

**NORTHWEST NEW JERSEY
COMMUNITY ACTION PROGRAM, INC.
AND SUBSIDIARIES**

CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION

AUGUST 31, 2021 AND 2020



SOBEL & CO. LLC

CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

**NORTHWEST NEW JERSEY COMMUNITY
ACTION PROGRAM, INC. AND SUBSIDIARIES**

AUGUST 31, 2021 AND 2020

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**NORTHWEST NEW JERSEY COMMUNITY
ACTION PROGRAM, INC. AND SUBSIDIARIES**

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Northwest New Jersey Community Action Program, Inc. and Subsidiaries
Phillipsburg, New Jersey

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Northwest New Jersey Community Action Program, Inc. ("Norwescap") (a nonprofit organization) and Subsidiaries, which comprise the consolidated statement of financial position as of August 31, 2021, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit 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 audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' 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 auditors consider internal control relevant to Norwescap's preparation and fair presentation of the consolidated 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 Norwescap'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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of Norwescap and Subsidiaries as of August 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.

Other Matters

Report on Supplementary and Other Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The schedules of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and New Jersey Office of Management and Budget Circular Letter 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*, and the schedules of expenditures by grant and federal financial reports are presented for the purpose of additional analysis and are not a required part of the consolidated financial statements. The schedules of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from, and relate directly to, the underlying accounting and other records used to prepare the consolidated financial statements. Such information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

The schedules of expenditures by grant and federal financial reports are the responsibility of management. These schedules include: the Head Start Federal Financial Report Form 425, the Head Start Attachment to Report for Grant #02CH011177, the Schedule of WIC Expenditures, the Schedule of SHIP Expenditures, and the Schedule of CEED A Expenditures. Such information, except for that portion marked "unaudited", was derived from, and relates directly to, the underlying accounting and other records used to prepare the consolidated financial statements.

Report On Supplementary and Other Information (Continued)

The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, that information is fairly stated in all material respects in relation to the consolidated financial statements as a whole. The information marked "unaudited" has not been subjected to the auditing procedures applied in the audit of the consolidated financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 24, 2022, on our consideration of Norwescap and Subsidiaries' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 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 Norwescap and Subsidiaries' internal control over financial reporting and compliance.

Report on Summarized, Comparative Information

We have previously audited Norwescap's fiscal year 2020 consolidated financial statements, and we expressed an unmodified opinion on those audited consolidated financial statements in our report dated March 3, 2020. In our opinion, the summarized, comparative information presented herein as of and for the year ended August 31, 2020, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Sobel & Co., LLC

Certified Public Accountants

Livingston, New Jersey
February 24, 2022

**NORTHWEST NEW JERSEY COMMUNITY
ACTION PROGRAM, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	August 31,	
ASSETS	2021	2020
CURRENT ASSETS:		
Cash and cash equivalents	\$ 3,545,063	\$ 2,938,838
Grants receivable	2,070,227	1,870,356
Inventory and other assets	14,487	74,071
Investments	119,202	10,830
Due from related party	201,117	-
Total Current Assets	5,950,096	4,894,095
 PROPERTY AND EQUIPMENT, Net	 1,152,040	 1,481,975
 RESTRICTED DEPOSITS	 298,640	 298,630
	<u>\$ 7,400,776</u>	<u>\$ 6,674,700</u>
 LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	\$ 1,249,095	\$ 1,581,477
Advances from grantors	928,093	286,605
Total Current Liabilities	2,177,188	1,868,082
 LONG-TERM LIABILITIES:		
Security deposits payable	-	13,042
Total Liabilities	2,177,188	1,881,124
 COMMITMENTS AND CONTINGENCIES		
 NET ASSETS:		
Without donor restrictions:		
Operating	3,665,222	3,232,281
Board-designated	-	19,226
Total net assets without donor restrictions	3,665,222	3,251,507
With donor restrictions:		
Restricted for specified purpose	1,558,366	1,542,069
Total Net Assets	5,223,588	4,793,576
	<u>\$ 7,400,776</u>	<u>\$ 6,674,700</u>

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

NORTHWEST NEW JERSEY COMMUNITY ACTION PROGRAM, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

YEAR ENDED AUGUST 31, 2021

(With Summarized, Comparative Totals for the Year Ended August 31, 2020)

	2021			2020 Total
	Without Donor Restrictions	With Donor Restrictions	Total	
PUBLIC SUPPORT AND REVENUE:				
Grants and contracts	\$ 19,031,152	\$ -	\$ 19,031,152	\$ 16,268,853
Contributions, fees, rents, and other	1,740,556	25,446	1,766,002	1,832,568
Special events	8,298	-	8,298	49,080
Contributed services	1,471,368	-	1,471,368	1,210,621
Interest and dividends	677	-	677	310
Unrealized and realized gain	11,234	-	11,234	-
Net assets released from restrictions	9,149	(9,149)	-	-
Total public support and revenue	22,272,434	16,297	22,288,731	19,361,432
EXPENSES:				
Program services:				
Child enrichment	12,199,322	-	12,199,322	11,569,867
Community action	7,933,196	-	7,933,196	6,277,803
Total program services	20,132,518	-	20,132,518	17,847,670
Management and general	1,290,644	-	1,290,644	1,177,360
Total expenses	21,423,162	-	21,423,162	19,025,030
CHANGES IN NET ASSETS	849,272	16,297	865,569	336,402
NET ASSETS - Beginning of year	3,251,507	1,542,069	4,793,576	4,457,174
Transfer of net assets to Sussex Seniors	(435,557)	-	(435,557)	-
NET ASSETS - End of year	\$ 3,665,222	\$ 1,558,366	\$ 5,223,588	\$ 4,793,576

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

NORTHWEST NEW JERSEY COMMUNITY ACTION PROGRAM, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED AUGUST 31, 2021

(With Summarized, Comparative totals for the Year Ended August 31, 2020)

	Program Services			Supporting Services		
	Child Enrichment	Community Action	Total Program Services	Management and General	2021 Total	2020 Total
Personnel	\$ 6,579,538	\$ 3,235,188	\$ 9,814,726	\$ 831,774	\$ 10,646,500	\$ 9,754,004
Fringe benefits	2,165,456	912,133	3,077,589	216,024	3,293,613	3,020,975
Total Personnel and Fringe Benefits	8,744,994	4,147,321	12,892,315	1,047,798	13,940,113	12,774,979
Contributed services	1,471,368	-	1,471,368	-	1,471,368	1,210,621
Consultant/contractual	215,967	328,693	544,660	66,624	611,284	1,042,873
Travel and transportation	42,402	54,723	97,125	1,704	98,829	174,685
Rents/space	801,076	349,998	1,151,074	19,458	1,170,532	1,017,986
Consumable supplies	417,112	328,841	745,953	71,593	817,546	679,874
Equipment	89,781	92,412	182,193	-	182,193	122,336
Communications	84,279	70,351	154,630	10,236	164,866	165,182
Insurance	50,431	90,530	140,961	15,721	156,682	162,709
Client assistance	246,015	2,229,303	2,475,318	-	2,475,318	1,352,391
Other costs	24,647	111,535	136,182	57,510	193,692	142,538
Bad debt expense	-	7,698	7,698	-	7,698	40,910
Total Expenses Before Depreciation	12,188,072	7,811,405	19,999,477	1,290,644	21,290,121	18,887,084
Depreciation	11,250	121,791	133,041	-	133,041	137,946
Total Expenses	\$ 12,199,322	\$ 7,933,196	\$ 20,132,518	\$ 1,290,644	\$ 21,423,162	\$ 19,025,030

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

**NORTHWEST NEW JERSEY COMMUNITY
ACTION PROGRAM, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS**

	Year Ended August 31,	
	2021	2020
CASH FLOWS PROVIDED BY (USED FOR):		
<u>OPERATING ACTIVITIES:</u>		
Changes in net assets	\$ 865,569	\$ 336,402
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	133,041	137,946
Bad debt expense	7,698	40,910
Unrealized and realized gain	(11,234)	-
Donated stock investment	(103,598)	-
Changes in operating assets and liabilities:		
Grants receivable	(207,569)	125,951
Inventory and other assets	59,584	141,527
Due from related party	(252,740)	-
Accounts payable and accrued expenses	(332,382)	451,173
Advances from grantors	641,488	117,516
Security deposit payable	(13,042)	(3,009)
Net Cash Provided by Operating Activities	<u>786,815</u>	<u>1,348,416</u>
<u>INVESTING ACTIVITIES:</u>		
Purchase of equipment	(187,040)	-
Proceeds from sale of investments	106,721	-
Interest reinvested	(261)	(105)
Purchase of certificate of deposit	(100,000)	-
Net Cash Used for Investing Activities	<u>(180,580)</u>	<u>(105)</u>
NET INCREASE IN CASH, CASH EQUIVALENTS AND RESTRICTED DEPOSITS	606,235	1,348,311
BEGINNING OF YEAR	3,237,468	1,889,157
END OF YEAR	\$ 3,843,703	\$ 3,237,468
 Noncash transfer of net assets (Note 3)	 \$ (435,557)	 \$ -

**NORTHWEST NEW JERSEY COMMUNITY
ACTION PROGRAM, INC. AND SUBSIDIARIES**
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AUGUST 31, 2021 AND 2020

NOTE 1 - NATURE OF ACTIVITIES:

The Northwest New Jersey Community Action Program, Inc. ("Norwescap" or "Organization") is a private, not-for-profit organization incorporated in 1965, under the laws of the state of New Jersey. Norwescap is a community action agency whose operating purpose is to aggregate federal and state government financial assistance and to provide community services that include the following programs: Child Enrichment, Nutrition and Health, Employment and Economic Development, Housing Emergency, Information and Referral, and Volunteer Services. Norwescap is substantially dependent on federal financial assistance and financial assistance from the state of New Jersey. Funding is received for various periods of time which do not necessarily coincide with Norwescap's fiscal year.

