



PREVENT CHILD ABUSE - NEW JERSEY CHAPTER, INC. AND SUBSIDIARY

Consolidated Financial Statements

Years Ended June 30, 2021 and 2020

With Independent Auditor's Reports

Prevent Child Abuse – New Jersey Chapter, Inc. and Subsidiary
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Independent Auditor's Report

Board of Trustees
Prevent Child Abuse - New Jersey Chapter, Inc. and Subsidiary
New Brunswick, New Jersey

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Prevent Child Abuse - New Jersey Chapter, Inc. and Subsidiary, which comprise the consolidated statements of financial position as of June 30, 2021 and 2020, and the related consolidated statements of activities and changes in net assets, cash flows, and functional expenses for the years 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free of 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 auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the 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 consolidated financial position of Prevent Child Abuse - New Jersey Chapter, Inc. and Subsidiary, as of June 30, 2021 and 2020, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Report on Supplementary Information Required Under Uniform Guidance and NJ OMB 15-08 and Other Supplementary Information in Relation to the Consolidated Financial Statements as a Whole

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations (“CFR”) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. The Schedule of Expenditures of State Financial Assistance is presented for purposes of additional analysis as required by the State of New Jersey, Department of the Treasury, OMB Policy Circular 15-08. Other supplementary information, such as the statements of financial position – Prevent Child Abuse – NJ, statements of activities and changes in net assets – Prevent Child Abuse – NJ, statements of cash flows – Prevent Child Abuse – NJ, statements of functional expenses – Prevent Child Abuse NJ, statements of financial position – Child Wellness Institute of NJ, statements of activities and changes in net assets – Child Wellness Institute of NJ, statements of cash flows – Child Wellness Institute of NJ, and statements of functional expenses – Child Wellness Institute of NJ, are presented for the purpose 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 7, 2021 on our consideration of Prevent Child Abuse - New Jersey Chapter, Inc. and Subsidiary’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Prevent Child Abuse - New Jersey Chapter Inc.’s internal control over financial reporting and compliance.

Sax LLP

Parsippany, New Jersey
December 7, 2021

Prevent Child Abuse – New Jersey Chapter, Inc. and Subsidiary
Consolidated Statements of Financial Position
June 30, 2021 and 2020

	2021	2020
Assets		
Current assets		
Cash and cash equivalents	\$ 1,104,628	\$ 781,649
Investments	47,445	40,501
Grants and contracts receivable	833,388	872,025
Accounts receivable	21,479	22,089
Prepaid expenses	88,960	82,319
Total current assets	<u>2,095,900</u>	<u>1,798,583</u>
Property and equipment, net	<u>107,903</u>	<u>81,331</u>
Other assets		
Investments - board designated	499,309	409,376
Investments - permanently restricted	24,333	20,333
Security deposits	13,238	13,238
	<u>536,880</u>	<u>442,947</u>
	<u>\$ 2,740,683</u>	<u>\$ 2,322,861</u>
Liabilities and Net Assets		
Current liabilities		
Accounts payable and accrued expenses	\$ 324,741	\$ 506,195
Deferred revenue	--	395,159
Grants and contracts payable	716,803	205,372
Total current liabilities	<u>1,041,544</u>	<u>1,106,726</u>
Net assets		
Without Donor Restrictions	1,625,108	1,146,104
With Donor Restrictions	74,031	70,031
Total net assets	<u>1,699,139</u>	<u>1,216,135</u>
	<u>\$ 2,740,683</u>	<u>\$ 2,322,861</u>

The Notes to Consolidated Financial Statements are an integral part of these statements.

Prevent Child Abuse – New Jersey Chapter, Inc. and Subsidiary
Consolidated Statements of Activities and Changes in Net Assets
Years Ended June 30, 2021 and 2020

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenues						
Grants and contracts	\$ 5,586,372	\$ --	\$ 5,586,372	\$ 5,801,781	\$ --	\$ 5,801,781
Program fee revenue	217,140	--	217,140	138,953	--	138,953
Contributions	194,600	4,000	198,600	200,572	--	200,572
Other income	3,291	--	3,291	23,439	--	23,439
In-kind donations	3,601	--	3,601	17,499	--	17,499
Investment (loss) income	104,978	--	104,978	32,481	--	32,481
Special events income (net of donor received benefits of \$25,334 and \$1,815 in 2021 and 2020 respectively)	65,413	--	65,413	4,919	--	4,919
	<u>6,175,395</u>	<u>4,000</u>	<u>6,179,395</u>	<u>6,219,644</u>	<u>--</u>	<u>6,219,644</u>
Net assets released from restrictions	--	--	--	--	--	--
	<u>6,175,395</u>	<u>4,000</u>	<u>6,179,395</u>	<u>6,219,644</u>	<u>--</u>	<u>6,219,644</u>
Expenses						
Program services	4,977,950	--	4,977,950	5,242,252	--	5,242,252
Management and general	569,133	--	569,133	667,471	--	667,471
Development	149,308	--	149,308	188,242	--	188,242
	<u>5,696,391</u>	<u>--</u>	<u>5,696,391</u>	<u>6,097,965</u>	<u>--</u>	<u>6,097,965</u>
Changes in net assets	479,004	4,000	483,004	121,679	--	121,679
Net assets, beginning year	<u>1,146,104</u>	<u>70,031</u>	<u>1,216,135</u>	<u>1,024,425</u>	<u>70,031</u>	<u>1,094,456</u>
Net assets, end of year	<u>\$ 1,625,108</u>	<u>\$ 74,031</u>	<u>\$ 1,699,139</u>	<u>\$ 1,146,104</u>	<u>\$ 70,031</u>	<u>\$ 1,216,135</u>

The Notes to Consolidated Financial Statements are an integral part of these statements.

Prevent Child Abuse – New Jersey Chapter, Inc. and Subsidiary
Consolidated Statements of Cash Flows
Years Ended June 30, 2021 and 2020

	2021	2020
Cash flows from operating activities		
Changes in net assets	\$ 483,004	\$ 121,679
Adjustments to reconcile changes in net assets to net cash provided by (used for) operating activities		
Depreciation	51,278	41,379
Realized loss (gain) on board designated investments	(10,122)	(128)
Unrealized loss (gain) on unrestricted investments	(83,811)	(523)
Unrealized loss (gain) on board designated and donor restricted investments	(6,944)	(19,644)
Contributions restricted to endowment	(4,000)	--
Changes in assets and liabilities		
Contributions receivable	--	--
Grants and contracts receivable	38,637	(86,900)
Accounts receivable	610	40,136
Prepaid expenses	(6,641)	8,842
Security deposits	--	--
Accounts payable and accrued expenses	(181,454)	(66,470)
Grants and contracts payable	511,431	88,860
Deferred revenue	(395,159)	(463,375)
Net cash (used for) provided by operating activities	<u>396,829</u>	<u>(336,144)</u>
Cash flows from investing activities		
Purchases of property and equipment	(77,850)	(31,765)
Change in board restricted investments	--	--
Net cash (used for) investing activities	<u>(77,850)</u>	<u>(31,765)</u>
Cash flows from financing activities		
Contributions restricted to endowment	<u>4,000</u>	<u>--</u>
Net increase (decrease) in cash and cash equivalents	318,979	(367,909)
Beginning of year - Cash and cash equivalents	<u>781,649</u>	<u>1,149,558</u>
Total End of Year - Cash and cash equivalents	<u>\$ 1,100,628</u>	<u>\$ 781,649</u>

The Notes to Consolidated Financial Statements are an integral part of these statements.

