

THE CENTER IN ASBURY PARK, INC.

FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION

DECEMBER 31, 2020 AND 2019



SOBEL & CO. LLC

CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

THE CENTER IN ASBURY PARK, INC.

DECEMBER 31, 2020 AND 2019

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
The Center in Asbury Park, Inc.
Asbury Park, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements of The Center in Asbury Park, Inc. ("Organization"), which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of 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 financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Organization's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization'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 estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Center in Asbury Park, Inc. as of December 31, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedules of expenditures of state awards, on page 16 and Budgeted and Incurred Costs HIV/AIDS Care and Treatment, on page 17, are presented for purposes of additional analysis 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 the New Jersey Office of Management and Budget Circular Letter 15-08, and are not a required part of the financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report, dated November 2, 2021, on our consideration of the Organization's internal control over financial reporting and 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

Livingston, New Jersey
November 2, 2021

Sobel & Co., LLC

Certified Public Accountants



THE CENTER IN ASBURY PARK, INC.
STATEMENTS OF FINANCIAL POSITION

	December 31,	
	2020	2019
ASSETS		
Cash	\$ 149,560	\$ 233,867
Other assets	7,800	10,971
Grants receivable	36,620	-
Developer fees receivable	134,490	134,490
Property and equipment, net	2,343	3,794
	<u>\$ 330,813</u>	<u>\$ 383,122</u>
 LIABILITIES AND NET ASSETS		
LIABILITIES:		
Accounts payable and accrued expenses	\$ 10,500	\$ 20,582
Deferred rent	-	1,170
Deferred revenue	-	7,090
Accounts payable - related party	39,911	59,911
Total Liabilities	<u>50,411</u>	<u>88,753</u>
 COMMITMENTS AND CONTINGENCIES		
NET ASSETS:		
Unrestricted Net Assets	<u>280,402</u>	<u>294,369</u>
	<u>\$ 330,813</u>	<u>\$ 383,122</u>

THE CENTER IN ASBURY PARK, INC.
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

	Year Ended December 31,	
	2020	2019
Changes in Unrestricted Net Assets:		
Support and Revenue:		
Contributions	\$ 137,244	\$ 125,091
Fundraising revenue	185,574	196,261
Grants and government contracts	346,839	466,050
Thrift store revenue	159,944	196,957
Other	-	6,822
Total Unrestricted Support and Revenue	<u>829,601</u>	<u>991,181</u>
Functional Expenses:		
Program services	683,161	745,667
Management and general	65,869	60,682
Fundraising	94,538	118,117
Total Functional Expenses	<u>843,568</u>	<u>924,466</u>
Changes in Unrestricted Net Assets	(13,967)	66,715
Net Assets, Beginning of year	<u>294,369</u>	<u>227,654</u>
Net Assets, End of year	<u>\$ 280,402</u>	<u>\$ 294,369</u>

THE CENTER IN ASBURY PARK, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2020

	Program Services	Management and General	Fund Raising	Grand Total
Subsidies - rent and utilities	\$ 150,508	\$ -	\$ -	\$ 150,508
Occupancy	27,037	3,004	-	30,041
Salaries	249,266	27,696	-	276,962
Payroll tax expense	29,474	3,275	-	32,749
Employee benefits	112,718	12,524	-	125,242
Insurance	10,425	1,158	-	11,583
Professional fees	12,370	1,374	-	13,744
Licenses and fees	10,570	1,321	1,321	13,213
Office expense	38,477	4,810	4,810	48,096
Postage	3,478	435	435	4,348
Repairs and maintenance	7,497	833	-	8,330
Meals	25,421	-	-	25,421
Conferences	200	25	25	250
Development and fundraising	-	-	17,466	17,466
Centerthon expenses	-	-	4,540	4,540
Center Square	-	7,247	65,227	72,474
Depreciation and amortization	-	1,451	-	1,451
Miscellaneous	5,720	715	715	7,150
	\$ 683,161	\$ 65,869	\$ 94,538	\$ 843,568