The Norwescap Holding Company, Inc. ("Holding Company") is a not-for-profit organization incorporated in 1994, under the laws of the state of New Jersey as a 501(c)(2) organization. The Holding Company was organized to hold title for certain real estate.

The Northwest New Jersey Echo Housing Corporation ("ECHO") is a not-for-profit organization incorporated in 1994, under the laws of the state of New Jersey as a 501(c)(3) organization. ECHO was organized to provide modular housing units to qualified elderly persons. The project consists of seven units which are attached to the house utilities infrastructure of related sponsors, resulting in Elderly Cottage Housing Opportunities. The project operates under Section 202 of the National Housing Act and is regulated by the U.S. Department of Housing and Urban Development ("HUD") with respect to rental charges and operating methods.

ECHO is required to comply with the capital funding regulations of HUD, which require the formation of a separate, single-asset corporation to hold title to HUD-funded property and equipment, and record the revenue and expenses related to the maintenance of the property. ECHO has transferred six modular housing units to nonprofit organizations. The one remaining modular housing unit was destroyed. ECHO received approval from HUD in regards to this process.

The Sussex Seniors Urban Renewal Affordable Housing Non-Profit Corporation, Inc. ("Sussex Seniors") is a not-for-profit organization incorporated in 1995, under the laws of the state of New Jersey as a 501(c)(3) organization. Sussex Seniors was organized to acquire, develop and manage the redevelopment and relocation housing project in Sussex Borough, New Jersey. Sussex Seniors manages 11 affordable housing units dedicated for low-income senior citizens, and a commercial space of 5,356 sq. ft. located on Main Street, Sussex, New Jersey. As of September 1, 2020, Sussex Seniors was deconsolidated from the Organization's consolidated financial statements. See Note 3.

**NORTHWEST NEW JERSEY COMMUNITY
ACTION PROGRAM, INC. AND SUBSIDIARIES**
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AUGUST 31, 2021 AND 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Basis of Accounting:

The consolidated financial statements of Norwescap have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Financial Statement Presentation:

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

Net Assets Without Donor Restrictions - Net assets not subject to donor-imposed stipulations.

Net Assets With Donor Restrictions - Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time. Also included in this classification are net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on any related investments for general or specific purposes. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities and changes in net assets as net assets released from restrictions.

Principles of Consolidation:

The consolidated financial statements include the accounts for Norwescap, Holding Company, Sussex Seniors, and ECHO (collectively, "Norwescap entities"). All of the entities are under common control. All significant intercompany balances and transactions have been eliminated in consolidation. Sussex Seniors has elected to report its activities on a calendar-year basis ending December 31st of each year and, as such, differs from Norwescap's reporting period. Sussex Seniors' fiscal year begins January 1 and ends on December 31.

The accounts of Sussex Seniors are included in the fiscal year 2020's consolidated financial statements for the twelve-month period ended August 31, 2020. As of September 1, 2020, Sussex Seniors was deconsolidated from the consolidated financial statements.

**NORTHWEST NEW JERSEY COMMUNITY
ACTION PROGRAM, INC. AND SUBSIDIARIES**
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AUGUST 31, 2021 AND 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Summarized, Comparative Information:

The consolidated financial statements include certain prior-year, summarized, comparative information in total but not by net asset class or functional area. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with Norwescap's consolidated financial statements for the year ended August 31, 2020, from which the summarized information was derived.

Cash and Cash Equivalents:

Cash and cash equivalents includes bank demand deposits, savings accounts and money market accounts. For the purposes of the consolidated statements of cash flows, Norwescap considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Grants Receivable and Allowance for Doubtful Accounts:

Revenue from grants is reported based on allowable expenses. Grants receivable are the excess of allowable expenses incurred over the cash received by Norwescap from funding agencies.

Grants receivable are stated at the amounts management expects to collect from outstanding balances. The Organization charges uncollectible grants receivable to operations when determined to be uncollectible. Management has determined there is no allowance for doubtful accounts for the years ended August 31, 2021 and 2020.

Inventory:

Inventory, which is comprised primarily of purchased goods for the co-op food program, is valued at the lower of cost or market. Donated items, which meet the criteria for recognition, are recorded at estimated fair value at the date of donation.

Fair Value:

Fair value measurements are defined as the amounts that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. There are three defined hierarchical levels based on the quality of inputs used that directly relate to the amount of subjectivity associated with the determination of fair value.

The fair value hierarchy defines the three levels as follows:

- Level 1:** Valuations based on quoted prices (unadjusted) in an active market that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.

**NORTHWEST NEW JERSEY COMMUNITY
ACTION PROGRAM, INC. AND SUBSIDIARIES**
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AUGUST 31, 2021 AND 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Fair Value: (Continued)

Level 2: Valuations based on observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in inactive markets; or model-derived valuations in which all significant inputs are observable, or can be derived principally from or corroborated by observable market data.

Level 3: Valuations based on unobservable inputs used when little or no market is available. The fair value hierarchy gives lowest priority to Level 3 inputs.

In determining fair value, the Organization utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible, as well as considers counterparty credit risk (or other parties, such as counterparty in a swap) in its assessment of fair value.

Gains and losses, both realized and unrealized, resulting from increases or decreases in the fair value of investments are reflected in the consolidated statement of activities and changes in net assets as increases or decreases in net assets without donor restrictions unless the use was restricted by explicit donor stipulations or by law.

Investments:

The Organization holds a certificate of deposit which is valued at cost plus accrued interest earned as of August 31, 2021 and 2020, which approximates market value. The Organization holds stocks in companies traded on national securities exchanges that are valued at the closing price reported in the active market in which individual securities are traded.

Property and Equipment:

The Norwescap entities record land, building and equipment at cost on the date of acquisition, or at the fair value of the asset, based on values of comparable assets, at the date of gift for donated assets. Depreciation is computed on a straight-line basis over the estimated useful life as follows:

Buildings and improvements	10 to 30 years
Furniture and equipment	5 years
Vehicles	5 to 7 years

In the absence of donor-imposed restrictions on the use of the assets, gifts of long-lived assets are reported as unrestricted support. When an asset is sold or retired, the cost and accumulated depreciation are removed from the respective accounts. Maintenance, repairs, and minor renewals are charged to operations as incurred. Significant renewals and betterments that increase the useful life of the assets and are greater than \$5,000, are capitalized.

**NORTHWEST NEW JERSEY COMMUNITY
ACTION PROGRAM, INC. AND SUBSIDIARIES**
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AUGUST 31, 2021 AND 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Property and Equipment: (Continued)

Federal, state, county and other funding sources may maintain an equitable interest in the property purchased with grant monies, as well as the right to determine the use of proceeds from the sale of those assets.

Advances from Grantors:

Advances from grantors are the excess of grant cash received in the current fiscal year over allowable grant expenses incurred during the current fiscal year. These advances from grantors must be expended for grant purposes.

At the termination of federal, state, and other funding sources, the balance of funds unapplied are subject to disposition according to the funding source's requirements.

Revenue Recognition:

Funds received from various federal and state government agencies represent grants awarded to the Organization to provide program services. Revenue with respect to these awards is recognized to the extent of expenses incurred under the award terms. Funds received in advance are accounted for as advances from grantors in the consolidated statements of financial position. Amounts that are spent in accordance with contract requirements, but not yet received, are accounted for as accounts and grants receivable in the consolidated statements of financial position.

Contributions are recognized as revenue and receivables when they are received or unconditionally pledged. There were no unconditional pledges made during the years ending August 31, 2021 and 2020.

The Norwescap entities report gifts of cash and other assets as restricted support 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 consolidated statement of activities and changes in net assets as net assets released from restrictions. However, the Norwescap entities report gifts of cash and other assets subject to donor-restrictions, whose restrictions are met within the same year as received, as without donor restriction contributions in the accompanying consolidated financial statements.

**NORTHWEST NEW JERSEY COMMUNITY
ACTION PROGRAM, INC. AND SUBSIDIARIES**
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AUGUST 31, 2021 AND 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Contributed Property and Equipment:

Donations of property and equipment are recorded as contributions at their estimated fair value on the date of the gift. Such donations are reported as contributions 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 restricted contributions. Absent donor restrictions regarding how long those donated assets must be maintained, the Norwescap entities report expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Norwescap entities reclassify net assets with donor restrictions to net assets without donor restrictions at that time. Proceeds from the sale of fixed assets, if unrestricted, are transferred to net assets without donor restrictions, or, if restricted, to defer amounts restricted for fixed asset acquisitions.

Contributed Services:

Contributed services are recorded at fair value and recognized as revenues and expenses in the period received if they meet the requirements for recognition under accounting principles generally accepted in the United States of America.