Prevent Child Abuse – New Jersey Chapter, Inc. and Subsidiary
Consolidated Statement of Functional Expenses
Year Ended June 30, 2021

	Program Services				Management and General	Development	Total
	Technical Assistance	Professional Training	Public Education	Total Program Services			
Salaries	\$ 2,476,687	\$ 432,375	\$ 68,173	\$ 2,977,235	\$ 342,174	\$ 96,191	\$ 3,415,600
Fringe benefits	701,593	115,135	20,690	837,418	61,785	28,352	927,555
Consultants/professional fees	298,210	19,477	2,272	319,959	36,155	2,888	359,002
Rent expense	185,285	21,493	3,931	210,709	30,664	9,407	250,780
Utilities	14,180	1,720	237	16,137	1,655	511	18,303
Telephone expense	52,274	8,043	1,990	62,307	4,949	1,300	68,556
Advertising	5,048	1,000	98	6,146	1,607	272	8,025
Conferences	16,829	--	--	16,829	--	--	16,829
Educational material	18,475	16,863	2,220	37,558	--	--	37,558
Equipment rental and maintenance	22,236	6,722	861	29,819	6,187	1,548	37,554
Non capitalizable equipment	661	1,408	--	2,069	--	--	2,069
Insurance	15,053	2,257	322	17,632	2,379	640	20,651
Office expense	17,802	499	45	18,346	5,984	788	25,118
Payroll processing	970	884	144	1,998	7,553	--	9,551
Postage	2,530	1,350	216	4,096	290	545	4,931
Printing	2,938	2,990	137	6,065	--	2,829	8,894
Professional training	64,838	16,139	950	81,927	309	30	82,266
Travel expense	32,238	2,998	1,546	36,782	4,977	1,461	43,220
Depreciation	--	--	--	--	51,278	--	51,278
Miscellaneous	301	48	29	378	8,530	--	8,908
Dues and subscriptions	30,995	6,380	1,434	38,809	2,657	2,546	44,012
Subgrant expense	255,731	--	--	255,731	--	--	255,731
	<u>\$ 4,214,874</u>	<u>\$ 657,781</u>	<u>\$ 105,295</u>	<u>\$ 4,977,950</u>	<u>\$ 569,133</u>	<u>\$ 149,308</u>	<u>\$ 5,696,391</u>

The Notes to Consolidated Financial Statements are an integral part of these statements.

Prevent Child Abuse – New Jersey Chapter, Inc. and Subsidiary
Consolidated Statement of Functional Expenses
Year Ended June 30, 2020

	Program Services			Total Program Services	Management and General	Development	Total
	Technical Assistance	Professional Training	Public Education				
Salaries	\$ 2,306,321	\$ 415,772	\$ 62,714	\$ 2,784,807	\$ 406,616	\$ 101,311	\$ 3,292,734
Fringe benefits	701,793	99,717	20,189	821,699	80,171	30,943	932,813
Consultants/professional fees	393,818	33,106	1,790	428,714	30,937	3,180	462,831
Rent expense	182,824	19,809	5,239	207,872	27,600	9,244	244,716
Utilities	17,148	1,883	269	19,300	2,330	648	22,278
Telephone expense	48,074	8,523	2,193	58,790	6,197	1,390	66,377
Advertising	16,827	3,616	2,276	22,719	1,825	696	25,240
Conferences	18,042	--	--	18,042	--	--	18,042
Educational material	5,088	13,990	4,715	23,793	175	--	23,968
Equipment rental and maintenance	23,167	7,929	1,105	32,201	6,044	1,636	39,881
Non capitalizable equipment	--	529	--	529	153	--	682
Insurance	13,948	1,956	400	16,304	2,434	648	19,386
Office expense	15,920	2,362	527	18,809	5,764	16,591	41,164
Payroll processing	932	780	128	1,840	5,941	--	7,781
Postage	2,069	1,401	726	4,196	417	1,444	6,057
Printing	3,595	7,403	753	11,751	--	11,279	23,030
Professional training	55,264	36,555	5,406	97,225	9,851	90	107,166
Travel expense	106,051	18,455	3,927	128,433	8,527	2,392	139,352
Depreciation	--	--	--	--	41,379	--	41,379
Miscellaneous	--	156	9	165	26,317	--	26,482
Dues and subscriptions	24,932	4,439	1,205	30,576	4,793	6,750	42,119
Subgrant expense	514,487	--	--	514,487	--	--	514,487
	<u>\$ 4,450,300</u>	<u>\$ 678,381</u>	<u>\$ 113,571</u>	<u>\$ 5,242,252</u>	<u>\$ 667,471</u>	<u>\$ 188,242</u>	<u>\$ 6,097,965</u>

The Notes to Consolidated Financial Statements are an integral part of these statements.

Prevent Child Abuse – New Jersey Chapter, Inc. and Subsidiary

Notes to Consolidated Financial Statements

Years Ended June 30, 2021 and 2020

1. Organization and Purpose of Corporations

Prevent Child Abuse - New Jersey Chapter Inc. ("PCA-NJ") is a private, New Jersey non-profit corporation. PCA-NJ's mission is to lead statewide efforts in preventing child abuse and neglect, in all of its forms, for all of New Jersey's children. PCA-NJ was incorporated in 1979 and is currently a chartered chapter of Prevent Child Abuse America. PCA-NJ works to fulfill its mission by establishing local partnerships with community-based organizations, providing professional trainings and technical assistance, and by disseminating public education materials to local communities and families. PCA-NJ is primarily supported by State and Federal grants and private donations. PCA-NJ is located in New Brunswick, NJ.

The accompanying consolidated financial statements include the accounts of Prevent Child Abuse – New Jersey Chapter, Inc and the Child Wellness Institute, Inc. Hereinafter, the consolidated entities are referred to as the "Organization". All material inter-company accounts and transactions have been eliminated.

The Child Wellness Institute of New Jersey, Inc. ("CWI") is a private New Jersey non-profit corporation and is a wholly owned subsidiary of PCA-NJ. CWI was incorporated in 2019 to market, sell, and administer training and educational programs to the public related to strengthening child health and development, positive parenting, and preventing any form of child maltreatment. CWI is supported by fees it charges for its programs, in addition to public and private grants and donations. CWI shares a common Board of Trustees as PCA-NJ with its offices located in the headquarters of PCA-NJ. In December 2020 the company filed amended Articles of Incorporation and changed its name to Child Wellness Institute, Inc. In April 2021 the Child Wellness Institute was granted a trademark by the United States Patent and Trademark Office for use of the name CHILDWIN on decals, posters, and any education and training materials.

2. Summary of Significant Accounting Policies

Basis of Presentation

Financial reporting by not-for-profit organizations requires that resources be classified for accounting and reporting purposes into net asset categories according to externally (donor) imposed restrictions. For the years ended June 30, 2021 and 2020, PCA-NJ had accounting transactions in the net assets without donor restrictions category. Net assets with donor restrictions represent net assets subject to donor imposed time or purpose restrictions (temporary), or donor imposed restrictions that will not expire with the passage of time nor be fulfilled or otherwise resolved by actions of PCA-NJ (permanent). For the year ended June 30, 2021, PCA-NJ had accounting transactions in the net assets with donor restrictions category.

Adoption of Accounting Policy

On July 1, 2020, the Organization adopted Accounting Standards Codification Topic 606, Revenue from Contracts with Customers (ASC 606"), an accounting pronouncement issued by the Financial Accounting Standards Board ("FASB"), as well as subsequently issued clarifying ASUs, which clarifies guidance on revenue recognition. This guidance includes the required steps to achieve the core principle that a company should recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the Organization expects to be entitled in exchange for those goods or services. The Organization adopted this pronouncement on a modified retrospective basis for all on going customer contracts the results of operations for the reported periods after July 1, 2020, is presented under this amended guidance. The adoption of this pronouncement had no impact on net assets and results of operations but resulted in required additional disclosures. ASC 606 does not apply to all revenue recognized by the Organization. See footnotes for further details.

Revenue and Support Recognition

PCA-NJ and its subsidiary recognize contributions as revenue when they are received or unconditionally pledged and records these revenues as unrestricted or restricted support according to donor stipulations that limit the use of these assets due to time or purpose restrictions. When a donor restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities and changes in net assets as net assets released from restrictions.

Prevent Child Abuse – New Jersey Chapter, Inc. and Subsidiary
Notes to Consolidated Financial Statements
Years Ended June 30, 2021 and 2020

2. Summary of Significant Accounting Policies - Continued

PCA-NJ and its subsidiary receive funding from grant agencies that is cost reimbursement in nature. Grant agencies are not directly receiving commensurate value for the services provided to consumers, therefore grant revenue follows recognition guidance under ASC Topic 958. Funds are required to be spent in accordance with the approved budget and allowable cost guidelines from the state and federal government, therefore making the funding received a conditional contribution under ASC Topic 958 guidance. Support is recognized as income as conditions are met, such as costs are incurred and services are provided to consumers. Grant dollars received in advance of conditions being met are recorded as a liability until earned. Funds not spent by the end of the contract period are recognized as grants and contracts payable due back to the state of New Jersey on the statement of financial position. Funds received and not spent during the contract period are recognized as deferred revenue on the statement of financial position.