THE CENTER IN ASBURY PARK, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2019

	Program Services	Management and General	Fund Raising	Grand Total
Subsidies - rent and utilities	\$ 224,868	\$ -	\$ -	\$ 224,868
Occupancy	27,482	3,054	-	30,535
Salaries	244,609	27,179	-	271,788
Payroll tax expense	26,819	2,980	-	29,799
Employee benefits	98,931	10,992	-	109,923
Insurance	16,953	1,884	-	18,837
Professional fees	13,528	1,503	-	15,031
Licenses and fees	12,386	1,548	1,548	15,483
Office expense	20,854	2,607	2,607	26,067
Postage	4,961	620	620	6,201
Repairs and maintenance	5,817	646	-	6,463
Meals	44,396	-	-	44,396
Conferences	192	24	24	240
Development and fundraising	-	-	17,096	17,096
Centerthon expenses	-	-	50,634	50,634
Center Square	-	5,012	45,104	50,115
Depreciation and amortization	-	1,892	-	1,892
Miscellaneous	3,872	484	484	4,840
Interest expense	-	258	-	258
	\$ 745,667	\$ 60,682	\$ 118,117	\$ 924,466

THE CENTER IN ASBURY PARK, INC.
STATEMENTS OF CASH FLOWS

	Year Ended December 31,	
	2020	2019
CASH FLOWS PROVIDED BY (USED FOR):		
<u>OPERATING ACTIVITIES:</u>		
Changes in net assets	\$ (13,967)	\$ 66,715
Adjustments to reconcile changes in net assets to net cash (used for) provided by operating activities:		
Depreciation and amortization	1,451	1,892
Changes in certain assets and liabilities:		
Grants receivable	(36,620)	11,313
Prepaid expenses	3,171	(340)
Deferred rent	(1,170)	(2,894)
Deferred revenue	(7,090)	7,090
Accounts payable and accrued expenses	(10,082)	20,582
Net Cash (Used for) Provided by Operating Activities	<u>(64,307)</u>	<u>104,358</u>
<u>INVESTING ACTIVITIES:</u>		
Proceeds from related party	30,000	30,000
Payments to related party	(50,000)	(100,000)
Purchase of property and equipment	-	(1,692)
Net Cash Used for Investing Activities	<u>(20,000)</u>	<u>(71,692)</u>
<u>FINANCING ACTIVITIES:</u>		
Payments on line of credit	-	(30,000)
NET (DECREASE) INCREASE IN CASH	(84,307)	2,666
CASH:		
Beginning of year	<u>233,867</u>	<u>231,201</u>
End of year	<u>\$ 149,560</u>	<u>\$ 233,867</u>
SUPPLEMENTAL DATA:		
Interest paid	<u>\$ -</u>	<u>\$ 258</u>

THE CENTER IN ASBURY PARK, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 1 - NATURE OF ORGANIZATION:

The Center in Asbury Park, Inc. (“Center” or “Organization”) is a nonprofit corporation organized under the laws of the state of New Jersey for the purpose of providing education, financial aid, emotional support, nutritional support and other services to individuals and their families in Monmouth and Ocean counties who are HIV-positive or who have contracted the AIDS virus.

The Organization has also established a thrift shop that sells an array of donated items, including clothing and household items. All proceeds are used to support the programs of the Organization.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Basis of Accounting:

The accompanying financial statements of the Center 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 the Organization 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, other 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 statements of activities and changes in net assets as net assets released from restrictions.

Currently, the Center has only net assets without donor restriction.

THE CENTER IN ASBURY PARK, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

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

Property and Equipment:

All property and equipment are stated at cost. Significant additions, renewals and betterments greater than \$1,000 that extend the useful lives of the assets are capitalized, while replacements, and maintenance and repairs that do not improve or extend the life of an asset are expensed. Depreciation is provided using the straight-line method over the estimated useful lives of the assets.

Accounts Receivable:

The Center charges uncollectible accounts receivable to operations when determined to be uncollectible. No allowance for doubtful accounts has been recorded. The balance of accounts receivable has been determined to be collectible based on historical experience and management's evaluation of outstanding accounts receivable at the end of the year.