During fiscal years ended August 31, 2021 and 2020, contributed services recorded in the consolidated financial statements were used primarily in the Head Start program. These early childhood program aid instruction and related services are valued consistent with such services provided for in the Phillipsburg Board of Education contracts. Norwescap also receives free rent for classroom space from the town of Phillipsburg, New Jersey. For the years ended August 31, 2021 and 2020, contributed early childhood program aid services and rental space of approximately \$1,471,000 and \$1,211,000, respectively, are reported in contributed services revenue and expenses in the accompanying consolidated statement of activities and changes in net assets. For the years ended August 31, 2021 and 2020, contributed services were reduced due to COVID-19 restrictions. Norwescap has obtained a reduction waiver from Head Start.

Contributed Goods:

Through its Food Bank program, Norwescap solicits and receives food commodities which are to be distributed to qualified charitable organizations in specified areas. The fair value of food commodities received is recognized as revenue in circumstances in which Norwescap has sufficient discretion over the use and disposition of the items to recognize a contribution. Accordingly, the recognition of contributed goods as revenue is limited to circumstances in which Norwescap takes constructive possession of the contributed goods and Norwescap is the recipient of the gift, rather than an agent or intermediary.

**NORTHWEST NEW JERSEY COMMUNITY
ACTION PROGRAM, INC. AND SUBSIDIARIES**
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AUGUST 31, 2021 AND 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Contributed Goods (Continued):

In circumstances in which Norwescap is functioning as an agent or intermediary with respect to the contributed goods, Norwescap does not report an asset when the food commodities are received from a resource provider or donor, nor is an expense reported when the items are remitted to the ultimate beneficiary.

Although Norwescap aims to distribute contributed goods received as promptly as possible, it may continue to hold some contributed goods at year-end. Undistributed, contributed goods over which Norwescap has no variance power are not recognized and reported as inventory at year-end.

During the years ended August 31, 2021 and 2020, Norwescap distributed approximately 1,766,000 and 2,387,000 pounds of food, respectively, to qualified charitable organizations. The value of these commodities has not been reported in the consolidated financial statements as Norwescap determined it has no variance power over the distribution of these goods.

Norwescap receives food commodities for distribution to eligible recipients in The Emergency Food Assistance Program for a fee and participates in the New Jersey State Food Purchase Program ("SFPP"). Under SFPP, Norwescap receives, purchases, and distributes food to qualified recipients in exchange for a fee. Norwescap also receives and distributes food commodities under other similar government programs. During the years ended August 31, 2021 and 2020, Norwescap distributed approximately 408,000 and 867,000 pounds of food commodities under these programs, which are included in the total poundage 1,766,000 and 2,387,000 above, respectively. The value of those commodities has not been reported in the consolidated financial statements as Norwescap determined it has no variance power over the distribution of these goods.

Income Tax Status:

The Norwescap entities are exempt from income taxes under Sections 501(c)(3) and 501(c)(2) of the Internal Revenue Code, and are also exempt under Title 15 of the State of New Jersey Corporations and Associations Not-for-Profit Act. The Organization follows standards that provide clarification on accounting for uncertainty in income taxes recognized in the Organization's consolidated financial statements.

The guidance prescribes a recognition threshold and measurement attribute for the recognition and measurement of a tax position taken, or expected to be taken, in a tax return, and also provides guidance on derecognition, classification, interest and penalties, disclosure and transition. The Organization's policy is to recognize interest and penalties on unrecognized tax benefits in income tax expense. No interest and penalties were recorded during the fiscal years ended 2021 and 2020. At August 31, 2021 and 2020, there are no significant income tax uncertainties.

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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Interest Income:

Interest income is accounted for as required by grant contract requirements. Interest income is returnable to the grantor for the following grant: Head Start (New Jersey Department of Health and Human Services). For other grants, interest income is retained and used to further program activities as stipulated in the New Jersey Department of Community Affairs and other contracts.

Use of Estimates:

In preparing the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Recent Accounting Pronouncements:

The Financial Accounting Standards Board issued an accounting pronouncement, *Leases*, which requires lessees to recognize a right-of-use asset and lease liability on the balance sheet for all leases with a term longer than 12 months. Under this new pronouncement, a modified retrospective transition approach or a cumulative-effect adjustment transition approach may be used, and the new standard is applied to all leases existing at the date of initial application. An entity may choose to use either (1) its effective date, or (2) the beginning of the earliest comparative period presented in the financial statements as its date of initial application. The standard is effective for annual periods beginning after December 15, 2021. The Organization is currently evaluating the effect the new standard will have on the financial statements.

Reclassifications:

Certain reclassifications have been made to the fiscal year 2020 consolidated financial statement presentation to correspond to the current year's format.

Subsequent Events:

The Organization has evaluated events subsequent to the consolidated statement of financial position date as of August 31, 2021 through February 24, 2022, the date that the consolidated financial statements were available to be issued.

**NORTHWEST NEW JERSEY COMMUNITY
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NOTE 3 - DECONSOLIDATION OF SUSSEX SENIORS:

Effective September 1, 2020, the Organization deconsolidated Sussex Seniors Urban Renewal Affordable Housing Corporation (“Sussex Seniors”) from the overall consolidated financial statements of Northwest New Jersey Community Action Programs, Inc. and Subsidiaries. Sussex Seniors will continue to utilize the administrative services provided by the Organization but is no longer under common control and is now operated under the direction of a distinct and independent board of trustees.

Assets amounting to approximately \$436,000 were transferred to Sussex Seniors as part of the deconsolidation and is recorded as a transfer of net assets to Sussex Seniors on the consolidated statement of activities and changes in net assets. No consideration was provided by Sussex Seniors and no gain or loss was recorded by the Organization in connection with the transaction.

NOTE 4 - GRANT RECEIVABLES:

Grants receivable are comprised of the following:

	August 31,	
	2021	2020
Community Services Block Grant	\$ 317,938	\$ 242,437
Head Start Abbott - ECPA	8,151	89,660
Head Start and Early Head Start	563,486	444,144
Family Self Sufficiency (“FSS”)	21,781	37,634
Homeless Prevention	29,480	3,301
LIHEAP, Weatherization, Heating Improvement Program and the Department of Energy	371,802	352,462
NJ Cancer Education and Early Detection (“CEED”)	11,437	76,507
Women, Infants and Children (“WIC”)	83,833	181,699
Other	662,319	442,512
Total Grants Receivable	<u>\$ 2,070,227</u>	<u>\$ 1,870,356</u>

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 5 - INVESTMENTS:

The certificate of deposit bears an interest rate between .25% - 2.35%. Interest income on the certificate of deposit for the years ended August 31, 2021 and 2020, is \$36 and \$105, respectively.

The following table summarizes assets which have been accounted for at fair value on a recurring basis, along with the basis of determination of fair value:

<u>FAIR VALUE MEASUREMENT</u>				
<u>AUGUST 31, 2021</u>				
	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Certificate of deposit	\$ -	\$ 10,866	\$ -	\$ 10,866
Equities	108,336	-	-	108,336
	<u>\$ 108,336</u>	<u>\$ 10,866</u>	<u>\$ -</u>	<u>\$ 119,202</u>

<u>FAIR VALUE MEASUREMENT</u>				
<u>AUGUST 31, 2020</u>				
	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Certificate of deposit	\$ -	\$ 10,830	\$ -	\$ 10,830

During the year ended August 31, 2021, approximately \$104,000 was donated to the Organization in stock, which is recorded within contributions, fees, rents and other on the consolidated statement of activities and changes in net assets.

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NOTE 6 - PROPERTY AND EQUIPMENT:

Property and equipment, net of accumulated depreciation, at August 31, 2021, is as follows:

	Norwescap	Holding Company	ECHO	Total
Land	\$ 158,816	\$ -	\$ -	\$ 158,816
Buildings and improvements	942,325	1,417,109	736,449	3,095,883
Furniture, fixtures and equipment	438,643	-	-	438,643
Vehicles	1,040,201	-	-	1,040,201
	<u>2,579,985</u>	<u>1,417,109</u>	<u>736,449</u>	<u>4,733,543</u>
Less: Accumulated depreciation	2,093,661	751,393	736,449	3,581,503
	<u>\$ 486,324</u>	<u>\$ 665,716</u>	<u>\$ -</u>	<u>\$ 1,152,040</u>

Property and equipment, net of accumulated depreciation, at August 31, 2020, is as follows:

	Norwescap	Holding Company	Sussex Seniors	ECHO	Total
Land	\$ 158,816	\$ 53,001	\$ 191,966	\$ -	\$ 403,783
Buildings and improvements	942,325	1,364,108	767,864	736,449	3,810,746
Furniture, fixtures and equipment	411,856	-	-	-	411,856
Vehicles	917,841	-	-	-	917,841
	<u>2,430,838</u>	<u>1,417,109</u>	<u>959,830</u>	<u>736,449</u>	<u>5,544,226</u>
Less: Accumulated depreciation	2,043,983	705,923	575,896	736,449	4,062,251
	<u>\$ 386,855</u>	<u>\$ 711,186</u>	<u>\$ 383,934</u>	<u>\$ -</u>	<u>\$ 1,481,975</u>

Property and equipment purchased with federal or state funds are vested with the Norwescap entities as long as the Norwescap entities are granted the right to carry out the various programs for which such assets were acquired. Although the government grantor may retain legal title during the term of the arrangement, it is likely that the Norwescap entities will use the assets for the remainder of their useful lives and will be permitted to keep the assets when the arrangement is terminated.

