Interfaith Food Pantry, Inc.
d/b/a Interfaith Food Pantry Network

Financial Statements

December 31, 2025

(With Summarized Comparative Totals For 2024)

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Interfaith Food Pantry, Inc. d/b/a Interfaith Food Pantry Network
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December 31, 2025 and 2024

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Independent Auditors' Report

To the Board of Trustees
Interfaith Food Pantry, Inc.
d/b/a Interfaith Food Pantry Network
Morris Plains, New Jersey

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Interfaith Food Pantry, Inc. d/b/a Interfaith Food Pantry Network (a New Jersey nonprofit corporation) (the "Organization"), which comprise the statement of financial position as of December 31, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

To the Board of Trustees
Interfaith Food Pantry, Inc. d/b/a Interfaith Food Pantry Network

Report on Summarized Comparative Information

We have previously audited Interfaith Food Pantry, Inc. d/b/a Interfaith Food Pantry Network's December 31, 2024 financial statements, and in our report dated May 27, 2025, we expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Nisivoccia LLP

Mt. Arlington, New Jersey
June 25, 2026

Interfaith Food Pantry, Inc. d/b/a Interfaith Food Pantry Network
Statement of Financial Position
December 31, 2025 and 2024

	2025	2024
ASSETS		
Cash and cash equivalents	$ 2,457,181	$ 1,324,095
Investments	2,612,194	3,000,183
Beneficial interest in assets held by the Community Foundation of New Jersey	859,066	553,311
Other assets	10,152	14,667
Inventory	511,644	378,348
Property and equipment, net	3,586,681	3,682,976
Intangible assets, net	7,840	
Right of use asset	122,605	
Total assets	$ 10,167,363	$ 8,953,580
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	$ 166,839	$ 67,245
Operating lease liability	124,236	
Total liabilities	291,075	67,245
Net assets:		
Net assets without donor restrictions:		
Undesignated	4,806,683	4,100,011
Board designated	920,000	725,000
Invested in property, equipment, and inventory	4,098,325	4,061,324
Total net assets without donor restrictions	9,825,008	8,886,335
Net assets with donor restrictions	51,280	
Total net assets	9,876,288	8,886,335
Total liabilities and net assets	$ 10,167,363	$ 8,953,580

See Notes to Financial Statements

Interfaith Food Pantry, Inc. d/b/a Interfaith Food Pantry Network
Statement of Activities
Years Ended December 31, 2025 and 2024

	Without Donor Restrictions	With Donor Restrictions	Total 2025	Total 2024
Support and revenue:				
In-kind donations - food	$ 4,627,423		$ 4,627,423	$ 4,130,487
Fundraising and development:				
Contributions	2,388,692	$ 20,000	2,408,692	1,918,663
Foundation grants	1,409,813	31,280	1,441,093	1,038,119
Events, net	415,312		415,312	352,784
Interest income	34,785		34,785	54,067
Investment income	157,097		157,097	111,890
Realized and unrealized gain on investments	149,909		149,909	78,817
Total support and revenue	9,183,031	51,280	9,234,311	7,684,827
Expenses:				
Program services	7,616,082		7,616,082	6,788,911
Management and general	258,945		258,945	265,270
Fundraising and development	369,331		369,331	359,116
Total expenses	8,244,358		8,244,358	7,413,297
Change in net assets	938,673	51,280	989,953	271,530
Net assets, beginning of year	8,886,335		8,886,335	8,614,805
Net assets, end of year	$ 9,825,008	$ 51,280	$ 9,876,288	$ 8,886,335

See Notes to Financial Statements

Interfaith Food Pantry, Inc. d/b/a Interfaith Food Pantry Network
Statement of Functional Expenses
Year Ended December 31, 2025
(With Summarized Comparative Totals for 2024)