Program fee revenues are obtained from technical assistance and training courses. Revenues from these sources are recognized at the time the service is provided.

Fundraising and Special Events revenue is comprised of payments received from third parties, both individuals and corporations, to support and/or attend fundraising events. Fundraising revenue includes an exchange transaction component for the value of the goods or services received. This follows revenue recognition guidance under ASC Topic 606. The amount paid by individuals and corporations that is above the value of the goods or services received, is considered a contribution. Revenue is recognized over time at the time the fundraising event occurs.

In-Kind Donations

Donated rent and equipment is recorded at the fair market value of the property donated. Legal and other services are recorded at fair market value in the period when provided. For the year ended June 30, 2021, PCA-NJ and its subsidiary received donated services of \$0 and donated materials of \$3,601 aggregating \$3,601 in total in-kind donations. For the year ended June 30, 2020, PCA-NJ received services of \$250 and donated materials of \$17,249 aggregating \$17,499 in total in-kind donations.

Accounts Receivable and Collections

PCA-NJ's and its subsidiary's accounts receivable are unsecured and non-interest bearing. Invoices are due upon receipt and are considered delinquent after 30 days. PCA-NJ and its subsidiary apply payments of accounts receivable to invoices specified on the customer's remittance advice or, if unspecified, to the earliest unpaid invoices. Management records a valuation allowance to reduce the carrying value of accounts receivable for amounts it believes will not be collected. PCA-NJ and its subsidiary have determined based on this review that no allowance for doubtful accounts was necessary at June 30, 2021 or 2020.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

PCA-NJ and its subsidiary consider all highly liquid investments with an initial maturity date of three months or less at the time of acquisition to be cash equivalents.

Prevent Child Abuse – New Jersey Chapter, Inc. and Subsidiary
Notes to Consolidated Financial Statements
Years Ended June 30, 2021 and 2020

2. Summary of Significant Accounting Policies - Continued

Investments

Investments are recorded at cost, if purchased, or at fair value, if donated. Thereafter, investments are reported at fair value in the Consolidated Statements of Financial Position, and changes in fair value are reported as investment income in the Consolidated Statements of Activities. Fair value is defined as the price that would be received to sell an asset in the principal or most advantageous market for the asset in an orderly transaction between market participants on the measurement date. Fair value should be based on the assumptions market participants would use when pricing an asset. U.S. GAAP establishes fair value hierarchy that prioritizes investments based on those assumptions. The fair value hierarchy gives the highest priority to quoted prices in active markets and the lowest priority to an entity's assumptions and are as follows:

- Level 1 Unadjusted quoted market prices for identical assets or liabilities in active markets as of the measurement date.
- Level 2 Other observable inputs, either directly or indirectly, including:
- Quoted prices for similar assets/liabilities in active markets;
 - Quoted prices for identical or similar assets in non-active markets;
 - Inputs other than quoted prices that are observable for the asset/liability, and
 - Inputs that are derived principally from or corroborated by other observable market data.
- Level 3 Unobservable inputs that cannot be corroborated by observable market data.

Gains and losses, both realized and unrealized, resulting from increases or decreases in the fair value of investments are reflected in the statements 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.

Fair Value of Financial Instruments

The carrying amounts of financial instruments including accounts receivable, contributions receivable, prepaid expenses, grants and contracts receivable and payable, accounts payable and accrued expenses, and deferred revenue approximate their fair values because of the relatively short maturity of these instruments.

Functional Allocation of Expenses

The cost of providing program services, management and general, and fundraising expenses have been summarized on a functional basis and by natural classification within each functional area.

Technical Assistance – provides expertise on child abuse prevention program models to organizations throughout the State of New Jersey to equip professionals with the tools they need to serve families effectively.

Professional Training – provides high quality training to professionals and the general public to enhance and increase their knowledge and competencies.

Public Education – provides public education statewide through presentations, parenting education, and resources to equip professionals, paraprofessionals and the public with the information and skills needed to support families and protect children.

Expenses are charged to each program, function, or department on either a direct cost method or by using some method of allocation that is consistent with the benefit derived by each.

Direct Cost Method – expenses that are identified as being for the benefit of only one program, function, or department are charged entirely to that program, function, or department, and in the appropriate natural classification.

Prevent Child Abuse – New Jersey Chapter, Inc. and Subsidiary
Notes to Consolidated Financial Statements
Years Ended June 30, 2021 and 2020

2. Summary of Significant Accounting Policies - Continued

Allocation Method – allocation methods are determined based on the particular expense's natural classification. Specific allocation methods utilized are:

Salary Percentage – salaries are allocated based on the percentage of time each employee works in a program, function, or department. Personnel related expenses such as payroll taxes and fringe benefits are allocated using the same percentages as salaries for each employee.

Square Footage – rent is allocated based on the square footage of space each program or department utilizes as a percentage of the total square footage of leased space. Related facility costs such as utilities and insurance are allocated using the same percentages for the respective programs and departments.

Approved Contract Budget – certain state contracts, thru the budget negotiation and approval process, have allowed for the allocation to the programs within the contract a fixed portion of the total annual amount budgeted for certain expenses. After allocation of the pre-approved fixed amount to the programs, any remaining expense is charged to management and general. Expenses such as audit fees and payroll processing fees fall under this allocation method.

Property and Equipment

Property and equipment purchases are recorded at cost for all items over \$5,000, except for donated items which are recorded at the fair value on the date of donation. Depreciation is provided over the estimated useful lives of the assets using the straight-line method. 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.

Income Taxes

PCA-NJ and its subsidiary are exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code, unless they generate unrelated business income. For the years ending June 30, 2021 and 2020, PCA-NJ has recognized an accrual for estimated taxes due in the amount of \$0. The Organization follows the accounting pronouncement regarding uncertain tax positions. PCA-NJ and its subsidiary had no unrecognized tax benefits at June 30, 2021 or 2020. There was no tax related interest or penalties included in the financial statements presented.

Advertising

Advertising is expensed in the period incurred. Advertising expense was \$8,025 and \$25,240 in 2021 and 2020, respectively.

Recent Accounting Pronouncements

In 2017, the FASB issued ASU 2016-02, *Leases* (Topic 842), which sets out the principles for the recognition, measurement, presentation, and disclosure of leases for both parties to a contract (i.e. lessees and lessors). The new standard requires lessees to apply a dual approach, classifying leases as either finance or operating leases based on the principle of whether or not the lease is effectively a financed purchase by the lessee. This classification will determine whether the lease expense is recognized based on an effective interest method or on a straight-line basis over the term of the lease, respectively. A lessee is also required to record a right-of-use asset and a lease liability for all leases with a term of greater than 12 months regardless of their classification. Leases with a term of 12 months or less will be accounted for similar to existing guidance for operating leases today. The new standard requires lessors to account for leases using an approach that is substantially equivalent to existing guidance for sales-type leases, direct financing leases, and operating leases. The standard is effective on July 1, 2022, with early adoption permitted. The Organization is in the process of evaluating the impact of this new guidance.

In September 2020, the FASB issued ASU 2020-07, *Not-for-Profit Entities* (Topic 958): *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The ASU requires a not-for-profit organization to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash or other financial assets. It also requires a not-for-profit organization to provide additional disclosures on the contributed nonfinancial assets with the intent to improve transparency in the reporting of contributed nonfinancial assets. The ASU is effective for fiscal years beginning after June 15, 2021.

Prevent Child Abuse – New Jersey Chapter, Inc. and Subsidiary
Notes to Consolidated Financial Statements
Years Ended June 30, 2021 and 2020

3. Liquidity and Funds Availability

PCA-NJ considers cash and cash equivalents, contributions receivable, grants and contracts receivable, accounts receivable, and investments that are not Board designated or restricted by donor when analyzing financial assets available within one year of the balance sheet date for general expenditures.