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NOTE 6 - PROPERTY AND EQUIPMENT: (Continued)

A Notice of Federal Interest has been filed with the county record of deeds for certain land and buildings on which Head Start facilities are located. The Notice of Federal Interest requires the land and buildings to be used in a manner consistent with the Head Start Act governing the financial statements under which the property was acquired. The land cannot be sold or transferred to another party without the written permission of the responsible Department of Health and Human Services official.

NOTE 7 - RESTRICTED DEPOSITS—RESERVES:

Cash reserves required by HUD for the year ended August 31, 2021, are comprised of the following:

	Reserves		
	Moving	Replacement	Total
Balance, beginning of year	\$ 268,794	\$ 29,836	\$ 298,630
Interest	27	3	30
Bank service charge	(20)	-	(20)
Balance, end of year	<u>\$ 268,801</u>	<u>\$ 29,839</u>	<u>\$ 298,640</u>

Cash reserves required by HUD for the year ended August 31, 2020, are comprised of the following:

	Reserves		
	Moving	Replacement	Total
Balance, beginning of year	\$ 463,392	\$ 29,807	\$ 493,199
Interest	31	29	60
Bank service charge	(20)	-	(20)
Approved withdrawals	(194,609)	-	(194,609)
Balance, end of year	<u>\$ 268,794</u>	<u>\$ 29,836</u>	<u>\$ 298,630</u>

Written prior approval from HUD is required to disburse funds from each reserve account. There were no disbursements from the reserves during the fiscal year ended August 31, 2021. There were \$194,609 disbursements during the year ended August 31, 2020.

**NORTHWEST NEW JERSEY COMMUNITY
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 8 - ADVANCES FROM GRANTORS:

Advances from grantors are comprised of the following:

	August 31,	
	2021	2020
Neighborhood Revitalization Tax Credit	\$ 9,857	\$ 69,000
Child Care Resource and Referral	361,332	99,230
Food Bank New Jersey Pandemic Relief	100,000	38,823
Warren County Department of Human Services	-	38,423
Healthy Families	-	-
NJ Department of Agriculture CARES	101,087	-
Lead Safe Home Remediation	150,000	-
Centers for Disease Control Foundation	54,662	-
State Food Purchase Program	51,484	-
New Jersey Pandemic Relief Fund	50,000	-
Other	49,671	41,129
	<u>\$ 928,093</u>	<u>\$ 286,605</u>

NOTE 9 - LEASES:

Norwescap occupies office and classroom space and leases various equipment under separate operating leases with various terms expiring through 2028. Total rental space charged to operations for the years ended August 31, 2021 and 2020, was \$626,911 and \$571,132, respectively. Rental space is charged to rents/space in the consolidated statements of functional expenses and is primarily for Head Start facilities. It is expected that in the normal course of operations, other leases that expire will be renewed or replaced. Rental of certain facilities is contingent upon the continuance of federal and state funding for which the programs are dependent. Norwescap has no sublease rentals.

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AUGUST 31, 2021 AND 2020

NOTE 9 - LEASES: (Continued)

Future minimum lease commitments for office and classroom space as of August 31, are as follows:

Year Ended August 31,	
2022	\$ 370,207
2023	268,616
2024	231,419
2025	119,666
2026	76,800
Thereafter	115,200
	<u>\$ 1,181,908</u>

NOTE 10 - CONTRIBUTIONS, FEES, RENTS AND OTHER:

Contributions, fees, rents, and other revenue is compromised of the following:

	Year Ended August 31,	
	2021	2020
Contributions	\$ 667,027	\$ 822,628
Fees	100,325	126,219
Food distribution	821,358	709,748
Rents	40,836	125,087
Other	136,456	48,886
	<u>\$ 1,766,002</u>	<u>\$ 1,832,568</u>

Effective September 1, 2020, the Organization deconsolidated Sussex Seniors Urban Renewal Affordable Housing Corporation "Sussex Seniors" from the overall consolidated financial statements of Northwest New Jersey Community Action Programs, Inc. and Subsidiaries. For the year ended August 31, 2020, \$85,300 of rents related to Sussex Seniors. Therefore the Sussex Seniors rent revenue was not included in the August 31, 2021 amount listed above.

**NORTHWEST NEW JERSEY COMMUNITY
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NOTE 11 - RETIREMENT BENEFITS:

Norwescap maintains a defined-contribution pension plan. The benefit plan is a tax-deferred annuity plan, whereby employees elect to voluntarily contribute up to the maximum amount allowed in accordance with Section 403(b) of the Internal Revenue Code. Employer contributions are made based on years of service with Norwescap and also based on a percentage of the compensation of the employee for that year. Employer contributions will be made whether or not an employee is making contributions to the plan. Pension expense for the years ended August 31, 2021 and 2020, was \$332,204 and \$303,873, respectively, and is recorded in fringe benefits on the consolidated statement of functional expenses.

NOTE 12 - BOARD-DESIGNATED NET ASSETS:

As of August 31, 2020, the Board of Trustees has designated \$19,226, of net assets without donor restrictions for operating reserves. During the year ended August 31, 2021, the Board, in agreement with the Chief Executive Officer and Chief Financial Officer, released the fund for use in the general operations of the Organization.

NOTE 13 - NET ASSETS WITH DONOR RESTRICTIONS:

Net assets with donor restrictions consists of the following:

	Year Ended August 31,	
	2021	2020
Community Action Programs	\$ 58,666	\$ 42,369
Northwest New Jersey Echo Housing, Inc.	1,499,700	1,499,700
	<u>\$ 1,558,366</u>	<u>\$ 1,542,069</u>

The amount of \$1,499,700 is a HUD-funded Section 202 Capital Advance to pay for the construction of the HUD project. HUD holds a non-amortizing mortgage on the property under the terms of the Capital Advance agreement with HUD. No repayment is required so long as the owner complies with the HUD Regulatory Agreement to make available rental housing to very low-income elderly persons for a term of 40 years, beginning August 9, 1996 through August 9, 2036. Failure to comply with the terms of the Capital Advance and HUD's agreements may result in foreclosure under the mortgage. Management believes that the possibility that repayment will occur is remote and that treatment of the Capital Advance as net assets with donor restrictions is appropriate. There has been no change in the status of Echo as of the report date.

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NOTE 13 - NET ASSETS WITH DONOR RESTRICTIONS: (Continued)

On November 18, 2015, the Project received final written approval from HUD to transfer three modular housing units to the Volunteers of America located in Blackwood, New Jersey, with the intention of providing transitional housing for homeless veterans.

On July 20, 2019, the Project received final written approval from HUD to transfer the remaining seven modular housing units to Operation Safe Haven located in Franklinville, NJ. The Project moved six units and destroyed one unit. They also received approval from HUD to withdraw \$194,609 from their reserve account to help pay the cost associated with moving the units.

NOTE 14 - CONCENTRATIONS OF CREDIT RISKS:

The Organization receives approximately 82% and 79% of its funding from various federal and state governmental agencies, respectively. The operations of the Organization are subject to the administrative directives, rules and regulations of federal and state regulatory agencies. Such administrative directives, rules and regulations are subject to changes that may occur because of inadequate funding with little notice to pay for the related costs, including the additional administrative burden, to comply with a change.

The Organization participates in federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors and their representatives. The Organization is potentially liable for expenditures which may be disallowed pursuant to the terms of these grant programs. Management of the Organization is not aware of any material items of noncompliance which would result in the disallowance of grant program expenditures.

The Organization maintains cash balances at one financial institution. At times, cumulative balances may exceed insured limits.

NOTE 15 - FUNCTIONAL EXPENSES:

The costs of providing the various programs and other activities have been summarized on a functional basis on the consolidated statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefits. General and administrative expenses are those not directly identifiable with any specific function, but which provide for the overall support and direction of Norwescap.

Expenses that are allocated based on time and effort are: personnel, fringe benefits, consultants/contractual and consumable supplies. Expenses that are allocated based on square footage are: rents/space, consumable supplies, equipment, communications, insurance, other costs and depreciation.

**NORTHWEST NEW JERSEY COMMUNITY
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NOTE 16 - LIQUIDITY AND AVAILABILITY:

The following represents the Organization's financial assets reduced by amounts not available for general use within one year of the consolidated statement of financial position date because of contractual or donor-imposed restrictions or internal designations. Amounts available include donor-restricted amounts that are available for general expenditure in the following year.

	August 31,	
	2021	2020
Cash and cash equivalents	\$ 3,545,063	\$ 2,938,838
Grants receivable, net	2,070,227	1,870,356
Total financial assets	5,615,290	4,809,194
Less amounts not available to be used within one year:		
Board-designated net assets	-	(19,226)
Net assets with donor restrictions	(58,666)	(42,369)
	(58,666)	(61,595)
Financial assets available to meet general expenditures over the next 12 months	\$ 5,556,624	\$ 4,747,599

The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Additionally, the Organization has a line of credit for \$500,000 fully available. As part of its liquidity plan, excess cash is invested in short-term investments, including money market accounts. Amounts not available include amounts set aside by the Board of Trustees that could be drawn upon if the Board approves that action.