	2025				2024
	Program Services	Management and General	Fundraising and Development	Total	Total
Salaries	$ 1,243,604	$ 181,860	$ 248,814	$ 1,674,278	$ 1,540,496
Payroll taxes and employee benefits	396,920	58,044	79,414	534,378	374,220
Total personnel services	1,640,524	239,904	328,228	2,208,656	1,914,716
Donated food	4,494,127			4,494,127	4,115,139
Food purchased	778,037			778,037	700,972
Postage, printing, and fees	36,780		41,103	77,883	69,298
Repairs and maintenance	83,680			83,680	96,778
Occupancy	33,431			33,431	28,200
Supplies, equipment, and software	76,543			76,543	62,954
Utilities	52,054			52,054	46,930
Professional fees	58,291	16,550		74,841	45,354
Insurance	36,125	2,491		38,616	36,137
Volunteer/staff training and travel	15,274			15,274	10,204
Community engagement miscellaneous expense	17,110			17,110	12,006
Total expenses before depreciation and amortization	7,321,976	258,945	369,331	7,950,252	7,138,688
Depreciation and amortization	294,106			294,106	274,609
Total expenses	$ 7,616,082	$ 258,945	$ 369,331	$ 8,244,358	$ 7,413,297

See Notes to Financial Statements

Interfaith Food Pantry, Inc. d/b/a Interfaith Food Pantry Network
Statement of Cash Flows
Years Ended December 31, 2025 and 2024

	2025	2024
Cash flows from operating activities:		
Change in net assets	$ 989,953	$ 271,530
Adjustments to reconcile change in net assets		
to net cash provided by operating activities:		
Depreciation and amortization	294,106	274,609
Realized gain on investments	47,709	(112,648)
Unrealized (gain) loss on investments	(197,618)	34,895
Donated investment securities	(42,986)	(39)
Changes in operating assets and liabilities:		
Other assets	4,513	(4,526)
Inventory	(133,296)	(15,348)
Accounts payable and accrued expenses	99,594	22,455
Operating lease assets and liabilities	1,631	
Net cash provided by operating activities	1,063,606	470,928
Cash flows from investing activities:		
Purchase of property and equipment	(197,249)	(217,390)
Purchase of software	(8,400)	
Purchase of investments	(1,513,397)	(259,779)
Proceeds from sale of investments	1,902,637	40
Interest and dividends reinvested, net	(114,111)	(112,776)
Net cash provided by (used in) investing activities	69,480	(589,905)
Net increase (decrease) in cash and cash equivalents	1,133,086	(118,977)
Cash and cash equivalents, beginning of year	1,324,095	1,443,072
Cash and cash equivalents, end of year	$ 2,457,181	$ 1,324,095
Supplemental disclosure of noncash flow information:		
In-kind donation of food	$ 4,627,423	$ 4,130,487
Unrealized gain (loss) on investments	$ 197,618	$ (34,895)
Donated investment securities received	$ 42,986	$ 39

See Notes to Financial Statements

1. Nature of Activities

Interfaith Food Pantry, Inc. d/b/a Interfaith Food Pantry Network (the "Organization") was founded in 1994 and was incorporated as a non-profit corporation under the laws of the State of New Jersey in 1998. The mission of the Organization is to provide non-perishable and perishable supplemental and emergency food to eligible residents of Morris County, New Jersey. The Organization's primary sources of revenue and support are donations, contributions, foundation grants, and fundraising events.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. A summary of the significant accounting policies followed by the Organization in the preparation of the accompanying financial statements is set forth below:

The Organization prepares its financial statements in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC"), *Accounting for Contributions Received and Made, and Presentation of Financial Statements of Not-for-Profit Entities. Presentation of Financial Statements of Not-for-Profit Entities* establishes standards for external financial reporting by not-for-profit organizations and requires that resources be classified for accounting and reporting purposes into two net asset categories: net assets with donor restrictions and net assets without donor restrictions. Contributions that are restricted by the donor are reported as increases in net assets without donor restriction if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. *Accounting for Contributions Received and Made* requires that unconditional promises to give be recorded as receivables and revenue and requires the Organization to distinguish between contributions received for each net asset category in accordance with donor-imposed restrictions. Accordingly, the net assets and changes therein are classified and reported as follows:

Net Assets without Donor Restrictions

Net assets without donor restrictions are resources representing the portion of expendable funds available for support of the Organization's programs and activities. These resources are not subject to donor-imposed stipulations. Net assets without donor restrictions also include those expendable resources which may have been designated for special use by the Board of Trustees. Board designated funds amounted to $920,000 and $725,000 as of December 31, 2025 and 2024, respectively.

Net Assets with Donor Restrictions

Net assets with donor restrictions are net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. Donor restricted contributions are reported as increases in net assets with donor restrictions. 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. The Organization had net assets with donor restrictions as of December 31, 2025 and 2024.

Support and Revenue Recognition

The Organization recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give that is, those with a measurable performance or other barrier and a right of return are not recognized until the conditions on which they depend have been substantially met.

