)</td>
<td>97.024</td>
<td>595000-001</td>
<td>156,151</td>
</tr>
<tr>
<td><strong>Total Federal Awards</strong></td>
<td></td>
<td></td>
<td>352,394</td>
</tr>
</tbody>
</table>

**STATE OF NEW JERSEY DEPARTMENT OF CHILDREN AND FAMILIES:**

| Emergency Food - Food Pantry                       | N/A                 | 02-213-42-340-919-451          | 479,198       |

**Total State Awards**

479,198
**COUNTY AWARDS:**

**BERGEN COUNTY BOARD OF FREEHOLDERS:**

<table>
<thead>
<tr>
<th>Program</th>
<th>Type</th>
<th>Award Number</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emergency Food - Food Pantry</td>
<td>N/A</td>
<td>SH20-016</td>
<td>34,212</td>
</tr>
<tr>
<td>Homeless Trust Fund Homeless Prevention</td>
<td>N/A</td>
<td>03-200-56-120-241</td>
<td>70,000</td>
</tr>
</tbody>
</table>

**PASSAIC COUNTY DEPARTMENT OF HUMAN SERVICES:**

<table>
<thead>
<tr>
<th>Program</th>
<th>Type</th>
<th>Award Number</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Homeless Prevention/Food Pantry</td>
<td>N/A</td>
<td>01-201-27-340-125-145</td>
<td>15,422</td>
</tr>
</tbody>
</table>

**Total County Awards**

<p>| | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td><strong>119,634</strong></td>
</tr>
</tbody>
</table>

**TOTAL FEDERAL, STATE AND COUNTY AWARDS**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th><strong>$ 951,226</strong></th>
</tr>
</thead>
</table>

The accompanying notes are an integral part of these financial statements. Subject to the comments in the “Independent Auditors' Report".
# CENTER FOR FOOD ACTION IN NEW JERSEY, INC.

## SCHEDULE OF EXPENDITURES OF FEDERAL, STATE AND COUNTY AWARDS
**FOR THE YEAR ENDED DECEMBER 31, 2019**

<table>
<thead>
<tr>
<th>Federal Grantor/Pass-Through Grantor/Program Title</th>
<th>Federal CFDA Number</th>
<th>Pass-Through Grantor’s Number</th>
<th>Disbursements</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>FEDERAL AWARDS:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Passed through the County of Bergen Community Development Program:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Security Utility Deposits</td>
<td>97.024</td>
<td>21-213-749-335-41-08</td>
<td>$ 44,638</td>
</tr>
<tr>
<td>Security Deposit Assistance</td>
<td>97.024</td>
<td>21-213-750-450-41-28</td>
<td>105,864</td>
</tr>
<tr>
<td>Passed through the United Way of Bergen County:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>National Emergency Food and Shelter Program (Phase 36 Grant)</td>
<td>97.024</td>
<td>595000-001</td>
<td>57,227</td>
</tr>
<tr>
<td><strong>Total Federal Awards</strong></td>
<td></td>
<td></td>
<td>$ 207,729</td>
</tr>
</tbody>
</table>

## STATE OF NEW JERSEY DEPARTMENT OF CHILDREN AND FAMILIES:

| Emergency Food - Food Pantry | N/A | 02-213-42-340-919-451 | 519,404 |

## STATE OF NEW JERSEY DEPARTMENT OF HUMAN SERVICES:

| Passed through the Passaic County Board Department of Human Services: Homeless Prevention/Food Pantry | N/A | G-01-41-811-019-213 | 15,750 |

**Total State Awards** | 535,154
### COUNTY AWARDS:

**BERGEN COUNTY BOARD OF FREEHOLDERS:**

<table>
<thead>
<tr>
<th>Program</th>
<th>NEC</th>
<th>APRS</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emergency Food - Food Pantry</td>
<td>N/A</td>
<td>01-201-27-340-125-145</td>
<td>15,678</td>
</tr>
<tr>
<td>Homeless Trust Fund Homeless Prevention</td>
<td>N/A</td>
<td>03-200-56-120-241</td>
<td>70,000</td>
</tr>
</tbody>
</table>

### PASSAIC COUNTY DEPARTMENT OF HUMAN SERVICES:

<table>
<thead>
<tr>
<th>Program</th>
<th>NEC</th>
<th>APRS</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Homeless Prevention/Food Pantry</td>
<td>N/A</td>
<td>G-01-41-811-019-213</td>
<td>11,849</td>
</tr>
</tbody>
</table>

**Total County Awards**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
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<tbody>
<tr>
<td></td>
<td>97,527</td>
</tr>
</tbody>
</table>

**TOTAL FEDERAL, STATE AND COUNTY AWARDS**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$840,410</td>
</tr>
</tbody>
</table>

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

Subject to the comments in the "Independent Auditors' Report".
1. **Basis of Presentation**

The accompanying Schedules of Expenditures of Federal, State and County Awards included all government grants to the Organization that had activity during the fiscal years ended December 31, 2020 and 2019. These schedules have been prepared on the accrual basis of accounting. Grant revenues are recorded for financial reporting purposes when the Organization has met the qualifications for the respective grants.

Subject to the comments in the "Independent Auditors' Report".
INDEPENDENT AUDITORS’ REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors of Center For Food Action in New Jersey, Inc.
Englewood, New Jersey

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of Center For Food Action in New Jersey, Inc. as of and for the years ended December 31, 2020 and 2019, and the related notes to the financial statements, which collectively comprise Center For Food Action in New Jersey, Inc.’s financial statements and have issued our report thereon dated May 25, 2021.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audits of the financial statements, we considered the Center For Food Action in New Jersey, Inc.’s internal control over financial reporting (internal control) to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Center For Food Action in New Jersey, Inc.’s internal control. Accordingly, we do not express an opinion on the effectiveness of Center For Food Action in New Jersey, Inc.’s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.
Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audits we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether Center For Food Action in New Jersey, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

PURPOSE OF THIS REPORT

This purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity’s internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

JVA Accountants & Advisors

Denville, New Jersey
May 25, 2021