As part of its liquidity management and in order to ensure a sufficient amount of funds to meet anticipated general operating expenditures, cash flow forecasts over a seven to eight-month time horizon are compiled, reviewed, and updated several times throughout the course of a month. Financial assets consisting of cash and cash equivalents are maintained in demand deposit and money market accounts at Federal Deposit Insurance Corporation (“FDIC”) financial institutions and are monitored on a daily basis. Grants and contracts receivable, along with accounts receivable, are reviewed on a monthly basis to ensure collectability. Investments that are not Board designated or restricted by donors consist of shares of stock of a major New York Stock Exchange corporation, and are monitored at the end of each month for any change in value.

At June 30, 2021 and 2020, financial assets available within one year of the balance sheet date for general expenditures are as follows:

	2021	2020
Cash and cash equivalents	\$ 387,825	\$ 576,277
Grants and contracts receivable	833,388	872,025
Accounts receivable	21,479	22,089
Investments	47,445	40,501
	<u>\$ 1,290,137</u>	<u>\$ 1,510,892</u>

4. Investments

PCA-NJ has investments that contain no restrictions, investments that are board designated, and investments that are permanently restricted by donors.

PCA-NJ’s investments that contain no restrictions or designations consist of corporate stock of a major New York Stock Exchange corporation and are as follows at June 30:

	2021	2020
Investments at cost	\$ 30,344	\$ 30,344
Unrealized gain	17,101	10,157
Investments, current	<u>\$ 47,445</u>	<u>\$ 40,501</u>

PCA-NJ’s investments that contain board designations and/or donor restrictions are as follows at June 30.

	2021	2020
Investments - board designated	\$ 499,309	\$ 409,376
Investments - donor restricted	24,333	20,333
	<u>\$ 523,642</u>	<u>\$ 429,709</u>

Prevent Child Abuse – New Jersey Chapter, Inc. and Subsidiary
Notes to Consolidated Financial Statements
Years Ended June 30, 2021 and 2020

4. Investments - Continued

Investments that contain restrictions have been placed with and managed by a major brokerage firm and a community area foundation for non-profits. Investments placed with the major brokerage firm are invested in exchange-traded funds that have readily available market pricings, with market pricings being reviewed and analyzed on a monthly basis. The asset allocation of these funds consists of US stocks, International stocks, Fixed Income Bond funds, Real Assets such as real estate and commodities, and cash. Investments placed with the community area foundation for non-profits are pooled with those of other non-profits and invested in a long-term endowment fund managed by the community area foundation. The foundation's long-term endowment fund's asset allocation consists of Domestic equities, International equities, Real Assets, Fixed Income bond funds, and cash. The value of PCA's investment is determined by the community area foundation and is based on PCA's pro-rata share of the market value of the community area foundation's long-term endowment fund. PCA-NJ has reviewed its investments within the framework of the fair value hierarchy for measuring fair value that has been established by U.S. GAAP. PCA-NJ's investments are classified within the fair value hierarchy as follows at June 30:

	2021	2020
Investments with no restrictions or designations:		
Level 1	<u>\$ 47,445</u>	<u>\$ 40,501</u>
Investments with restrictions or designations:		
Board designations:		
Level 1	\$ 296,633	\$ 220,464
Level 3	<u>227,009</u>	<u>188,912</u>
	<u>\$ 523,642</u>	<u>\$ 409,376</u>
Restrictions		
Level 1	<u>\$ 24,333</u>	<u>\$ 20,333</u>

Prevent Child Abuse – New Jersey Chapter, Inc. and Subsidiary
Notes to Consolidated Financial Statements
Years Ended June 30, 2021 and 2020

4. Investments - Continued

Investment income related to these investments, both unrestricted, board designated, and permanently restricted by donor, was comprised of the following for the years ended June 30, 2021 and 2020:

	2021	2020
Interest and dividends	\$ 4,101	\$ 12,186
Realized gains (loss)	10,122	128
Unrealized gain (loss) - unrestricted	83,811	523
Unrealized gain - board designated and donor restricted	6,944	19,644
Total investment income	<u>\$ 104,978</u>	<u>\$ 32,481</u>

5. Property and Equipment

Property and equipment consisted of the following at June 30, 2021 and 2020:

	Useful Life	2021	2020
Office equipment	5 Years	\$ 469,768	\$ 391,919
Less: accumulated depreciation	N/A	<u>(361,865)</u>	<u>(310,588)</u>
Property and equipment, net		<u>\$ 107,903</u>	<u>\$ 81,331</u>

Depreciation expense for the years ended June 30, 2021 and 2020 was \$51,278 and \$41,379, respectively.

6. Contributions Receivable

PCA-NJ has contributions receivable of \$0 and \$0 at June 30, 2021 and 2020, respectively. These contributions are from foundations, corporations, and individuals.

Prevent Child Abuse – New Jersey Chapter, Inc. and Subsidiary
Notes to Consolidated Financial Statements
Years Ended June 30, 2021 and 2020

7. Grants and Contracts Receivable, Payable and Deferred Revenue

PCA-NJ operates under various grants and contracts. PCA-NJ was due certain amounts from funding sources which resulted from expenditures incurred in excess of payments received, and incurred payables as a result of funds received in excess of expenditures for the current year. Additionally, contract funding received in excess of expenditures spent for contracts that continue into the subsequent year is shown as a component of deferred revenue. Grants and contracts receivable were comprised of the following at June 30:

	2021	2020
State of New Jersey, Department of Children & Families		
Division of Child Protection & Permanency		
Essex Pregnancy & Parenting Connection	\$ -	\$ 50,000
County Council for Young Children	-	37,500
State of New Jersey, Department of Human Services		
Division of Family Development		
GROW NJ Kids Technical Assistance	449,413	560,549
Preschool Development Grant - Birth thru Five	219,285	101,637
TIP Training Program	164,690	122,339
	<u>\$ 833,388</u>	<u>\$ 872,025</u>

Grants and contracts payable were comprised of the following at June 30:

	2021	2020
State of New Jersey, Department of Human Services		
Division of Child Protection and Permanency		
Parent Education Technical Assistance	\$ 6,019	\$ 12,106
Promoting Success for Expectant & Parenting Teens	195	195
Human Trafficking	31,308	25,476
Healthy Families Program	23,116	15,070
Essex Pregnancy & Parenting Connection	59,261	73,273
Maternal Infant Early Childhood Home Visiting	26,221	16,547
County Council for Young Children	27,200	28,877
Adverse Childhood Experiences	14,912	5,019
Division of Family and Community Partnerships		
Parent Linking Project	70,483	28,807
Division of Family Development		
GROW NJ Kids Incentives	430,172	-
State of New Jersey, Department of State		
Office of Faith Based Initiatives	3,936	2
Essex Impact 100	15,516	-
Prevent Child Abuse - America	8,464	-
	<u>\$ 716,803</u>	<u>\$ 205,372</u>

Prevent Child Abuse – New Jersey Chapter, Inc. and Subsidiary
Notes to Consolidated Financial Statements
Years Ended June 30, 2021 and 2020

7. Grants and Contracts Receivable, Payable and Deferred Revenue - Continued

Deferred Revenue was comprised of the following at June 30, 2021 and 2020:

	2021	2020
Donations - 2021 Annual Gala	\$ -	\$ 6,778
GROW NJ Kids Incentives	-	388,381
	<u>\$ -</u>	<u>\$ 395,159</u>

8. Commitments

PCA-NJ leases office space for its New Brunswick, New Jersey office and rents additional space for programs. Rent expense, including payments for PCA-NJ's pro-rata share of utilities and common area charges was \$250,780 and \$244,716 for the years ended June 30, 2021 and 2020, respectively.