NOTE 17 - RISKS AND UNCERTAINTIES:

The Organization is actively monitoring the recent COVID-19 outbreak and its potential impact on the employees, volunteers, donors, clients, and operations. It is not known at this time the effect the virus will have on operations and/or financial results. The potential impact of COVID-19 is not foreseeable due to various uncertainties, including the severity of the disease, the duration of the outbreak, and actions that may be taken by governmental authorities.

NORTHWEST NEW JERSEY COMMUNITY ACTION PROGRAM, INC. AND SUBSIDIARIES
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED AUGUST 31, 2021

Federal Grantor/Pass-through Grantor/Program or Charter Title	Federal Assistance Listing Number	Pass-through Entity ID#	Grant/Project #	Grant Period	Grants Awards	Cumulative Program Disbursements	Loan at the Beginning of FY 2020	Current Year Program Disbursements
<u>Direct Assistance:</u>								
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>								
<i>Head Start Cluster</i>								
Head Start/EHS	93.600		02CH011177-02-02	09/01/20 - 08/31/21	\$ 5,508,266	\$ 5,508,266	\$ -	\$ 5,508,266
Early Head Start Expansion	93.600		02HP000054-04-01	09/01/20 - 08/31/21	1,309,244	1,309,244	-	1,309,244
Head Start/EHS-Covid-19	93.600		02CH011177-02-03	09/01/20 - 08/31/21	342,735	342,735	-	342,735
Early Head Start Expansion-Covid-19	93.600		02HP000054-03-01	09/01/20 - 08/31/21	56,244	56,244	-	56,244
Head Start American Rescue Plan	93.600		02HE000005-01-02	04/01/21 - 03/31/23	623,513	132,349	-	132,349
Head Start Consolidated Appropriations Act 2021	93.600		02HE000005-01-02	04/01/21 - 03/31/23	156,006	648	-	648
Total U.S Department of Health and Human Services					7,996,008	7,349,486	-	7,349,486
<u>U.S. DEPARTMENT OF JUSTICE</u>								
Byrne Criminal Justice Innovation Grant	16.817		2016-AJ-BX-0009	10/01/16 - 09/30/21	425,000	338,708	-	70,774
<u>U.S. DEPARTMENT OF HEALTH AND HOUSING AND URBAN DEVELOPMENT</u>								
HUD Continuum of Care	14.267		NJ0313L2F161907	09/01/20- 08/31/21	320,210	235,536	-	235,536
					320,210	235,536	-	235,536
Supportive Housing For the Elderly - ECHO Program	14.157	N/A	031-EE022	08/09/96 - 08/09/36	1,499,700	1,499,700	1,499,700	-
Total U.S. Department of Health and Housing and Urban Development					1,819,910	1,735,236	1,499,700	235,536
<u>CORPORATION FOR NATIONAL COMMUNITY SERVICE</u>								
RSVP	94.002	20SRANJ005		04/01/21 - 03/31/22	280,842	100,654	-	100,565
RSVP	94.002	20SRANJ005		04/01/20 - 03/31/21	237,842	237,842	-	141,926
Total Corporation for National Community Service					518,684	338,496	-	242,491
Total Direct Assistance					10,759,602	9,761,926	1,499,700	7,898,287
<u>Pass-through Assistance:</u>								
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>								
Passed through New Jersey Department of Human Services								
<i>CCDF Cluster</i>								
CCRR - Sussex/Warren & Hunterdon	93.575	UC21023		10/01/20 - 09/30/21	2,681,615	2,286,671	-	2,286,671
CCRR - Sussex	93.575	UC20023		10/01/19 - 09/30/20	821,306	810,029	-	77,010
CCRR - Warren	93.575	UC20023		10/01/19 - 09/30/20	1,005,663	874,629	-	80,961
CCRR - Hunterdon	93.575	UC20023		10/01/19 - 09/30/20	684,965	644,650	-	76,854
Total CCDF Cluster					5,193,549	4,615,979	-	2,521,496
Healthy Families	93.558	21BOWP		09/01/20 - 08/31/21	268,173	268,173	-	268,173
Family Success Center	93.667	21BOWP		09/01/20 - 08/31/21	240,000	240,000	-	240,000
SHIP	93.779	DOAS21SHF026		04/01/21 - 03/31/22	30,500	12,285	-	12,285
SHIP	93.779	DOAS20SHF011		04/01/20 - 03/31/21	29,160	29,160	-	18,706
					59,660	41,445	-	30,991
Passed through New Jersey Department of Community Affairs								
LIHEAP Weatherization 2019	93.568	2019-05130-0624-02		11/01/19 - 09/30/21	150,000	117,476	-	84,204
LIHEAP Weatherization Covid-19 Grant	93.568	2020-05126-0486-00		03/01/21 - 09/30/21	96,122	44,164	-	44,164
HIP 2019	93.568	2019-05124-0612-04		11/01/19 - 09/30/21	225,000	172,479	-	59,212
HIP Covid-19 2020 Grant	93.568	2020-05125-0473-00		03/01/21 - 09/30-21	117,482	44,259	-	44,259
LIHEAP Assistance 2021	93.568	2021-05131-0033-01		10/01/20 - 09/30/21	284,313	283,830	-	283,830
LIHEAP Assistance 2020	93.568	2020-05131-0210-00		10/01/19 - 09/30/20	258,904	258,904	-	39,071
LIHEAP Assistance Covid-19 2020	93.568	2020-05141-0301-01		08/01/20 - 09/30/21	38,836	38,836	-	38,836
					1,170,657	959,948	-	593,576
Community Services Block Grant 2021	93.569	2020-05235-0142-02		10/01/20 - 09/30/21	812,260	745,244	-	745,245
Community Services Block Grant 2020	93.569	2020-05235-0142-02		10/01/19 - 09/30/20	815,768	815,768	-	66,527
CSBG - Covid-19 Cares Act ND 2020	93.569	2020-05205-0315-00		04/01/20 - 09/30/22	1,100,989	489,858	-	401,228
					2,729,017	2,050,870	-	1,213,000
Passed through New Jersey Department of Health								
NJ Cancer Education & Early Detection (CEED)	93.283	DCHS21CED017		07/01/21 - 06/30/22	184,225	11,437	-	11,437
NJ Cancer Education & Early Detection (CEED)	93.283	DCHS21CED010		07/01/20 - 06/30/21	222,547	220,355	-	208,965
					406,772	231,792	-	220,402
Total U.S. Department of Health and Human Services					10,067,828	8,408,207	-	5,087,638

See independent auditors' report and notes to the schedules of expenditures of federal awards and state financial assistance.

NORTHWEST NEW JERSEY COMMUNITY ACTION PROGRAM, INC. & SUBSIDIARIES
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED AUGUST 31, 2021

Federal Grantor/Pass-through Grantor/Program or Charter Title	Federal Assistance Listing Number	Pass-through Entity ID#	Grant/Project #	Grant Period	Grants Awards	Cumulative Program Disbursements	Loan at the Beginning of FY 2020	Current Year Program Disbursements
<u>U.S. DEPARTMENT OF EDUCATION</u>								
Passed through New Jersey Department of Community Affairs								
County Councils for Young Children (Race to the Top) - Warren	84.412	21BOWP		09/01/20 - 08/31/21	75,000	75,000	-	75,000
County Councils for Young Children (Race to the Top) - Hunterdon	84.412	21BOWP		09/01/20 - 08/31/21	75,000	75,000	-	75,000
County Councils for Young Children (Race to the Top) - Morris	84.412	21BOWP		09/01/20 - 08/31/21	75,000	75,000	-	75,000
Total U.S. Department of Education					225,000	225,000	-	225,000
<u>U.S. DEPARTMENT OF AGRICULTURE</u>								
Passed through New Jersey Department of Health								
Women, Infants, and Children	10.557	DFHS21WIC005		10/01/20 - 09/30/21	1,015,769	882,311	-	882,311
Women, Infants, and Children	10.557	DFHS20WIC004		10/01/19 - 09/30/20	970,941	970,918	-	105,544
					1,986,710	1,853,229	-	987,855
<i>Food Distribution Cluster</i>								
Food Bank Cares Grant 20-21	10.568	NJDA-NRW CARES		03/01/20 - 12/01/20	600,000	600,000	-	236,497
Food Bank Cares Grant 20-21	10.568	NJDA-NRW CARES		11/12/20 - 12/31/20	150,000	150,000	-	150,000
Food Bank Cares Grant 20-21	10.568	NJDA-NRW CARES		01/01/21 - 09/30/21	600,000	566,337	-	566,337
Food Bank Cares Grant 20-21	10.568	NJDA-NRW CARES		01/01/21 - 09/30/21	300,000	232,576	-	232,576
<i>Total Food Distribution Cluster</i>					1,650,000	1,548,913	-	1,185,410
The Family Daycare Food Program (1960)	10.558			10/01/19 - 09/30/20				
The Family Daycare Food Program (1961)	10.558			10/01/20 - 09/30/21	77,771	77,771	-	77,771
The Child and Adult Food Program (9011)	10.558			10/01/20 - 09/30/21	126,733	121,020	-	121,020
The Child and Adult Food Program (9010)	10.558			10/01/19 - 09/30/20	216,214	155,229	-	3,313
The Emergency Food Assistance Program (1561) TEFAP	10.558			09/01/20 - 08/31/21	84,825	84,825	-	84,825
					505,543	438,845	-	286,929
<i>Child Nutrition Cluster</i>								
Summer Food Service Program for Children (1571)	10.559	213104		06/01/21 - 08/31/21	7,949	7,949	-	7,949
<i>Child Nutrition Cluster</i>					7,949	7,949	-	7,949
Trade Mitigation Program	10.178			10/01/20 - 09/30/21	7,505	7,505	-	7,505
Total U.S. Department of Agriculture					4,157,707	3,856,441	-	2,475,648
<u>U.S. DEPARTMENT OF ENERGY</u>								
Passed-through New Jersey Department of Community Affairs								
DOE Weatherization 2020	81.042	2020-05228-0007-06		07/01/19 - 06/30/21	309,828	309,828		82,577
Total Pass through Assistance					309,828	309,828	-	82,577
<u>U.S. DEPARTMENT OF HEALTH AND HOUSING AND URBAN DEVELOPMENT</u>								
Homeless Prevention & Rapid Re-Housing	14.231	2019-02156-0360-06		12/01/18 - 06/30/22	694,887	296,170	-	63,727
Passed through New Jersey Department of Community Affairs					694,887	296,170	-	63,727
<u>NJ DEPARTMENT OF STATE</u>								
NJ Commission of National and Community Services-AmeriCorps	94.006	AC21Form-015		09/01/20 - 08/31/21	290,886	217,539	-	217,539
Total Federal Awards					\$ 26,505,738	\$ 23,075,111	\$ 1,499,700	\$ 16,050,416