In accordance with ASC 606, *Revenue from Contracts with Customers*, fundraising and special events revenue is measured based on consideration specified in an agreement which occurs with the transfer of control at a specific point in time. The Organization recognizes fundraising and special event revenue at the time the event occurs. The Organization records special events revenue equal to the fair value of direct benefits to donors, and contribution revenue for the excess received when the event takes place. There are no multi-year contracts and performance obligations are typically satisfied within one year or less.

Disaggregation of Revenue

In the following table, revenue is disaggregated by the satisfaction of performance obligations for the years ended December 31:

	2025	2024
Performance obligations satisfied at a point in time	$ 611,531	$ 543,517

Revenue from performance obligations satisfied at a point in time consists of fundraising and special events.

Cash and Cash Equivalents

The Organization considers all highly liquid investing instruments purchased with an original maturity of three months or less to be cash equivalents.

Accounts Receivable and Allowance for Credit Losses

Accounts receivable are stated at the amounts management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to expense and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. There was no allowance for uncollectible accounts as of December 31, 2025 and 2024, as management deemed all receivables to be collectible as of the date of the financial statements. As of January 1, 2024, accounts receivable amounted to $0.

Investments

The Organization follows FASB ASC, *Accounting for Certain Investments Held by Not-for-Profit Organizations*. In accordance with this accounting standard, investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income or loss (including interest, dividends and realized gains and losses on the sale of investments) are included in the statement of activities as increases or decreases in net assets without donor restrictions unless the income or loss is restricted by the donor or law. Investment income and gains restricted by a donor are reported as increases in net assets without donor restrictions if the restrictions are met (either by the passage of time or by use) in the reporting period in which the income and gains are recognized. A decline in the market value of an investment security below its cost that is designated to be other than temporary is recognized through an impairment charge. That impairment charge would be included in the statement of activities and a new cost basis would be established. For the years ended December 31, 2025 and 2024, the Organization did not record any impairment charge in the statement of activities.

Beneficial Interest in Assets Held by the Community Foundation of New Jersey

The Organization follows FASB ASC, *Transfers of Assets to a Not-for-Profit Organization or Charitable Trust that Raises or Holds Contributions for Others*. This standard provides guidance for accounting in the case where a "resource provider" (nonprofit entity) transfers assets to a community foundation but specifies itself or its affiliate as the beneficiary of the assets. The transaction is deemed to be reciprocal because at the time of the transfer, the nonprofit entity expects to receive future distributions because it specifies itself as a beneficiary, and by acceptance of the transfer, the community foundation agrees to make distributions to the nonprofit entity. Because the transaction is deemed to be reciprocal, the nonprofit entity should recognize an asset and the community foundation should recognize a liability. At December 31, 2025 and 2024, the Organization recognized a beneficial interest in assets held by the Community Foundation of New Jersey.

Amounts reported in the statement of financial position represent the net cumulative transfers by the Organization to the Community Foundation of New Jersey (the "Foundation"), as well as net investment earnings thereon. The fair value of these investments totaled $859,066 and $553,311 at December 31, 2025 and 2024, respectively. The Foundation holds and invests the funds on behalf of the Organization. The Foundation has no variance power over the funds. Instead, the funds are to be distributed to the Organization upon request to the Foundation.

Fair Value of Financial Instruments

In accordance with FASB ASC, *Fair Value Measurements and Disclosures*, fair value is defined as a market-based measurement, not an entity-specific measurement. The objective of a fair value measurement is to estimate the price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date under current market conditions (that is, an exit price at the measurement date from the perspective of a market participant that holds the assets or owes the liability). A fair value measurement assumes that the transaction to sell the asset or transfer the liability either occurs in the principal market (or in its absence, the most advantageous market) for the asset or liability.

The Fair Value Measurements Topic of the FASB ASC establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. Fair value focuses on the price that would be received to sell the asset or paid to transfer the liability regardless of whether an observable market price existed (an exit price). An exit price valuation will include margins for risk even if they are not observable. As the organization is released from risk, the margins for risk will also be released through net realized capital gains (losses) in net income. 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 measurements involving significant unobservable inputs (level 3 measurements).