Future minimum lease payments under non-cancellable leases in the next five years are as follows:

Year Ended June 30	Amount
2022	\$ 254,582
2023	259,779
2024	264,194
2025	266,539
2026	268,884
	<u>\$ 1,313,978</u>

9. Retirement Plan

PCA-NJ sponsors a 403(B) employee retirement plan (the "Plan") for all eligible employees. Annual employer contributions are made to the Plan for all eligible employees once they have attained two years of service and performed at least 1,000 hours of work within the fiscal year with PCA-NJ. Under the terms of the Plan, effective January 2009, elective employee deferrals up to 6 percent to the Plan are entitled to a 50 percent employer match. It is PCA-NJ's policy to fund the plan currently. Employees are fully and immediately vested upon contributions to the Plan. For the years ended June 30, 2021 and 2020, PCA-NJ contributed \$48,495 and \$53,991 to the Plan.

Prevent Child Abuse – New Jersey Chapter, Inc. and Subsidiary
Notes to Consolidated Financial Statements
Years Ended June 30, 2021 and 2020

10. Net Assets without Donor Restrictions

The Board of Trustees has designated monies from net assets without donor restrictions to be set aside solely for use at the discretion of the Board. At June 30, 2021 and 2020, components of net assets without donor restrictions were as follows:

	2021	2020
Net assets without donor restrictions		
Board designated net assets	499,309	409,376
Undesignated	1,125,799	736,728
Total net assets without donor restrictions	<u>\$ 1,625,108</u>	<u>\$ 1,146,104</u>

11. Net Assets with Donor Restrictions

Components of net assets with donor restrictions at June 30 were as follows:

	2021	2020
Purpose restrictions		
Technical assistance program	\$ 448	\$ 448
Weissman opportunity fund	49,250	49,250
Time restrictions	--	--
Permanent restrictions		
Endowment Fund	24,333	20,333
	<u>\$ 74,031</u>	<u>\$ 70,031</u>

12. Endowment Fund

PCA-NJ's endowment consists of one fund established in perpetuity under donor-restricted purposes. As required by U.S. GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. The permanently restricted amount of net assets with donor restrictions represents contributions to the endowment fund. PCA-NJ has established an endowment policy consistent with the Uniform Prudent Management of Institutional Funds Act ("UPMIFA"). The earnings of the funds are restricted or unrestricted based on directives from donors or the Board.

Interpretation of Relevant Law

The Board of Trustees of PCA-NJ has interpreted UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, PCA-NJ classified as permanently restricted net assets the following: (a) the original value of gifts donated to the permanent endowment fund and (b) the original value of subsequent gifts to the permanent endowment. These instruments contain instruction in which the donor's intent as to purpose and spending policies are explicitly stated. The portion of the donor-restricted endowment fund subject to UPMIFA allows not for profits to adopt prudent spending policies which can allow for the temporary invasion of corpus. Funds not classified in permanently restricted net assets are classified as temporarily restricted net assets until those amounts are appropriated for expenditure by PCA-NJ in a manner consistent with the standard of prudence prescribed by state law.

Prevent Child Abuse – New Jersey Chapter, Inc. and Subsidiary
Notes to Consolidated Financial Statements
Years Ended June 30, 2021 and 2020

12. Endowment Fund - Continued

PCA-NJ considers the following factors in making a determination for both donor restricted endowment funds and Board restricted endowment funds to appropriate or accumulate funds:

- (1) The duration and preservation of the fund
- (2) The purposes of the PCA-NJ and the endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments
- (6) Other resources of PCA-NJ
- (7) The investment policies of PCA-NJ

Return Objectives and Risk Parameters

The Board of Trustees of PCA-NJ has appointed an Investment Committee of the Board which manages its investments. The Investment Committee shall make policy recommendations to the Board regarding the management, investment, and control of the assets of the endowment funds. These policies for endowment assets attempt to provide a predictable stream of funding to programs supported by its endowments while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity as well as Board restricted endowment funds. Under the policy, the endowment assets are invested to produce results that will provide for permanent, reliable, and secure source of funding for a portion of PCA-NJ's special projects and operations during future years. Actual returns in any given year may vary based on the portfolio investments and the investment strategy having risks and return objectives reasonably suitable to the endowment fund and PCA-NJ.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, PCA-NJ relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends).

Spending Policy and How the Investment Objectives Relate to Spending Policy

PCA-NJ has a policy of appropriating for distribution amounts directed toward those special, unusual, or emergency needs of PCA-NJ and toward current operating expenses of PCA-NJ for purposes consistent with PCA-NJ's Certificate of Incorporation and Bylaws, at the times and for the specific purposes as determined in the sole discretion of the then-authorized Board of Trustees, subject to any applicable restrictions of donors and the objectives of the endowment fund.

Changes in endowment assets for the year end June 30, 2021 and 2020 are as follows:

	2021	2020
Balance - beginning of year	\$ 20,333	\$ 20,333
Contributions	<u>4,000</u>	<u>--</u>
Balance - end of year	<u>\$ 24,333</u>	<u>\$ 20,333</u>

Prevent Child Abuse – New Jersey Chapter, Inc. and Subsidiary
Notes to Consolidated Financial Statements
Years Ended June 30, 2021 and 2020

13. Concentrations

Credit Risk

Financial investments which potentially subject PCA-NJ to concentrations of credit risk consist of interest bearing cash, cash equivalents and receivables. In an attempt to limit the credit risk, PCA-NJ places all funds with high quality financial institutions. Receivables are due from various governmental agencies or from foundations and the other grantors with whom PCA-NJ has a long history of collecting payment, which reduces the credit risk. At various times throughout the year, PCA-NJ had cash balances in excess of FDIC insurance coverage. PCA-NJ has not experienced any losses.

Economic Dependency

Approximately 89 percent and 93 percent of PCA-NJ's income for the years ended June 30, 2021 and 2020, respectively, was derived from Federal and State of New Jersey funding sources, the loss of which could have a material effect on PCA-NJ.

14. Risk and Uncertainty

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and on March 10, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate it have had and are expected to continue to have an adverse impact on the economies and financial markets of many countries, including the geographical area in which the Organization operates. While it is unknown how long these conditions will last and what the complete financial effect will be to the Organization, to date, the Organization has not experienced a significant effect.

15. Subsequent Events

PCA-NJ has evaluated subsequent events occurring after the statement of financial position date through December 7, 2021, which is the date the consolidated financial statements were available to be issued. Based on the evaluation, PCA-NJ has determined that the following requires disclosure in the financial statements:

The Middlesex County Council for Young Children (CCYC) engages families in Middlesex County to get them directly involved in policy decisions affecting their children and advocacy efforts for their children's health and education. As part of a contract with the New Jersey Department of Children and Families (DCF), PCA-NJ has received a contract amount of approximately \$75,000 annually to provide leadership services to the Council. The funding for the program has allowed for only one part-time staff person with no administrative or supervisory support, however, due to the multiple municipalities within the county, and the ever growing volume of issues needing attention, a team versus one-person approach is really required to provide complete services. This, coupled with the fact that the program's structure has conflicted with PCA-NJ's infrastructure, forced management to reconsider continuing the program. In July 2021, management determined that it would benefit the Council if funding were given back to DCF, which would enable DCF to partner with another organization better suited for providing the services. The program was terminated as of August 31, 2021. For the years ending June 30, 2021 and June 30, 2020, the program generated \$47,026 and \$70,871 respectively in revenues. Since the revenues for the program offset all of the expenses incurred to operate the program, management does not anticipate any further financial impact on the organization.

SUPPLEMENTARY INFORMATION

Prevent Child Abuse - New Jersey Chapter, Inc.
Statements of Financial Position
June 30, 2021 and 2020

	2021	2020
Assets		
Current assets		
Cash and cash equivalents	\$ 895,494	\$ 693,706
Investments	47,445	40,501
Grants and contracts receivable	833,388	872,025
Accounts receivable	9,224	38,977
Prepaid expenses	<u>87,960</u>	<u>75,619</u>
Total current assets	<u>1,873,511</u>	<u>1,720,828</u>
Property and equipment, net	<u>107,903</u>	<u>81,331</u>
Other assets		
Investments - board designated	499,309	409,376
Investments - permanently restricted	24,333	20,333
Security deposits	<u>13,238</u>	<u>13,238</u>
	<u>536,880</u>	<u>442,947</u>
	<u>\$2,518,294</u>	<u>\$2,245,106</u>
 Liabilities and Net Assets		
Current liabilities		
Accounts payable and accrued expenses	\$ 324,062	\$ 505,689
Deferred revenue	--	388,381
Grants and contracts payable	<u>716,803</u>	<u>205,372</u>
Total current liabilities	<u>1,040,865</u>	<u>1,099,442</u>
Net assets		
Without Donor Restrictions	1,403,398	1,075,633
With Donor Restrictions	<u>74,031</u>	<u>70,031</u>
Total net assets	<u>1,477,429</u>	<u>1,145,664</u>
	<u>\$2,518,294</u>	<u>\$2,245,106</u>

See Independent Auditor's Report.