NORTHWEST NEW JERSEY COMMUNITY ACTION PROGRAM, INC. AND SUBSIDIARIES
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
YEAR ENDED AUGUST 31, 2021

State Awards	Grant Number	Grant Period	Grant Award	Cumulative Program Disbursements	Current-Year Program Disbursements
<u>NEW JERSEY DEPARTMENT OF COMMUNITY AFFAIRS</u>					
Neighborhood Revitalization Tax Credit Project 20	2020-02240-0272-00	03/01/20 - 02/28/22	\$ 345,000	\$ 59,143	\$ 59,143
NRTC Covid-19 Relief 2020	2020-02241-0380-01	03/01/20 - 12/30/20	98,000	98,000	98,000
Neighborhood Revitalization Tax Credit Planning 20:Sussex	2020-99902-0323-00	03/01/20 - 07/31/21	50,000	29,031	29,031
Neighborhood Revitalization Tax Credit Planning 20:Phillipsburg	2020-99902-0324-00	03/01/20 - 04/30/22	50,000	30,786	30,786
NPP Covid-19 Relief & Recovery 2020 Grant	2020-02242-0363-03	10/16/20 - 01/31/21	430,300	430,300	430,300
Careers Life Warren	21XHKW	09/01/20 - 08/31/21	150,000	136,643	136,643
Careers Life Hunterdon	21XHKW	09/01/20 - 08/31/21	150,000	149,869	149,869
Careers Life Somerset	21XHKW	09/01/20 - 08/31/21	150,000	130,567	130,567
Universal Services Fund 2022	2021-100-022-8050-B13-FUSF-6130	07/01/21 - 06/30/22	125,000	1,592	1,592
Universal Services Fund 2021	2021-100-022-8050-B13-FUSF-6130	07/01/20 - 06/30/21	126,037	126,037	107,298
Prevention of Homelessness Somerset 2019	2019-02150-0594-02	08/01/19 - 12/31/21	177,276	45,348	24,648
Prevention of Homelessness Morris 2019	2019-02150-0593-02	08/01/19 - 12/31/21	218,694	45,658	32,115
Total New Jersey Department of Community Affairs			2,070,307	1,282,974	1,229,992
<u>NEW JERSEY DEPARTMENT OF EDUCATION</u>					
Head Start Abbott - ECPA Phillipsburg	063022	07/01/21 - 06/30/22	559,095	5,319	5,319
Head Start Abbott - ECPA Phillipsburg	063021	07/01/20 - 06/30/21	543,015	542,997	515,274
Head Start Abbott - ECPA Newton		07/01/21 - 06/30/22	108,938	2,832	2,832
Head Start Abbott - ECPA Newton		07/01/20 - 06/30/21	104,295	104,295	101,035
Total New Jersey Department of Human Services			1,315,343	655,443	624,460
<u>NEW JERSEY DEPARTMENT OF AGRICULTURE</u>					
Food Bank Grant In Aid		07/01/19 - 12/31/20	475,121	475,121	38,823
State Food Purchase Pgm	EFONRW	07/01/20 - 06/30/21	77,981	77,981	77,981
State Food Purchase Pgm	EFONRW	07/01/21 - 06/30/22	-	-	-
Total New Jersey Department of Agriculture			553,102	553,102	116,804
<u>NEW JERSEY DEPARTMENT OF HUMAN SERVICES</u>					
Intensive Case Management (ICM)	IC20002	01/01/20 - 12/30/20	256,000	113,043	54,462
Intensive Case Management (ICM)	IC20002	01/01/21 - 12/30/21	156,000	92,990	92,990
Total New Jersey Department of Human Services			412,000	206,033	147,452
<u>Total State of New Jersey Financial Assistance</u>			\$ 4,350,752	\$ 2,697,552	\$ 2,118,708

See independent auditors' report and notes to the schedules of expenditures of federal awards and state financial assistance.

**NORTHWEST NEW JERSEY COMMUNITY
ACTION PROGRAM, INC. AND SUBSIDIARIES**
NOTES TO SCHEDULES OF EXPENDITURES
OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
YEAR ENDED AUGUST 31, 2021

NOTE 1 - BASIS OF PRESENTATION:

The accompanying schedules of expenditures of federal awards and state financial assistance, include the federal and state grant activity of ("Norwescap entities") and Subsidiaries' and are presented on the accrual basis of accounting. The information in the schedules is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and New Jersey Office of Management and Budget Circular Letter 15-08. Therefore, some amounts presented in these schedules may differ from amounts presented in, or used in the preparation of, the consolidated financial statements.

NOTE 2 - SUBRECIPIENTS:

During the year ended August 31, 2021, the Norwescap entities did not provide any funds relating to their programs to subrecipients.

NOTE 3 - INDIRECT COSTS:

The Norwescap entities did not elect to use the de minimis cost rate when allocating indirect costs to programs. The Norwescap entities is operating under an approved cost allocation plan.

NOTE 4 - LOAN AND LOAN GUARANTEE PROGRAMS:

As of August 31, 2021, \$1,499,700 was outstanding on the federal loan program.

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 Trustees

Northwest New Jersey Community Action Program, Inc. and Subsidiaries

Phillipsburg, New Jersey

We have audited, in accordance with the 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 of America, the consolidated financial statements of Northwest New Jersey Community Action Program, Inc. and Subsidiaries ("Norwescap"), which comprise the consolidated statement of financial position as of August 31, 2021, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon, dated February 24, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered Norwescap's internal control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of Norwescap's internal control. Accordingly, we do not express an opinion on the effectiveness of Norwescap'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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of Norwescap's consolidated 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 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 audit 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 Norwescap's consolidated 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 the consolidated financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit 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

The 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 Norwescap's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Norwescap's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Livingston, New Jersey
February 24, 2022

Sobel & Co, LLC

Certified Public Accountants

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND NEW JERSEY OMB CIRCULAR LETTER 15-08

To the Board of Trustees
Northwest New Jersey Community Action Program, Inc. and Subsidiaries
Phillipsburg, New Jersey

Report on Compliance for Each Major Program

We have audited Northwest New Jersey Community Action Program, Inc. and Subsidiaries' ("Norwescap") compliance with the types of compliance requirements described in the U.S. Office of Management and Budget *Compliance Supplement* and the New Jersey Office of Management and Budget ("NJOMB") Circular Letter 15-08 that could have a direct and material effect on each of Norwescap's major programs for the year ended August 31, 2021. Norwescap's major programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of federal and state statutes, regulations and the terms and conditions of its federal and state awards applicable to its federal and state programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Norwescap's major programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"); and NJOMB Circular Letter 15-08. Those standards and the Uniform Guidance and NJOMB Circular Letter 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major program occurred. An audit includes examining, on a test basis, evidence about Norwescap's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major program. However, our audit does not provide a legal determination of Norwescap's compliance.

Opinion on Each Major Program

In our opinion, Norwescap complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major programs for the year ended August 31, 2021.

Report on Internal Control Over Compliance

Management of Norwescap is responsible for establishing and maintaining effective internal control over the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Norwescap's internal control over compliance with the types of requirements that could have a direct and material effect on each major program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major program and to test and report on internal control over compliance in accordance with the Uniform Guidance and NJOMB Circular Letter 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Norwescap's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a major program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a major program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and NJOMB Circular Letter 15-08. Accordingly, this report is not suitable for any other purpose.

Livingston, New Jersey
February 24, 2022

Sobel & Co., LLC

Certified Public Accountants

**NORTHWEST NEW JERSEY COMMUNITY
ACTION PROGRAM, INC. AND SUBSIDIARIES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED AUGUST 31, 2021**

I. Summary of Auditors' Results

Financial Statements

The auditors' report issued on the consolidated financial statements of Northwest New Jersey Community Action Program, Inc. and Subsidiaries was an unmodified opinion.