The three levels of the fair value hierarchy under FASB ASC are described below:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization 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 inactive 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. Level 3 assets and liabilities measured at fair value are based on one or more of three valuation techniques:

- Market approach - Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities;
- Cost approach - Amount that would be required to replace the service capacity of an asset (i.e., replacement cost);
- Income approach - Techniques that convert future amounts to a single present amount based on market expectations (including present value techniques, option-pricing models, and lattice models).

The asset 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. For some assets and liabilities, observable market transactions or market information may be available. For other assets and liabilities, observable market transactions and market information might not be available. When a price for an identical asset or liability is not observable, a reporting entity measures fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs. Because fair value is a market-based measurement, it is measured using the assumptions that market participants would use when pricing the asset or liability, including assumptions about risk. As a result, a reporting entity's intention to hold an asset or settle or otherwise fulfill a liability is not relevant when measuring fair value.

The following is a description of valuation methodologies used for assets and liabilities measured at fair value. There have been no changes in the methodologies used at December 31, 2025 and 2024.

Certificates of deposit: Valued at cost plus accrued interest earned as of December 31, 2025 and 2024, which approximates market value.

Mutual funds: the carrying amounts are valued at the net asset value (NAV) of shares held by the Organization at year end.

Beneficial Interest in Assets Held by the Community Foundation of New Jersey: The carrying amount of these investments is stated at the fair value of the Organization's share of the Foundation's investment pool as of the measurement date, utilizing valuations provided by the investment funds.

U.S. government securities: the carrying amounts are valued at the closing price reported on the active market on which the individual securities are traded.

Common stocks: The carrying amounts are stated at the value at the closing price reported in the active market in which the individual securities are traded.

Exchange traded funds (EFTs): are valued at the net asset value (NAV) of shares held by the Organization at year end.

Corporate bonds: are valued at the closing price reported in the active market in which the bond is traded.

Annuities: The fair value of annuity contracts is determined using discounted cash flow techniques based on contractual cash flows and current market interest rates for instruments with similar characteristics.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while 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 Organization invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the Organization's investments and the amounts reported in the statement of financial position and the statement of activities.

Inventory

The Organization follows the provisions of FASB ASU, "*Inventory (Topic 330)*" which provides guidance on the simplification to the measurement of inventory. Under this standard, an entity should measure inventory at the lower of cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation. Inventory, consisting of donated food, is stated at the lower of cost or net realizable value, determined by the first-in-first out (FIFO) method.

Donated food is valued based on a study conducted by Feeding America, a non-for-profit entity whose mission is to ensure access to nutritious food through a nationwide network of member food banks and engage the country in the fight to end hunger. Feeding America performs studies on an annual basis to estimate the average wholesale value of one pound of donated product at the national level. The Organization considers these annual studies, the mix of inventory donated and has adjusted the Feeding America values upward to the reflect the higher value of the quality of food donated and higher transportation costs in the region where we operate. The approximate average wholesale value of one pound of donated product for the Organization was estimated to be $2.15 for the years ended December 31, 2025 and 2024. Inventory amounted to $511,644 and $378,348 at December 31, 2025 and 2024, respectively.

Property and Equipment

Purchased property and equipment additions exceeding $1,000 are capitalized and recorded at their original cost. Donations of property and equipment are recorded at their estimated fair value on the date of gift. Depreciation is provided for by the straight-line method over the estimated useful lives of the assets. Expenditures for minor repairs and maintenance which do not improve or extend the life of the respective assets are charged to expense as incurred. Gifts of long-lived assets are reported as an increase in net assets without donor restrictions, unless there are explicit restrictions that specify how the assets are to be used.

Proceeds from the sale of fixed assets, if without donor restrictions, are transferred to net assets without donor restrictions, or, if restricted, to deferred amounts restricted for fixed asset acquisitions.

In accordance with FASB ASC, *Accounting for the Impairment or Disposal of Long-Lived Assets*, the Organization periodically evaluates property and equipment for impairment, relying on a number of factors including operating results, and future business plans. Recoverability of property is evaluated by a comparison of the carrying amount of an asset or asset group to estimated future recoverability of the carrying amount of the asset or asset group. If these comparisons indicate that an asset is not recoverable, the impairment loss recognized is the amount by which the carrying amount of the asset exceeds the estimated fair value. There were no impairment losses charged to operations for the years ended December 31, 2025 and 2024.