Prevent Child Abuse - New Jersey Chapter, Inc.
Statements of Activities and Changes in Net Assets
For the Years Ending June 30, 2021 and 2020

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenues						
Grants and contracts	\$ 5,580,305	\$ --	\$ 5,580,305	\$ 5,796,781	\$ --	\$ 5,796,781
Program fee revenue	89,587	--	89,587	96,203	--	96,203
Contributions	148,149	4,000	152,149	149,792	--	149,792
Other income	3,291	--	3,291	12,101	--	12,101
In-kind donations	3,601	--	3,601	17,249	--	17,249
Investment (loss) income	104,978	--	104,978	32,481	--	32,481
Special events income, Net	10,312	--	10,312	4,919	--	4,919
	<u>5,940,223</u>	<u>4,000</u>	<u>5,944,223</u>	<u>6,109,526</u>	<u>--</u>	<u>6,109,526</u>
Net assets released from restrictions	--	--	--	--	--	--
	<u>5,940,223</u>	<u>4,000</u>	<u>5,944,223</u>	<u>6,109,526</u>	<u>--</u>	<u>6,109,526</u>
Expenses						
Program services	4,894,137	--	4,894,137	5,208,531	--	5,208,531
Management and general	569,013	--	569,013	666,625	--	666,625
Development	149,308	--	149,308	183,162	--	183,162
	<u>5,612,458</u>	<u>--</u>	<u>5,612,458</u>	<u>6,058,318</u>	<u>--</u>	<u>6,058,318</u>
Changes in net assets	327,765	4,000	331,765	51,208	--	51,208
Net assets, beginning year	<u>1,075,633</u>	<u>70,031</u>	<u>1,145,664</u>	<u>1,024,425</u>	<u>70,031</u>	<u>1,094,456</u>
Net assets, end of year	<u>\$ 1,403,398</u>	<u>\$ 74,031</u>	<u>\$ 1,477,429</u>	<u>\$ 1,075,633</u>	<u>\$ 70,031</u>	<u>\$ 1,145,664</u>

See Independent Auditor's Report.

Prevent Child Abuse - New Jersey Chapter, Inc.
Statement of Cash Flows
For the Years Ended June 30, 2021 and 2020

	2021	2020
Cash flows from operating activities		
Changes in net assets	\$ 331,765	\$ 51,208
Adjustments to reconcile changes in net assets to net cash (used) provided by operating activities		
Depreciation	51,278	41,379
Realized loss (gain) on board designated investments	(10,122)	(128)
Unrealized loss (gain) on unrestricted investments	(83,811)	(523)
Unrealized loss (gain) on board designated and donor restricted investments	(6,944)	(19,644)
Contributions restricted to endowment	(4,000)	--
Changes in assets and liabilities		
Contributions receivable	--	--
Grants and contracts receivable	38,637	(86,900)
Accounts receivable	29,753	23,248
Prepaid expenses	(12,341)	15,542
Security deposits	--	--
Accounts payable and accrued expenses	(181,627)	(66,976)
Grants and contracts payable	511,431	88,860
Deferred revenue	(388,381)	(470,153)
Net cash (used) provided by operating activities	<u>275,638</u>	<u>(424,087)</u>
 Cash flows from investing activities		
Purchases of property and equipment	(77,850)	(31,765)
Purchases of board designated investments	--	--
Net cash used by investing activities	<u>(77,850)</u>	<u>(31,765)</u>
 Cash flows from investing activities		
Contributions restricted to endowment	<u>4,000</u>	<u>--</u>
 Net (decrease) increase in cash and cash equivalents	197,788	(455,852)
 Beginning of year - Cash and Cash Equivalents	<u>693,706</u>	<u>1,149,558</u>

See Independent Auditor's Report.

Prevent Child Abuse NJ, Inc.
Statement of Functional Expenses
For the year ended June 30, 2021

	Technical Assistance	Professional Training	Public Education	Total Program Services	Management and General	Fundraising	Total
Salaries	\$ 2,476,687	\$ 388,333	\$ 65,855	\$ 2,930,875	\$ 342,174	\$ 96,191	\$ 3,369,240
Fringe Benefits	701,593	110,618	20,452	832,663	61,785	28,352	922,800
Consultants/Professional Fees	298,210	17,698	2,178	318,086	36,155	2,888	357,129
Rent Expense	185,285	21,493	3,931	210,709	30,664	9,407	250,780
Utilities	14,180	1,720	237	16,137	1,655	511	18,303
Telephone Expense	52,274	7,952	1,985	62,211	4,949	1,300	68,460
Advertising	5,048	835	89	5,972	1,607	272	7,851
Conferences	16,829	--	--	16,829	--	--	16,829
Educational Material	18,475	1,406	1,406	21,287	--	--	21,287
Equipment Rental & Maintenance	22,236	6,722	861	29,819	6,187	1,548	37,554
Non Capitalizable Equipment	661	1,408	--	2,069	--	--	2,069
Insurance	15,053	2,257	322	17,632	2,379	640	20,651
Office Expense	17,802	457	43	18,302	5,984	788	25,074
Payroll Processing	970	884	144	1,998	7,553	--	9,551
Postage	2,530	1,014	198	3,742	290	545	4,577
Printing	2,938	382	--	3,320	--	2,829	6,149
Professional Training	64,838	7,147	477	72,462	309	30	72,801
Travel Expense	32,238	2,947	1,544	36,729	4,977	1,461	43,167
Depreciation	--	--	--	--	51,278	--	51,278
Miscellaneous	301	--	27	328	8,530	--	8,858
Dues & Subscriptions	30,995	4,886	1,355	37,236	2,537	2,546	42,319
Subgrant Expense	255,731	--	--	255,731	--	--	255,731
	\$ 4,214,874	\$ 578,159	\$ 101,104	\$ 4,894,137	\$ 569,013	\$ 149,308	\$ 5,612,458

See Independent Auditor's Report.

Prevent Child Abuse NJ, Inc.
Statement of Functional Expenses
For the year ended June 30, 2020

Program Services

	Technical Assistance	Professional Training	Public Education	Total Program Services	Management and General	Development	Total
Salaries	\$ 2,306,321	\$ 400,132	\$ 61,891	\$ 2,768,344	\$ 406,616	\$ 101,311	\$ 3,276,271
Fringe benefits	701,793	99,717	20,189	821,699	80,171	30,943	932,813
Consultants/professional fees	393,818	33,106	1,790	428,714	30,937	3,180	462,831
Rent expense	182,824	19,809	5,239	207,872	27,600	9,244	244,716
Utilities	17,148	1,884	269	19,301	2,330	649	22,280
Telephone expense	48,074	8,044	2,168	58,286	6,197	1,371	65,854
Advertising	16,827	3,053	2,246	22,126	1,825	696	24,647
Conferences	18,042	--	--	18,042	--	--	18,042
Educational material	5,088	9,556	4,482	19,126	--	--	19,126
Equipment rental and maintenance	23,167	7,929	1,105	32,201	6,044	1,636	39,881
Non capitalizable equipment	--	529	--	529	153	--	682
Insurance	13,948	1,956	400	16,304	2,434	648	19,386
Office expense	15,920	1,717	493	18,130	5,522	16,577	40,229
Payroll processing	932	780	128	1,840	5,941	--	7,781
Postage	2,069	844	697	3,610	417	466	4,493
Printing	3,595	6,472	704	10,771	--	7,214	17,985
Professional training	55,264	28,945	5,005	89,214	9,701	90	99,005
Travel expense	106,051	18,380	3,923	128,354	8,527	2,388	139,269
Depreciation	--	--	--	--	41,379	--	41,379
Miscellaneous	--	--	--	--	26,067	--	26,067
Dues and subscriptions	24,932	3,494	1,155	29,581	4,764	6,749	41,094
Subgrant expense	514,487	--	--	514,487	--	--	514,487
	\$ 4,450,300	\$ 646,347	\$ 111,884	\$ 5,208,531	\$ 666,625	\$ 183,162	\$ 6,058,318

See Independent Auditor's Report.