Internal control over financial reporting:

- | | | |
|--|-------------------|-----------------|
| • Material weaknesses identified? | <u> </u> Yes | <u> X </u> No |
| • Significant deficiencies identified? | <u> </u> Yes | <u> X </u> No |

Noncompliance material to financial statements noted?	<u> </u> Yes	<u> X </u> No
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Federal Awards and State Financial Assistance

Internal control over each major program:

- | | | |
|--|-------------------|-----------------|
| • Material weaknesses identified? | <u> </u> Yes | <u> X </u> No |
| • Significant deficiencies identified? | <u> </u> Yes | <u> X </u> No |

Type of auditors' report issued on compliance for each major program:	<u>Unmodified</u>
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Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance or NJOMB Circular Letter 15-08?	<u> </u> Yes	<u> X </u> No
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**NORTHWEST NEW JERSEY COMMUNITY
ACTION PROGRAM, INC. AND SUBSIDIARIES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED AUGUST 31, 2021 (continued)**

I. Summary of Auditors' Results (Continued)

Identification of Major Programs:

The following federal and state programs were designated as major programs:

<u>CFDA Number</u>	<u>Grant Number</u>	<u>Name of Federal or State Program</u>
<u>Federal:</u>		
93.575	UC21023 UC20023 UC19023	Child Care Resource and Referral
10.557	DFHS21WIC005 DFHS20WIC004	Women, Infant and Children
10.568	NJDA-NRW CARES	Food Bank Cares Grant
<u>State:</u>		
	063021, 063022	New Jersey Department of Human Services Head Start Abbott - ECPA

Dollar threshold used to distinguish between type A and type B programs:

Federal - **\$750,000**

State - **\$750,000**

Auditee qualified as low-risk auditee? X Yes No

II. Financial Statement Findings

None

III. Compliance Findings

None

IV. Prior Audit Findings

None

INDEPENDENT AUDITORS' REPORT
ON SUPPLEMENTARY INFORMATION

To the Board of Trustees
Northwest New Jersey Community Action Program, Inc. and Subsidiaries
Phillipsburg, New Jersey

We have audited the consolidated financial statements of Northwest New Jersey Community Action Program, Inc. and Subsidiaries as of and for the year ended August 31, 2021, and have issued our report thereon, dated February 24, 2022, which expressed an unmodified opinion on those consolidated financial statements and appears on pages 1-3. Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of the Head Start and Head Start Expansion Federal Financial Report Form 425, the Head Start Attachment to Report for Grant #02CH011177, the Schedule of WIC Expenditures, the Schedule of SHIP Expenditures, and the Schedule of CEED A Expenditures are presented for the purposes of additional analysis and are not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated financial statements as a whole.

Sobel & Co, LLC
Certified Public Accountants

February 24, 2022

**NORTHWEST NEW JERSEY COMMUNITY
ACTION PROGRAM, INC. AND SUBSIDIARIES**
HEAD START FEDERAL FINANCIAL REPORT FORM 425
YEAR ENDED AUGUST 31, 2021

FEDERAL FINANCIAL REPORT (Follow form instructions)							
1. Federal Agency and Organizational Element to Which Report is Submitted HHS-ADMINISTRATION FOR CHILDREN & FAMILIES				2. Federal Grant or Other Identifying Number Assigned by Federal Agency (To report multiple grants, use FFR Attachment) 02CH01117702			
3. Recipient Organization (Name and complete address including Zip code) NORTHWEST NEW JERSEY COMMUNITY ACTION PROGRAM, INC OLD FIRTH SCHOOL, PROSPECT ST, PHILLIPSBURG, NJ 08865							
4a. DUNS Number 060808219	4b. EIN 1221777156A1	5. Recipient Account Number or Identifying Number (To report multiple grants, use FFR Attachment) F597P		6. Report Type <input type="checkbox"/> Quarterly <input type="checkbox"/> Semi-Annual <input checked="" type="checkbox"/> Annual <input type="checkbox"/> Final	7. Basis of Accounting <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual		
8. Project/Grant Period (Month, Day, Year) From: September 1, 2020 To: August 31, 2021				9. Reporting Period End Date (Month, Day, Year) August 31, 2021			
10. Transactions				Cumulative			
(Use lines a-c for single or combined multiple grant reporting)							
Federal Cash (To report multiple grants separately, also use FFR Attachment):							
a. Cash Receipts				\$5,508,266.00			
b. Cash Disbursements				\$5,508,266.00			
c. Cash on Hand (line a minus b)				\$0.00			
(Use lines d-o for single grant reporting)							
Federal Expenditures and Unobligated Balance:							
d. Total Federal funds authorized				\$5,508,266.00			
e. Federal share of expenditures				\$5,508,266.00			
f. Federal share of unliquidated obligations				\$0.00			
g. Total Federal share (sum of lines e and f)				\$5,508,266.00			
h. Unobligated balance of Federal funds (line d minus g)				\$0.00			
Recipient Share:							
i. Total recipient share required				\$1,321,549.00			
j. Recipient share of expenditures				\$1,321,549.00			
k. Remaining recipient share to be provided (line i minus j)				\$0.00			
Program Income:							
l. Total Federal share of program income earned				\$0.00			
m. Program income expended in accordance with the deduction alternative				\$0.00			
n. Program income expended in accordance with the addition alternative				\$0.00			
o. Unexpended program income (line l minus line m and line n)				\$0.00			
11. Indirect Expense	a. Type	b. Rate	c. Period From	Period To	d. Base	e. Amount Charged	f. Federal Share
g. Totals:					\$0.00	\$0.00	\$0.00
12. Remarks: Attach any explanations deemed necessary or information required by Federal sponsoring agency in compliance with governing legislation:							
13. Certification: By signing this report, I certify to the best of my knowledge and belief that the report is true, complete, and accurate, and the expenditures, disbursements and cash receipts are for the purposes and intent set forth in the award documents. I am aware that any false, fictitious, or fraudulent information may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 18, Section 1001)							
a. Typed or Printed Name and Title of Authorized Certifying Official Hajjar, Wissam Senior Accountant					c. Telephone (Area code, number, and extension) +1 (610) 509-9359		
b. Signature of Authorized Certifying Official Hajjar, Wissam					d. Email Address hajjarw@norwescap.org		
					e. Date Report Submitted (Month, Day, Year) November 18, 2021		

**NORTHWEST NEW JERSEY COMMUNITY
ACTION PROGRAM, INC. AND SUBSIDIARIES**
HEAD START FEDERAL FINANCIAL REPORT FORM 425
YEAR ENDED AUGUST 31, 2021

FEDERAL FINANCIAL REPORT (Follow form instructions)							
1. Federal Agency and Organizational Element to Which Report is Submitted HHS-ADMINISTRATION FOR CHILDREN & FAMILIES				2. Federal Grant or Other Identifying Number Assigned by Federal Agency (To report multiple grants, use FFR Attachment) 02HP00005404			
3. Recipient Organization (Name and complete address including Zip code) NORTHWEST NEW JERSEY COMMUNITY ACTION PROGRAM, INC OLD FIRTH SCHOOL, PROSPECT ST, PHILLIPSBURG, NJ 08865							
4a. DUNS Number 060808219	4b. EIN 1221777156A1	5. Recipient Account Number or Identifying Number (To report multiple grants, use FFR Attachment) F597P		6. Report Type <input type="checkbox"/> Quarterly <input type="checkbox"/> Semi-Annual <input checked="" type="checkbox"/> Annual <input type="checkbox"/> Final	7. Basis of Accounting <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual		
8. Project/Grant Period (Month, Day, Year) From: September 1, 2020 To: August 31, 2021				9. Reporting Period End Date (Month, Day, Year) August 31, 2021			
10. Transactions				Cumulative			
(Use lines a-c for single or combined multiple grant reporting)							
Federal Cash (To report multiple grants separately, also use FFR Attachment):							
a. Cash Receipts				\$1,309,244.00			
b. Cash Disbursements				\$1,309,244.00			
c. Cash on Hand (line a minus b)				\$0.00			
(Use lines d-o for single grant reporting)							
Federal Expenditures and Unobligated Balance:							
d. Total Federal funds authorized				\$1,309,244.00			
e. Federal share of expenditures				\$1,309,244.00			
f. Federal share of unliquidated obligations				\$0.00			
g. Total Federal share (sum of lines e and f)				\$1,309,244.00			
h. Unobligated balance of Federal funds (line d minus g)				\$0.00			
Recipient Share:							
i. Total recipient share required				\$149,819.00			
j. Recipient share of expenditures				\$149,819.00			
k. Remaining recipient share to be provided (line i minus j)				\$0.00			
Program Income:							
l. Total Federal share of program income earned				\$0.00			
m. Program income expended in accordance with the deduction alternative				\$0.00			
n. Program income expended in accordance with the addition alternative				\$0.00			
o. Unexpended program income (line l minus line m and line n)				\$0.00			
11. Indirect Expense	a. Type	b. Rate	c. Period From	Period To	d. Base	e. Amount Charged	f. Federal Share
g. Totals:					\$0.00	\$0.00	\$0.00
12. Remarks: Attach any explanations deemed necessary or information required by Federal sponsoring agency in compliance with governing legislation: See attached non federal share waiver							
13. Certification: By signing this report, I certify to the best of my knowledge and belief that the report is true, complete, and accurate, and the expenditures, disbursements and cash receipts are for the purposes and intent set forth in the award documents. I am aware that any false, fictitious, or fraudulent information may subject me to criminal, civil, or administrative penalties. (U.S. Code, Title 18, Section 1001)							
a. Typed or Printed Name and Title of Authorized Certifying Official Hajjar, Wissam Senior Accountant					b. Telephone (Area code, number, and extension) +1 (610) 509-9359		
					d. Email Address hajjarw@norwescap.org		
b. Signature of Authorized Certifying Official Hajjar, Wissam					e. Date Report Submitted (Month, Day, Year) November 18, 2021		