Intangible Assets

In accordance with FASB ASC, *Intangibles – Goodwill and Other – Internal-Use Software*, internal and external costs incurred during the application development stage to develop computer software solely to meet the Organization's internal needs are capitalized. Costs incurred during the preliminary project stage are post-implementation/operation stage are expensed as incurred. Capitalized software costs are amortized on a straight-line basis over the estimated useful lives of the software.

Income Taxes

The Organization is exempt from federal income taxes under the provision of Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation. The Organization is also exempt under Title 15 of the State of New Jersey *Corporations and Organizations Not-for-Profit Act*. Accordingly, no provision for federal or state income tax has been presented in the accompanying financial statements.

The Organization follows the provisions of FASB ASC, *Income Taxes*. The standard prescribes a minimum recognition threshold and measurement methodology that a tax position taken or expected to be taken in a tax return is required to meet before being recognized in the financial statements. It also provides guidance for derecognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition as they relate to those tax positions.

The Organization does not expect a significant increase or decrease to the total amounts of unrecognized tax positions during the years ended December 31, 2025 and 2024. However, the Organization is subject to audit by tax authorities including a review of its nonprofit status which management believes would be upheld upon examination. The Organization believes that it has appropriate support for the positions taken on its tax returns. Nonetheless, the amounts ultimately paid, if any, upon resolution of the issues raised by the taxing authorities may differ materially from the amounts accrued for each year.

As required by law, the Organization files informational returns with both the Federal and New Jersey state governments on an annual basis - Form 990 with the Internal Revenue Service, and Form CRI-300R with the state of New Jersey. These returns are subject to examination within certain statutory periods from their respective filing dates.

Leases

The Organization applies FASB ASC, *Leases* to determine whether an arrangement is or contains a lease at inception. The Organization leases office space. Operating leases if applicable are included in operating lease right-of-use (ROU) assets and operating lease liabilities on the statement of financial position. ROU assets represent the Organization's right to use any underlying asset for the lease term and lease liabilities represent their obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term.

Since the Organization's lease does not provide an implicit rate, the Organization uses a weighted average risk-free rate from the date of lease inception of 4.38% based on the information available at commencement date in determining the present value of lease payments. The operating lease ROU asset also includes any future lease payments and excludes lease incentives. The lease term may include options to extend or terminate the lease when it is reasonably certain the Organization will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

The Organization lease agreement does not contain any material residual value guarantees or material restrictive covenants.

The Organization has elected for all underlying classes of assets, to not recognize ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less, but greater than 1 month at lease commencement, and do not include an option to purchase the underlying asset that the Organization is reasonably certain to exercise. The Organization recognizes lease cost associated with its short-term leases on a straight-line basis over the lease term.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts of assets and liabilities, revenue and expenses and changes therein, and disclosures of contingent assets and contingent liabilities and accompanying notes. It is reasonably possible that the Organization's estimates may change in the near term.

Concentration of Credit Risk

Financial instruments, which potentially subject the Organization to concentrations of credit risk, consist primarily of cash and cash equivalents and investments. At times, amounts invested with financial institutions may be in excess of FDIC insurance limits. The Organization invests with reputable financial institutions to limit their exposure and has not experienced any losses in such accounts. As a result, management believes it is not exposed to any significant risk related to cash and cash equivalents and investments.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among program and supporting services benefited. The financial statements may report certain categories of expense that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied.

Expenses are charged to each program based on direct expenditures incurred. Any program expenditures not directly chargeable are allocated based on estimates made by management. Program expenses are those related to food distribution, education, and resources. Management and general expenses relate to administrative expenses associated to those programs and are allocated based on estimates of time and effort considered by management to be reasonable. Fundraising relates to direct cost of special events, development activities carried on by the Organization as well as the allocation of employees' salaries, when applicable, and other costs involved in fundraising and special events.

In-Kind Contributions

The Organization follows the provisions of FASB ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets* (Topic 958), which requires nonprofits to present contributed nonfinancial assets as a separate line in the statement of activities apart from contributions of cash or other financial assets.

Donated Services

Volunteers make significant contributions of time relative to general management and operations of the Organization. These donated services are not reflected in the financial statements for the years ended December 31, 2025 and 2024 since they do not meet the criteria for recognition as contributed services in accordance with U.S. generally accepted accounting principles.

During the years ended December 31, 2025 and 2024, approximately 448 and 406 volunteers contributed a total of approximately 32,517 and 29,484 hours, respectively.