Child Wellness Institute, Inc.
Statements of Financial Position

	2021	2020
Assets		
Current assets		
Cash and cash equivalents	\$ 209,134	\$ 87,943
Investments	-	-
Contributions receivable	-	-
Grants and contracts receivable	-	-
Accounts receivable	22,482	8,050
Prepaid expenses	1,000	6,700
Total current assets	232,616	102,693
Property and equipment, net	-	-
Other assets		
Cash - board designated	-	-
Cash - permanently restricted	-	-
Security deposits	-	-
	-	-
	\$ 232,616	\$ 102,693
 Liabilities and Net Assets		
Current liabilities		
Accounts payable and accrued expenses	\$ 10,906	\$ 25,444
Deferred revenue	-	6,778
Grants and contracts payable	-	-
Total current liabilities	10,906	32,222
Net assets		
Without Donor Restrictions	221,710	70,471
With Donor Restrictions	-	-
Total net assets	221,710	70,471
	\$ 232,616	\$ 102,693

See Independent Auditor's Report.

Child Wellness Institute, Inc.
Statements of Activities and Changes in Net Assets

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenues						
Grants and contracts	\$ 6,067	\$ --	\$ 6,067	\$ 5,000	\$ --	\$ 5,000
Program fee revenue	127,553	--	127,553	42,750	--	42,750
Contributions	46,451	--	46,451	50,780	--	50,780
Other income	--	--	--	11,338	--	11,338
In-kind donations	--	--	--	250	--	250
Investment (loss) income	--	--	--	--	--	--
Special events income, (Net of donor received benefits of \$25,334 in 2021 and \$0 in 2020)	55,101	--	55,101	--	--	--
	<u>235,172</u>	<u>--</u>	<u>235,172</u>	<u>110,118</u>	<u>--</u>	<u>110,118</u>
Net assets released from restrictions	--	--	--	--	--	--
	<u>235,172</u>	<u>--</u>	<u>235,172</u>	<u>110,118</u>	<u>--</u>	<u>110,118</u>
Expenses						
Program services	83,813	--	83,813	33,721	--	33,721
Management and general	120	--	120	846	--	846
Development	--	--	--	5,080	--	5,080
	<u>83,933</u>	<u>--</u>	<u>83,933</u>	<u>39,647</u>	<u>--</u>	<u>39,647</u>
Changes in net assets	151,239	--	151,239	70,471	--	70,471
Net assets, beginning year	<u>70,471</u>	<u>--</u>	<u>70,471</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net assets, end of year	<u>\$ 221,710</u>	<u>\$ -</u>	<u>\$ 221,710</u>	<u>\$ 70,471</u>	<u>\$ -</u>	<u>\$ 70,471</u>

See Independent Auditor's Report.

Child Wellness Institute, Inc.
Statement of Cash Flows
For the Years Ended June 30, 2021 and 2020

	2021	2020
Cash flows from operating activities		
Changes in net assets	\$ 151,239	\$ 70,471
Adjustments to reconcile changes in net assets to net cash (used) provided by operating activities		
Depreciation	--	--
Donated securities	--	--
Unrealized loss on investments	--	--
Changes in assets and liabilities		
Contributions receivable	--	--
Grants and contracts receivable	--	--
Accounts receivable	(14,432)	(8,050)
Prepaid expenses	5,700	(6,700)
Security deposits	--	--
Accounts payable and accrued expenses	(14,538)	25,444
Grants and contracts payable	--	--
Deferred revenue	<u>(6,778)</u>	<u>6,778</u>
Net cash (used) provided by operating activities	121,191	87,943
 Cash flows from investing activities		
Additions to property and equipment	--	--
Change in cash - board restricted	--	--
Change in cash - permanently restricted	<u>--</u>	<u>--</u>
Net cash used by investing activities	<u>--</u>	<u>--</u>
 Net increase in cash and cash equivalents	121,191	87,943
 Cash and cash equivalents		
Beginning of year	<u>87,943</u>	<u>--</u>
 End of year	<u>\$ 209,134</u>	<u>\$ 87,943</u>

See Independent Auditor's Report.

Child Wellness Institute, Inc.
Statement of Functional Expenses
For the year ended June 30, 2021

	Technical Assistance	Professional Training	Public Education	Total Program Services	Management and General	Fundraising	Total
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fringe Benefits	-	11	1	12	-	-	12
Consultants/Professional Fees	-	50,327	2,649	52,976	-	-	52,976
Rent Expense	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-
Telephone Expense	-	91	5	96	-	-	96
Advertising	-	165	9	174	-	-	174
Conferences	-	-	-	-	-	-	-
Educational Material	-	15,457	814	16,271	-	-	16,271
Equipment Rental & Maintenance	-	-	-	-	-	-	-
Non Capitalizable Equipment	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-
Office Expense	-	42	2	44	-	-	44
Payroll Processing	-	-	-	-	-	-	-
Postage	-	336	18	354	-	-	354
Printing	-	2,608	137	2,745	-	-	2,745
Professional Training	-	8,992	473	9,465	-	-	9,465
Travel Expense	-	51	2	53	-	-	53
Special Events	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-
Miscellaneous	-	48	2	50	-	-	50
Dues & Subscriptions	-	1,494	79	1,573	120	-	1,693
Subgrant Expense	-	-	-	-	-	-	-
	\$ -	\$ 79,622	\$ 4,191	\$ 83,813	\$ 120	\$ -	\$ 83,933

See Independent Auditor's Report.

Child Wellness Institute, Inc.
Statement of Functional Expenses
For the year ended June 30, 2020

	Technical Assistance	Professional Training	Public Education	Total Program Services	Management and General	Fundraising	Total
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fringe Benefits	-	-	-	-	-	-	-
Consultants/Professional Fees	-	15,640	823	16,463	-	-	16,463
Rent Expense	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-
Telephone Expense	-	479	25	504	-	19	523
Advertising	-	563	30	593	-	-	593
Conferences	-	-	-	-	-	-	-
Educational Material	-	4,434	233	4,667	175	-	4,842
Equipment Rental & Maintenance	-	-	-	-	-	-	-
Non Capitalizable Equipment	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-
Office Expense	-	645	34	679	241	14	934
Payroll Processing	-	-	-	-	-	-	-
Postage	-	557	29	586	-	978	1,564
Printing	-	931	49	980	-	4,064	5,044
Professional Training	-	7,610	401	8,011	150	-	8,161
Travel Expense	-	74	4	78	-	5	83
Special Events	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-
Miscellaneous	-	157	8	165	250	-	415
Dues & Subscriptions	-	945	50	995	30	-	1,025
Subgrant Expense	-	-	-	-	-	-	-
	<u>\$ -</u>	<u>\$ 32,035</u>	<u>\$ 1,686</u>	<u>\$ 33,721</u>	<u>\$ 846</u>	<u>\$ 5,080</u>	<u>\$ 39,647</u>

See Independent Auditor's Report.