**NORTHWEST NEW JERSEY COMMUNITY
ACTION PROGRAM, INC. AND SUBSIDIARIES**
ATTACHMENT TO REPORT FOR HEAD START GRANT
#02CH011177 (UNAUDITED)
YEAR ENDED AUGUST 31, 2021

ANNUAL REPORT

BOX 12 REMARKS:

CAN # 9-G024122	\$ 5,424,411
CAN # 9-G024120	31,625
CAN # 9-G024121	52,230
	<u>\$ 5,508,266</u>

ADMINISTRATIVE COSTS	HEAD START	EARLY HEAD START	TOTAL
PERSONNEL	\$ 126,667	\$ 212,092	\$ 338,759
FRINGE	57,312	69,034	126,346
SUPPLIES	12,433	16,071	28,504
CONTRACTUAL	28,724	29,074	57,798
OTHER	32,091	22,825	54,916
INDIRECT COST	173,066	163,240	336,306
TOTAL	<u>\$ 430,293</u>	<u>\$ 512,336</u>	<u>\$ 942,629</u>

**NORTHWEST NEW JERSEY COMMUNITY
ACTION PROGRAM, INC. AND SUBSIDIARIES
SCHEDULE OF WIC EXPENDITURES**

	Final Budget (Unaudited)	Expenditure Report Results	CPA Audited Results	Questioned Costs
I. WIC, Grant Number: DFHS21WIC005	Grant period: 10/1/20 - 9/30/21 Report Period: 10/1/20 - 8/31/21			
Category				
A. Personnel				
Salaries/Wages	\$ 613,627	\$ 538,762	\$ 538,762	\$ -
Fringe Benefits	210,132	181,051	181,051	-
B. Consultants	-	-	-	-
C. Other Cost Categories				
Office Expense and Related Cost	122,795	136,966	136,966	-
Program Expense and Related Cost	-	-	-	-
Staff Training and Education Costs	-	-	-	-
Travel, Conferences, and Meetings	12,810	5,002	5,002	-
Equipment and Other Capital Expenditures	-	-	-	-
Facility Costs	56,405	20,530	20,530	-
DFP/OA	-	-	-	-
Sub-grants	-	-	-	-
Reserve	-	-	-	-
Other	-	-	-	-
TOTAL DIRECT COST	1,015,769	882,311	882,311	-
INDIRECT COST	-	-	-	-
TOTAL COST	1,015,769	882,311	882,311	-
LESS PROGRAM INCOME	-	-	-	-
NET TOTAL COST	\$ 1,015,769	\$ 882,311	\$ 882,311	\$ -
II. WIC Grant Number: DFHS20WIC004	Grant period: 10/1/19 - 9/30/20 Report Period: 9/1/20 - 9/30/20			
Category				
A. Personnel				
Salaries/Wages	\$ 575,827	\$ 68,020	\$ 68,020	\$ -
Fringe Benefits	215,427	19,408	19,408	-
B. Consultants	-	-	-	-
C. Other Cost Categories				
Office Expense and Related Cost	112,706	13,939	13,939	-
Program Expense and Related Cost	-	-	-	-
Staff Training and Education Costs	-	-	-	-
Travel, Conferences, and Meetings	9,153	1,078	1,078	-
Equipment and Other Capital Expenditures	-	-	-	-
Facility Costs	57,828	3,099	3,099	-
DFP/OA	-	-	-	-
Sub-grants	-	-	-	-
Reserve	-	-	-	-
Other	-	-	-	-
TOTAL DIRECT COST	970,941	105,544	105,544	-
INDIRECT COST	-	-	-	-
TOTAL COST	970,941	105,544	105,544	-
LESS PROGRAM INCOME	-	-	-	-
NET TOTAL COST	\$ 970,941	\$ 105,544	\$ 105,544	\$ -

**NORTHWEST NEW JERSEY COMMUNITY
ACTION PROGRAM, INC. AND SUBSIDIARIES
SCHEDULE OF SHIP EXPENDITURES**

	Final Budget (Unaudited)	Expenditure Report Results	CPA Audited Results	Questioned Costs
I. SHIP, Grant Number: DOAS21SHF026	Grant Period: 4/1/21-3/31/22 Report Period: 4/1/21-8/31/21			
Category				
A. Personnel				
Salaries/Wages	\$ 10,131	\$ 2,989	\$ 2,989	\$ -
Fringe Benefits	1,915	446	446	-
B. Consultants	153	25	25	-
C. Other Cost Categories				
Office Expense and Related Cost	2,960	1,389	1,389	-
Program Expense and Related Cost	5,094	465	465	-
Staff Training and Education Costs	125	-	-	-
Travel, Conferences, and Meetings	72	-	-	-
Equipment and Other Capital Expenditures	-	-	-	-
Facility Costs	7,000	6,121	6,121	-
DFP/OA	-	-	-	-
Sub-grants	-	-	-	-
Reserve	-	-	-	-
Other	-	-	-	-
TOTAL DIRECT COST	27,450	11,435	11,435	-
INDIRECT COST	3,050	850	850	-
TOTAL COST	30,500	12,285	12,285	-
LESS PROGRAM INCOME	-	-	-	-
NET TOTAL COST	\$ 30,500	\$ 12,285	\$ 12,285	\$ -
II. SHIP, Grant Number: DOAS20SHF011	Grant Period: 4/1/20-3/31/21 Report Period: 9/1/20-3/31/21			
Category				
A. Personnel				
Salaries/Wages	\$ 10,500	\$ 5,813	\$ 5,813	\$ -
Fringe Benefits	1,838	857	857	-
B. Consultants	146	85	85	-
C. Other Cost Categories				
Office Expense and Related Cost	1,310	947	947	-
Program Expense and Related Cost	7,972	4,853	4,853	-
Staff Training and Education Costs	250	-	-	-
Travel, Conferences, and Meetings	144	-	-	-
Equipment and Other Capital Expenditures	-	-	-	-
Facility Costs	7,000	4,960	4,960	-
DFP/OA	-	-	-	-
Sub-grants	-	-	-	-
Reserve	-	-	-	-
Other	-	-	-	-
TOTAL DIRECT COST	29,160	17,515	17,515	-
INDIRECT COST	-	1,191	1,191	-
TOTAL COST	29,160	18,706	18,706	-
LESS PROGRAM INCOME	-	-	-	-
NET TOTAL COST	\$ 29,160	\$ 18,706	\$ 18,706	\$ -

**NORTHWEST NEW JERSEY COMMUNITY
ACTION PROGRAM, INC. AND SUBSIDIARIES
SCHEDULE OF CEED A EXPENDITURES**

	Final Budget (Unaudited)	Expenditure Report Results	CPA Audited Results	Questioned Costs
I. CEED, Grant Number: DCHS21CED017	Grant Period: 7/1/21-6/30/22 Report Period: 7/1/21-8/31/21			
Category				
Personnel Costs				
Salaries/Wages	\$ 45,012	\$ 7,564	\$ 7,564	\$ -
Fringe Benefits	18,406	2,189	2,189	-
Other Direct Costs				
Facility Costs	5,645	551	551	-
Professional Service Agreements	103,166	-	-	-
Supplies	4,650	318	318	-
Travel	100	-	-	-
Other	3,935	263	263	-
TOTAL DIRECT COST	180,914	10,885	10,885	-
INDIRECT COST	3,311	552	552	-
TOTAL COST	184,225	11,437	11,437	-
LESS PROGRAM INCOME	-	-	-	-
NET TOTAL COST	\$ 184,225	\$ 11,437	\$ 11,437	\$ -
II. CEED, Grant Number: DCHS21CED010	Grant Period: 7/1/20-6/30/21 Report Period: 9/1/20-6/31/21			
Category				
Personnel Costs				
Salaries/Wages	\$ 45,012	\$ 41,290	\$ 41,290	\$ -
Fringe Benefits	18,406	18,137	18,137	-
Other Direct Costs				
Facility Costs	5,645	5,463	5,463	-
Professional Service Agreements	123,803	115,404	115,404	-
Supplies	4,650	4,895	4,895	-
Travel	500	371	371	-
Other	21,353	20,227	20,227	-
TOTAL DIRECT COST	219,369	205,787	205,787	-
INDIRECT COST	3,178	3,178	3,178	-
TOTAL COST	222,547	208,965	208,965	-
LESS PROGRAM INCOME	-	-	-	-
NET TOTAL COST	\$ 222,547	\$ 208,965	\$ 208,965	\$ -