Vacation Accrual

The Organization's policy regarding accrued vacation allows staff to carry over one week of accrued vacation from the prior year with approval from the Executive Director. Upon termination or resignation, employees will be paid for any accrued vacation time earned but not used. Any vacation time which is not used in accordance with this policy will be forfeited. Accrued vacation amounted to $15,042 and $14,269 at December 31, 2025 and 2024, respectively, and is included in accounts payable and accrued expenses in the accompanying statement of financial position.

Prior Year Summarized Financial Information

The financial statements include certain prior year summarized comparative information with respect to the statement of functional expenses. Comparative prior year expenses are presented in total rather than by functional category. 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 the Organization's financial statements for the year ended December 31, 2024, from which the summarized information was derived.

Reclassification

Certain prior period account balances have been reclassified to conform to current year presentation.

Subsequent Events

Management has reviewed subsequent events and transactions that occurred after December 31, 2025, through the date of the independent auditors' report and the date the financial statements were available to be issued, June 25, 2026. The financial statements include all events or transactions, including estimates, required to be recognized in accordance with generally accepted accounting principles. Management has determined that there are no nonrecognized subsequent events that require additional disclosure.

3. Liquidity and Availability

The provisions of FASB Update No. 2016-14 require the presentation of qualitative information on how the Organization manages its liquid available resources and liquidity risks. Quantitative information that communicates the availability of a nonprofit's financial assets at the statement of financial position date to meet cash needs for general expenditures within one year is required to be presented on the face of the financial statement and/or in the notes to the financial statements.

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

	2025	2024
Financial assets at year end:		
Cash and cash equivalents	$ 2,457,181	$ 1,324,095
Investments	2,612,194	3,000,183
Beneficial interest in assets held by the Community Foundation of New Jersey	859,066	553,311
Total financial assets	5,928,441	4,877,589
Less amounts not available to be used within one year:		
Net assets with donor restrictions	(51,280)	
** Board designated funds	(920,000)	(725,000)
Financial assets available to meet general expenditures over the next twelve months:	$ 4,957,161	$ 4,152,589

The Organization has a goal to maintain financial assets on hand to meet 6 months of normal operating expenses. In addition to these financial assets, a significant portion of the Organization's annual expenditures will be funded by current year operating revenues including contributions, foundation grant revenue, and fundraising and special event revenue. As part of its liquidity plan, excess cash is invested in short-term investments, including money markets. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

** In the event the need arises to utilize the board-designated funds for actual expenditures, the reserves could be drawn upon through board resolution.

4. Investments

The following financial instruments, measured on a recurring basis, are carried at fair value in the Organization's financial statements. The fair value disclosures include information regarding the valuation of the Organization's investments as of December 31, 2025 and 2024**:**

	2025				
	Cost Basis	Fair Market Value (Level 1)	Fair Market Value (Level 2)	Fair Market Value (Level 3)	Unrealized Gains (Losses)
Mutual funds:					
Fixed income funds	$ 1,146,143	$ 1,116,152			$ (29,991)
Common stocks	123,997	132,135			8,138
Exchange traded funds	106,336	120,457			14,121
Fixed income:					
Certificate of Deposit	570,164		$ 571,107		943
U.S. government securities	108,827	110,144			1,317
Annuity	49,997			$ 49,997	
Corporate bonds	205,544	208,165			2,621
Equity securities:					
Common stocks	271,749	304,037			32,288
Total investments	$ 2,582,757	$ 1,991,090	$ 571,107	$ 49,997	$ 29,437

	2024			
	Cost Basis	Fair Market Value (Level 1)	Fair Market Value (Level 2)	Unrealized Gains (Losses)
Mutual funds:				
Fixed income funds	$ 2,144,321	$ 2,027,023		$ (117,298)
Equity securities:				
Common stocks		10,397		10,397
Fixed income:				
Certificate of Deposit	259,037		$ 259,779	742
U.S. government securities	681,960	702,984		21,024
Total investments	$ 3,085,318	$ 2,740,404	$ 259,779	$ (85,135)

Financial assets and liabilities valued using level 1 inputs are based on unadjusted quoted market prices within active markets for identical assets and liabilities. Financial assets and liabilities valued using level 2 inputs are based primarily on quoted prices for similar assets and liabilities in active or inactive markets. Financial assets and liabilities valued using level 3 inputs are based on estimates using present value or other valuation techniques where quoted market prices are not available. Financial assets of the Organization have been valued using level 1 and level 2 inputs as of December 31, 2025 and 2024.