Deferred Rent:

The Organization recognizes rent expense on a straight-line basis. All rent increases are taken into account and recognized ratably over the years. The difference between the actual rent paid and the expense charged is an increase or decrease to deferred rent.

Deferred Revenue:

The Organization records amounts received from funding sources in advance of performing the required services as deferred revenue.

Contributions and Grants from Governmental Agencies:

Funds received from various federal governmental 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 deferred revenue in the statements of financial position. Amounts that are spent in accordance with contract requirements, but not yet received, are accounted for as grants receivable in the statements of financial position.

Contributions are recognized as revenue when they are received or unconditionally pledged. Conditional contributions are not recognized until conditions are substantially met or explicitly waived by the donor or grantor. Unconditional promises to give due in subsequent years are reported at the present value of their net realizable value, using risk-free interest rates applicable to the years in which the monies from the promises are to be received.

THE CENTER IN ASBURY PARK, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

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

Contributions and Grants from Governmental Agencies: (Continued)

All contributions are available for use unless specifically restricted by the donor. When a donor restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities and changes in net assets as net assets released from restrictions.

Thrift Store Revenue:

The Organization derives a portion of its revenue from thrift store sales. Sales are recognized when goods are transferred to the Organization's customers in an amount that reflects the consideration the Organization expects to be entitled to in exchange for those goods. For the performance obligation relating to thrift store sales, control transfers to the customer at a point in time when ownership of the goods are transferred. Revenue under thrift store sales is recognized at the point of sale. There are no significant financing components or variable considerations provided to customers.

Use of Estimates:

In preparing 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 financial statements, and the reported amounts of revenues and expenses during the reporting period. These estimates and assumptions are based on management's best estimates and judgment. Actual results could differ from those estimates.

Income Taxes:

The Center is a nonprofit organization exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and comparable state law. Accordingly, the accompanying financial statements do not include provisions for federal or state income taxes.

The Center follows accounting standards that provide clarification on accounting for uncertainty in income taxes recognized in the Organization's financial statements. The guidance prescribes a recognition threshold and measurement attribute for financial statement 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. No interest and penalties were recorded during the years ended December 31, 2020 and 2019. At December 31, 2020 and 2019, there are no significant income tax uncertainties that are expected to have a material impact on the Organization's financial statements.

THE CENTER IN ASBURY PARK, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

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

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 pronouncement, a modified retrospective transition approach is required, and the new standard is applied to all leases existing at the date of initial application. The new 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.

Subsequent Events:

The Organization has evaluated events subsequent to the statement of financial position date as of December 31, 2020 through November 2, 2021, the date that the financial statements were available to be issued.

NOTE 3 - PROPERTY AND EQUIPMENT:

Property and equipment are as follows:

	Estimated Useful Life	December 31,	
		2020	2019
Furniture and fixtures	7 Years	\$ 23,173	\$ 21,173
Vehicles	5-7 Years	4,000	4,000
Office equipment	10 Years	28,683	28,683
Total Property and Equipment		55,856	55,856
Less: Accumulated depreciation		(53,513)	(52,062)
Property and Equipment, Net		<u>\$ 2,343</u>	<u>\$ 3,794</u>

NOTE 4 - TAXES:

All required tax returns have been timely filed and taxes (including, but not limited to, payroll taxes) were either paid prior to December 31, 2020, or paid subsequent to year end.

THE CENTER IN ASBURY PARK, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 5 - LEASES:

Effective January 1, 2007, the Organization entered into an operating lease with a related party. Monthly payments amount to \$30,000 per year through December 31, 2021. Payments to the related party amounted to \$30,000 for the years ended December 31, 2020 and 2019, respectively.

Future minimum rental payments under the lease are as follows:

<u>December 31,</u>	
2021	<u>\$ 30,000</u>

The Organization also has an operating lease for a thrift shop in Belmar, New Jersey, which expires in October 2022. The lease calls for an increase in monthly rent ranging from \$2,650 to \$3,133. Rent expense for the years ended December 31, 2020 and 2019, was \$39,330 and \$36,300, respectively.