**Prevent Child Abuse – New Jersey Chapter, Inc.
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2021**

Federal Grantor/Pass-Through Grantor Program Title	Federal Assistance Listing	Pass-Through Grantor's Number	Award Period	Expenditures
U.S. Department of Health and Human Services:				
Passed Thru State of New Jersey				
Department of Children and Families				
Division of Child Protection and Permanency				
Parent Education Technical Assistance	93.558	21LRGM	7/1/2020 - 6/30/2021	29,536
Healthy Families Program - Home Visiting	93.556	21LRGM	7/1/2020 - 6/30/2021	155,866
Healthy Families Program - Home Visiting	93.558	21LRGM	7/1/2020 - 6/30/2021	58,379
Maternal, Infant, & Early Childhood - Home Visiting	93.870	21LRGM	7/1/2020 - 6/30/2021	317,277
Essex Pregnancy and Parenting Connection	93.110	21LRGM	7/1/2020 - 6/30/2021	21,586
Essex Pregnancy and Parenting Connection	93.870	21LRGM	7/1/2020 - 6/30/2021	215,862
Adverse Childhood Experiences	93.590	21LRGP	7/1/2020 - 6/30/2021	89,731
Adverse Childhood Experiences	93.643	21LRGP	7/1/2020 - 6/30/2021	19,561
				<u>907,798</u>
Department of Children and Families				
Division of Child Protection and Permanency				
Preschool Development Grant - Birth thru Five				
Middlesex County Council for Young Children	93.434	21LRGM	7/1/2020 - 6/30/2021	47,027
Essex Pregnancy and Parenting Connection	93.434	21LRGM	7/1/2020 - 6/30/2021	191,878
				<u>238,905</u>
Department of Human Services, Division of Family Development				
Preschool Development Grant - Birth thru Five				
	93.434	TA19001	7/1/2019 - 6/30/2021	<u>471,103</u>
Department of Human Services, Division of Family Development				
Temporary Assistance for Needy Families				
	93.558	TS19023	7/1/2018 - 6/30/2021	<u>354,107</u>
Department of Human Services, Division of Family Development				
GROW NJ Kids - Technical Assistance				
GROW NJ Kids - Technical Assistance	93.596	TA19001	7/1/2018 - 6/30/2021	1,551,099
GROW NJ Kids - Technical Assistance	93.575	TA19001	7/1/2018 - 6/30/2021	1,373,848
GROW NJ Kids - Program Incentives	84.412	TA19001	7/1/2018 - 6/30/2021	259,615
				<u>3,184,562</u>
				<u>5,156,475</u>
Total U.S. Department of Health and Human Services				5,156,475
Total Federal Awards				\$ 5,156,475

See Independent Auditor's Report.

See accompanying Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance.

**Prevent Child Abuse – New Jersey Chapter, Inc.
Schedule of Expenditures of State Financial Assistance
Year Ended June 30, 2021**

State Grantor/Program Title	Award Number	Award Period	Expenditures
State of New Jersey			
Department of Children and Families			
Division of Family and Community Partnerships			
Parent Linking Project - Child Care	21LRGP	7/1/2020 - 6/30/2021	\$ 207,927
			<u>207,927</u>
Division of Child Protection and Permanency			
Healthy Families Program - Home Visiting	21LRGM	7/1/2020 - 6/30/2021	21,805
Parenting Education Technical Assistance	21LRGM	7/1/2020 - 6/30/2021	61,149
Human Trafficking Prevention	21LRGM	7/1/2020 - 6/30/2021	63,261
			<u>146,215</u>
Total Department of Children & Families			<u>354,142</u>
Office of Faith Based Initiatives			
Child Wellness Institute	OFBI21SE2D-018	7/1/2020 - 6/30/2021	<u>18,816</u>
Total State Financial Assistance			<u>\$ 372,958</u>

See Independent Auditor's Report.
See accompanying Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance.

Prevent Child Abuse – New Jersey Chapter, Inc.
Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance
Year Ended June 30, 2021

1. General Information

The accompanying schedules of expenditures of Federal awards and state financial assistance present the activities in all the Federal and state awards programs of Prevent Child Abuse – New Jersey Chapter, Inc. All financial awards received directly from Federal and state agencies as well as financial awards passed through other governmental agencies or non-profit organizations are included on the schedules.

2. Basis of Accounting

The accompanying schedules of expenditures of Federal awards and state financial assistance are presented using the accrual basis of accounting. The amounts reported in these schedules as expenditures may differ from certain financial reports submitted to Federal and state funding agencies due to those reports being submitted on either a cash or modified accrual basis of accounting.

3. Relationship to Basic Financial Statements

Expenditures of Federal awards and state financial assistance are generally reported on the statements of functional expenses as program services. In certain programs, the expenditures reported in the basic financial statements may differ from the expenditures reported in the schedules of expenditures of Federal awards and state financial assistance due to program expenditures exceeding grant or contract budget limitations, matching or in-kind contributions or capitalization policies required under accounting principles generally accepted in the United States of America.

4. Indirect Cost

PCA-NJ does not have a federally negotiated indirect cost rate and has not elected to use the 10 percent de minimis cost rate as covered in section 200.414 in the Uniform Guidance.



**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**

Independent Auditor's Report

Board of Trustees
Prevent Child Abuse - New Jersey Chapter, Inc. and Subsidiary
New Brunswick, 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, the consolidated financial statements of Prevent Child Abuse - New Jersey Chapter, Inc. and Subsidiary which comprise the consolidated statements of financial position as of June 30, 2021 and 2020 and the related consolidated statements of activities and changes in net assets, cash flows, and functional expenses for the years then ended, and the related notes to the financial statements, and have issued our report hereon dated December 7, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered Prevent Child Abuse - New Jersey Chapter, Inc. and Subsidiary'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Prevent Child Abuse - New Jersey Chapter, Inc. and Subsidiary's internal control. Accordingly, we do not express an opinion on the effectiveness of Prevent Child Abuse - New Jersey Chapter, Inc. and Subsidiary'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 entity'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 Prevent Child Abuse - New Jersey Chapter, Inc. and Subsidiary's consolidated financial statements are free from 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Sax LLP

Parsippany, New Jersey
December 7, 2021



**Report On Compliance For Each Major Federal and State Program and
Report On Internal Control Over Compliance Required By
The Uniform Guidance and New Jersey OMB Circular 15-08**

Independent Auditor's Report

Board of Trustees
Prevent Child Abuse - New Jersey Chapter, Inc. and Subsidiary
New Brunswick, New Jersey

Report on Compliance for Each Major Federal and State Program

We have audited Prevent Child Abuse - New Jersey Chapter, Inc. and Subsidiary's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and New Jersey OMB Circular 15-08, *New Jersey Compliance Supplement* that could have a direct and material effect on each of Prevent Child Abuse - New Jersey Chapter, Inc. and Subsidiary's major federal and state programs for the year ended June 30, 2021. Prevent Child Abuse - New Jersey Chapter, Inc. and Subsidiary's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Prevent Child Abuse - New Jersey Chapter, Inc. and Subsidiary's major federal and state 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; and 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 New Jersey OMB Circular 15-08. Those standards and the Uniform Guidance and New Jersey OMB Circular 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 federal or state program occurred. An audit includes examining, on a test basis, evidence about Prevent Child Abuse - New Jersey Chapter, Inc. and Subsidiary'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 federal and state program. However, our audit does not provide a legal determination of Prevent Child Abuse - New Jersey Chapter, Inc. and Subsidiary's compliance.

Opinion on Each Major Federal and State Program

In our opinion, Prevent Child Abuse - New Jersey Chapter, Inc. and Subsidiary 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 federal and state programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of Prevent Child Abuse - New Jersey Chapter, Inc. and Subsidiary is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Prevent Child Abuse – New Jersey Chapter, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with the Uniform Guidance and NJ OMB Circular 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 Prevent Child Abuse – New Jersey Chapter, Inc.'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 federal or state 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 federal or state 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 material weaknesses or 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 NJ OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

Sax LLP

Parsippany, New Jersey
December 7, 2021

Prevent Child Abuse - New Jersey Chapter Inc. and Subsidiary

Schedule of Findings and Questioned Costs - Federal Awards

Year Ended June 30, 2021

Section I. SUMMARY OF AUDITOR'S RESULTS

Consolidated Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:
Material weakness(es) identified? No
Significant deficiency(ies) identified? None Reported
Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major programs:
Material weakness(es) identified? No
Significant deficiency(ies) identified? None Reported

Type of auditor's report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 2CFR 200.516(a)? No

Identification of major programs:

<u>CFDA</u>	<u>Program</u>
93.596 / 93.575	GROW NJ Kids

Dollar threshold to distinguish between Type A and Type B Programs: \$750,000

Auditee qualified as low-risk auditee? Yes

Section II. FINANCIAL STATEMENT FINDINGS

None

Section III. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

**Prevent Child Abuse – New Jersey Chapter, Inc.
Schedule of Prior Year Findings
Year Ended June 30, 2021**

There were no findings in the prior year.