Investment activity for the years ended December 31, 2025 and 2024 is comprised of the following:

	2025	2024
Beginning balance	$ 3,000,183	$ 2,605,110
Purchases, net	1,513,397	259,779
Transfers	(200,000)	
Donated investments received	42,986	39
Sales	(1,902,637)	(40)
Interest and dividends reinvested, net	95,645	99,086
Realized gain on investments	(52,014)	
Unrealized gain on investments	114,634	36,209
Ending balance	$ 2,612,194	$ 3,000,183

Return on investments for the years ended December 31, 2025 and 2024 is comprised of the following:

	2025	2024
Interest and dividends reinvested, net	$ 95,645	$ 99,086
Realized gain on investments	(52,014)	
Unrealized gain on investments	114,634	36,209
Total return on investments	$ 158,265	$ 135,295

5. Beneficial Interest in Assets held by the Community Foundation of New Jersey

	2025		
	Cost	Fair Value (Level 3)	Unrealized Loss
Community Foundation of New Jersey	$ 906,790	$ 859,066	$ (47,724)

	2024		
	Cost	Fair Value (Level 3)	Unrealized Loss
Community Foundation of New Jersey	$ 673,205	$ 553,311	$ (119,894)

The beneficial interest in assets held at the Community Foundation of New Jersey (the "Foundation") has been valued, as a practical expedient, at the fair value of the Organization's share of the Foundation's investment pool as of the measurement date, utilizing valuations provided by the investment funds. The Foundation values securities and other financial instruments on a fair value basis of accounting.

The estimated fair values of certain investments of the Foundation, which includes private placements and other securities for which prices are not readily available, are determined by the management of the Foundation and may not reflect amounts that could be realized upon immediate sale, nor amounts that ultimately may be realized. Accordingly, the estimated fair values may differ significantly from the values that would have been used had a ready market existed for these investments. The beneficial interest in assets held at the Foundation is fully redeemable by the Organization as described in Note 2.

The table below sets forth a summary of changes in the fair value of the Organization's Level 3 assets for the years ended December 31, 2025 and 2024:

	2025	2024
Beginning balance	$ 553,311	$ 498,077
Interest and dividends reinvested, net	18,466	13,690
Transfers	200,000	
Realized gain	4,305	112,648
Unrealized gain (loss)	82,984	(71,104)
Ending balance	$ 859,066	$ 553,311

Return on beneficial interest in assets held by the Foundation for the years ended December 31, 2025 and 2024, are comprised of the following:

	2025	2024
Interest and dividends reinvested, net	$ 18,466	$ 13,690
Realized gain	4,305	112,648
Unrealized gain (loss)	82,984	(71,104)
Total return on investments	$ 105,755	$ 55,234

6. Property and Equipment

Property and equipment at December 31, 2025 and 2024 is comprised of the following:

	Useful Lives Years	2025	2024
Buildings and improvements	5 - 30	$ 4,940,870	$ 4,896,964
Furniture and equipment	5 - 10	674,204	520,859
Vehicles	5	228,947	228,947
		5,844,021	5,646,770
Less: accumulated depreciation		(2,257,340)	(1,963,794)
Total		$ 3,586,681	$ 3,682,976

Depreciation expense for the years ended December 31, 2025 and 2024 amounted to $293,546 and $274,609, respectively.

7. In-Kind Donations

The Organization receives non-cash food donations. These items are valued based on a study conducted by Feeding America, as more fully described in Note 2. These items are sorted for distribution to eligible residents of Morris County, New Jersey. The value of the donated items received is included in revenue. The value of the items that have been distributed for the years ended December 31, 2025 and 2024 have been included as an expense.

The revenue from donated food for the years ended December 31, 2025 and 2024 is comprised of the following:

	2025	2024
Pounds donated	2,152,290	1,921,156
Average price per pound	$ 2.15	$ 2.15
Total in-kind food donations	$ 4,627,423	$ 4,130,487

The expense from donated food distributed for the years ending December 31, 2025 and 2024 amounted to $4,494,127 and $4,115,139, respectively.

8. Intangible Assets

Intangible assets are comprised of the following at December 31, 2025 and 2024:

Assets	Estimated Useful Life (Years)	2025	2024
Software	5	$ 8,400	$ -
Less: accumulated amortization		(560)	
		$ 7,840	$ -

Amortization expense for the years ended December 31, 2025 and 2024 amounted to $560 and $0, respectively.