The Organization is obligated for future minimum lease payments as follows:

<u>Year Ended</u>	
<u>December 31,</u>	
2021	\$ 37,274
2022	<u>31,328</u>
Total	<u>\$ 68,602</u>

NOTE 6 - CONCENTRATIONS OF RISK:

Support and Revenue:

The Organization receives a substantial portion of its revenues from state government programs. The Organization received approximately 42% and 47% for the years ended December 31, 2020 and 2019, respectively, from government grants. A material reduction of such support could have a significant impact on the Organization's operations. Management, however, does not expect that its support will be materially reduced.

Cash:

The Organization maintains cash balances at various financial institutions, which at times, may exceed insured limits.

THE CENTER IN ASBURY PARK, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 7 - DONATED MATERIALS AND SERVICES:

The Center receives donated food for a fundraising event. The estimated fair value of \$6,150 for the year ended December 31, 2019, is included in contributions and expense in the statements of activities and changes in net assets. The fundraising event was not held during the year ended December 31, 2020.

The Center received a substantial number of donated services from volunteers, which are not reflected in the accompanying financial statements since the services do not require special skills.

The Center also receives donated food from local religious organizations and from the general public, which is distributed to individuals who are HIV-positive and their families. The Center is not able to place a fair value on these contributions and, as a result, no amounts have been recorded in the statements of activities and changes in net assets.

NOTE 8 - FUNCTIONAL EXPENSES:

The costs of providing the various programs and other activities have been summarized on a functional basis on the statements of functional expenses. General and administrative expenses are those not directly identifiable with any specific function, but which provide for the overall support and direction of the Organization.

Salaries, employee benefits, payroll taxes, professional fees, office expenses and insurance are allocated based on a percentage of direct costs. All other expenses are recorded as direct costs.

NOTE 9 - RELATED-PARTY TRANSACTIONS:

Development Agreement:

The Center had previously purchased land and incurred costs to develop a new housing project by financing through the Corporation for Supportive Housing and The Reinvestment Fund. These assets and liabilities had previously been recorded as construction in progress by the Center. During the year ended December 31, 2005, the Center transferred the assets and liabilities to Center House Partnership L.P., a newly developed partnership ("Partnership"), whose purpose is to operate a housing project for individuals who are HIV positive. This housing project was operational in late December 2006 and tenants began occupying the premises on December 27, 2006. Leasing of the housing project commenced January 1, 2007. As sponsor of the project, the Center is entitled to receive developer fees amounting to \$134,490. Accordingly, this amount is recorded as developer fees receivable on the statements of financial position.

THE CENTER IN ASBURY PARK, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 9 - RELATED-PARTY TRANSACTIONS: (Continued)

Center House Partnership:

The Center in Asbury Park, Inc. provides program services, e.g., meals, medical and supportive services, to residents of the Center House Partnership, L.P. The Center in Asbury Park, Inc. maintains its corporate offices on the first floor. The Center in Asbury Park, Inc. compensates the Partnership \$30,000 annually as a reimbursement of utilities. The Center in Asbury Park, Inc. owes the Partnership \$ 39,911 and \$59,911 at December 31, 2020 and 2019, respectively.

NOTE 10 - LINE OF CREDIT:

The Organization has an unsecured revolving line of credit with a bank to fund temporary deficits in its working capital. The total amount available under this line of credit is \$100,000. The revolving line of credit matures on May 1, 2022, unless extended in writing by the bank. At December 31, 2020 and 2019, there was no outstanding balance on the line.

NOTE 11 - LIQUIDITY AND AVAILABILITY:

The following represents the Organization's financial assets reduced by amounts not available for general use within one year of the statement of financial position date because of contractual or donor-imposed restrictions, or internal designations, if applicable.