9. Leases

Morristown

In July 2016, the Organization entered into an operating lease for space to be used as a distribution facility with monthly rent of $2,350. The lease matured in May 2017. The Organization renewed the lease on a month to month basis through December 2024. On January 1, 2025 a new lease agreement was signed for a 5 year period expiring on December 31, 2029. The monthly rent for the first year of the lease was $2,650 with a 2.5% increase each year for the remaining term of the lease.

Other information related to leases is as follows:

Cash paid for amounts included in the measurement of lease liabilities	
Operating cash flows from operating leases	$ 31,800
ROU assets obtained in exchange for new operating lease liabilities	$ 150,092
Weighted-average remaining lease term in years for operating leases	4.00
Weighted-average discount rate for operating leases	4.38%

The following table is a schedule, by years, of future minimum lease payments required under the noncancellable operating lease agreement which has an initial lease term in excess of one year as of December 31, 2025:

Year Ended December 31,	
2026	$ 32,595
2027	33,410
2028	34,246
2029	35,101
Total undiscounted cash flows	135,352
Less: present value discount	(11,116)
Total lease liabilities	$ 124,236

Total rent expense charged to operations for facility space amounted to $33,431 and $28,200 for the years ended December 31, 2025 and 2024, respectively.

Morris Plains

On August 10, 2010, the Organization entered into a fifty-year ground lease for property located on Executive Drive in Morris Plains, New Jersey with the County of Morris. The land, including improvements made upon the land by the Organization, is being leased for $1 per year. At the end of the initial lease term, the Organization has the option to extend the lease for one single extension period of twenty-five years. The value of the property is not readily determinable and therefore is not reflected in the financial statements.

Solar Lease Agreement

In September 2012, the Organization entered into a roof top solar site lease agreement whereby the lessee agreed to develop, design, construct, own, and operate a roof top solar system for a period of 20 years. In addition, the Organization agreed to purchase electricity from the lessee for a period of 20 years at pre-determined rates per kilowatt hour.

10. Board Designated Net Assets

Included in net assets without donor restrictions as of December 31, 2025 and 2024, is $920,000 and $725,000, respectively of board designated funds, to be used for the following:

	2025	2024
Capital improvements fund	$ 150,000	$ 150,000
Program expansion fund	150,000	150,000
Facilities maintenance fund	100,000	100,000
Vehicles fund	150,000	75,000
Transportation fund	20,000	
Food purchases fund	350,000	250,000
	$ 920,000	$ 725,000

11. Retirement Plan

The Organization has established a self-directed 403(b) retirement plan (the "Plan") for the benefit of its employees. The Plan consists of discretionary employee payroll deductions. The Organization may make discretionary employer contributions to the Plan, in which all eligible employees will either receive a uniform percentage of compensation or a uniform dollar amount.

An employee is deemed eligible to receive employer contributions if they work at least 1 year of consecutive service and complete at least 1,000 hours of service during that time.

Employer contributions to the Plan amounted to $100,000 and $85,000 for the years ended December 31, 2025 and 2024, respectively.

12. Risks and Uncertainties

In May 2020, the Organization received $219,952 under the United States Small Business Administration's (SBA) Paycheck Protection Program (PPP).

In November of 2020, the Organization received full forgiveness of the PPP funding less $10,000 of the EIDL advance for forgiveness in the amount of $209,952. In May 2021 the Organization received forgiveness for the remaining $10,000 of PPP funding, resulting in recognition of revenue for the year ended December 31, 2021.

The Small Business Association ("SBA") reserves the right to audit PPP funding forgiveness for ten years from the date that forgiveness was awarded.

13. Fundraising

The Organization held several fundraising events during the years ended December 31, 2025 and 2024. The gross receipts from these events totaled $611,531 and $543,517 for 2025 and 2024, respectively. Direct expenses consisting of raffle tickets, facility costs, and other related expenses totaled $196,219 and $190,733 for 2025 and 2024, respectively, leaving net proceeds of $415,312 and $352,784 for 2025 and 2024, respectively.

14. Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes.

	2025	2024
Subject to expenditure for specified purpose:		
Regional coalition purchasing fund	$ 31,280	
Transportation fund	20,000	
	$ 51,280	