	December 31,	
	2020	2019
Cash	\$ 149,560	\$ 233,867
Grants receivable	36,620	-
Financial assets available to meet general expenditures over the next 12 months	<u>\$ 186,180</u>	<u>\$ 233,867</u>

The Organization structures the financial assets to be available as its general expenditures, liabilities, and other obligations come due. To help manage unanticipated liquidity needs, the Organization also has a committed line of credit of \$100,000, which is available should it be necessary.

THE CENTER IN ASBURY PARK, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 12 - RISKS AND UNCERTAINTIES:

The Organization is actively monitoring the COVID-19 outbreak and its potential impact on its employees, volunteers, donors, 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.

THE CENTER IN ASBURY PARK, INC.
SCHEDULE OF EXPENDITURES OF STATE AWARDS
YEAR ENDED DECEMBER 31, 2020

Grant or Program Title	CFDA #	Grant Number	Grant Amount	Grant Period	Current Year Disbursements/ Expenditures
<u>New Jersey Department of Health and Senior Services</u>					
HIV Emergency Services		20CTR017	458,520	07/01/19-06/30/20	\$ 210,789
		21CTR010	263,530	07/01/19-06/30/20	136,050
Total					<u>\$ 346,839</u>

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

**THE CENTER IN ASBURY PARK, INC.
 SCHEDULE OF BUDGETED AND INCURRED
 COSTS HIV/AIDS CARE AND TREATMENT
 YEAR ENDED DECEMBER 31, 2020**

Cost Category	Grant AIDS21CTR010(07/01/20-06/30/21)					Grant AIDS20CTR017(07/01/19-06/30/20)				
	Final 2020	Approved Expenditure Reports	Cumulative Expenditures	Audited Expenditures	Questioned Costs	Final 2020	Approved Expenditure Reports	Cumulative Expenditures	Audited Expenditures	Questioned Costs
HIV/AIDS Care and Treatment	\$ 263,530	\$ 136,050	\$ 136,050	\$ 136,050	\$ -	\$ 458,520	\$ 210,789	\$ 458,520	\$ 210,789	\$ -

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

THE CENTER IN ASBURY PARK, INC.
NOTES TO THE SCHEDULES OF EXPENDITURES
OF FEDERAL AND STATE AWARDS AND BUDGETED AND
INCURRED COSTS HIV/AIDS CARE AND TREATMENT
YEAR ENDED DECEMBER 31, 2020

NOTE 1 - BASIS OF PRESENTATION:

The accompanying schedule of expenditures of federal and state awards and schedule of budgeted and incurred costs HIV/AIDS Care and Treatment includes the state grant activity of the Organization and is presented on the accrual basis of accounting. The information in these 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* ("Uniform Guidance") and New Jersey Office of Management and Budget ("NJ OMB") Circular Letter 15-08. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

NOTE 2 - SUBRECIPIENTS:

During the year ended December 31, 2020, the Organization did not provide any funds relating to their state program to subrecipients.

NOTE 3 - INDIRECT COSTS:

The Organization did not elect to use the de minimis cost rate when allocating indirect costs to the state program.

NOTE 4 - LOAN AND LOAN GUARANTEE PROGRAMS:

As of December 31, 2020, the Organization did not have any federal loan or loan guarantee programs.

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
The Center in Asbury Park, Inc.
Asbury Park, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of The Center in Asbury Park, Inc. ("Organization"), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon, dated November 2, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization'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 financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 the Organization's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of 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 the Organization's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our 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 the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Livingston, New Jersey
November 2, 2021

Sobel & Co, LLC

Certified Public Accountants

THE CENTER IN ASBURY PARK, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2020

A. SUMMARY OF AUDITORS' RESULTS:

1. The auditors' report expresses an unmodified opinion on the financial statements of The Center in Asbury Park, Inc.
2. No instances of material weaknesses or significant deficiencies were identified regarding internal control over financial reporting.
3. No instances of noncompliance material to the financial statements of the Organization were disclosed during the audit.

**B. and C. FINANCIAL STATEMENTS AND STATE AWARD
FINDINGS AND QUESTIONED COSTS:**

None Noted.

D. PRIOR AUDIT FINDINGS:

None Noted.