



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

Consolidated Financial Statements

Years Ended June 30, 2022 and 2021

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

Opinion

We have audited the consolidated financial statements of Prevent Child Abuse - New Jersey Chapter, Inc. and Subsidiary (the "Organization"), which comprise the consolidated statements of financial position as of June 30, 2022 and 2021, 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.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of June 30, 2022 and 2021, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

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 November 28, 2022 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
November 28, 2022

Prevent Child Abuse - New Jersey Chapter, Inc. and Subsidiary
Consolidated Statements of Financial Position
June 30, 2022 and 2021

	2022	2021
Assets		
Current assets		
Cash and cash equivalents	\$ 2,168,853	\$ 1,104,628
Investments	51,232	47,445
Grants and contracts receivable	441,197	833,388
Accounts receivable	41,919	21,479
Prepaid expenses	94,261	88,960
Total current assets	<u>2,797,462</u>	<u>2,095,900</u>
Property and equipment, net	<u>60,575</u>	<u>107,903</u>
Other assets		
Investments - board designated	511,799	499,309
Investments - permanently restricted	24,333	24,333
Security deposits	13,238	13,238
	<u>549,370</u>	<u>536,880</u>
	<u>\$ 3,407,407</u>	<u>\$ 2,740,683</u>
Liabilities and Net Assets		
Current liabilities		
Accounts payable and accrued expenses	\$ 334,283	\$ 324,741
Deferred revenue	--	--
Grants and contracts payable	1,026,703	716,803
Total current liabilities	<u>1,360,986</u>	<u>1,041,544</u>
Net assets		
Without Donor Restrictions	1,972,390	1,625,108
With Donor Restrictions	74,031	74,031
Total net assets	<u>2,046,421</u>	<u>1,699,139</u>
	<u>\$ 3,407,407</u>	<u>\$ 2,740,683</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, 2022 and 2021

	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenues						
Grants and contracts	\$ 6,055,329	\$ --	\$ 6,055,329	\$ 5,586,372	\$ --	\$ 5,586,372
Program fee revenue	275,062	--	275,062	217,140	--	217,140
Contributions	185,691	--	185,691	194,600	4,000	198,600
Other income	9,968	--	9,968	3,291	--	3,291
In-kind donations	7,396	--	7,396	3,601	--	3,601
Investment (loss) income	(31,116)	--	(31,116)	104,978	--	104,978
Special events income (net of donor received benefits of \$31,628 and \$25,334 in 2022 and 2021 respectively)	83,249	--	83,249	65,413	--	65,413
	<u>6,585,579</u>	<u>--</u>	<u>6,585,579</u>	<u>6,175,395</u>	<u>4,000</u>	<u>6,179,395</u>
Net assets released from restrictions	--	--	--	--	--	--
	<u>6,585,579</u>	<u>--</u>	<u>6,585,579</u>	<u>6,175,395</u>	<u>4,000</u>	<u>6,179,395</u>
Expenses						
Program services	5,440,670	--	5,440,670	4,977,950	--	4,977,950
Management and general	654,350	--	654,350	569,133	--	569,133
Development	143,277	--	143,277	149,308	--	149,308
	<u>6,238,297</u>	<u>--</u>	<u>6,238,297</u>	<u>5,696,391</u>	<u>--</u>	<u>5,696,391</u>
Changes in net assets	347,282	--	347,282	479,004	4,000	483,004
Net assets, beginning year	1,625,108	74,031	1,699,139	1,146,104	70,031	1,216,135
Net assets, end of year	<u>\$ 1,972,390</u>	<u>\$ 74,031</u>	<u>\$ 2,046,421</u>	<u>\$ 1,625,108</u>	<u>\$ 74,031</u>	<u>\$ 1,699,139</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, 2022 and 2021

	2022	2021
Cash flows from operating activities		
Changes in net assets	\$ 347,282	\$ 483,004
Adjustments to reconcile changes in net assets to net cash provided by (used for) operating activities		
Depreciation	47,327	51,278
Realized loss (gain) on board designated investments	(23,233)	(10,122)
Unrealized loss (gain) on unrestricted investments	60,743	(83,811)
Unrealized loss (gain) on board designated and donor restricted investments	(3,787)	(6,944)
Contributions restricted to endowment	--	(4,000)
Changes in assets and liabilities		
Contributions receivable	--	--
Grants and contracts receivable	392,191	38,637
Accounts receivable	(20,440)	610
Prepaid expenses	(5,301)	(6,641)
Security deposits	--	--
Accounts payable and accrued expenses	9,543	(181,454)
Grants and contracts payable	309,900	511,431
Deferred revenue	--	(395,159)
Net cash (used for) provided by operating activities	<u>1,114,225</u>	<u>396,829</u>
Cash flows from investing activities		
Purchases of property and equipment	--	(77,850)
Change in board designated investments	(50,000)	--
Net cash (used for) investing activities	<u>(50,000)</u>	<u>(77,850)</u>
Cash flows from financing activities		
Contributions restricted to endowment	<u>--</u>	<u>4,000</u>
Net increase (decrease) in cash and cash equivalents	1,064,225	322,979
Beginning of year - Cash and cash equivalents	1,104,628	781,649
Total End of Year - Cash and cash equivalents	<u>\$ 2,168,853</u>	<u>\$ 1,104,628</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, 2022

	Program Services						
	Technical Assistance	Professional Training	Public Education	Total Program Services	Management and General	Development	Total
Salaries	\$ 2,692,996	\$ 447,522	\$ 38,793	\$ 3,179,311	\$ 401,089	\$ 84,932	\$ 3,665,332
Fringe benefits	805,402	103,010	8,701	917,113	74,807	30,828	1,022,748
Consultants/professional fees	285,492	25,466	1,635	312,593	52,172	1,718	366,483
Rent expense	181,680	22,244	1,989	205,913	29,484	8,770	244,167
Utilities	14,229	1,872	174	16,275	1,883	550	18,708
Telephone expense	49,624	8,661	704	58,989	3,563	955	63,507
Advertising	869	696	61	1,626	2,511	2,272	6,409
Conferences	26,260	--	--	26,260	--	--	26,260
Educational material	23,555	23,311	10,392	57,258	12	--	57,270
Equipment rental and maintenance	17,925	4,946	254	23,125	3,371	1,141	27,637
Non capitalizable equipment	--	--	--	--	--	--	--
Insurance	16,169	2,335	155	18,659	2,381	530	21,570
Office expense	14,969	1,261	328	16,558	9,008	433	25,999
Payroll processing	1,393	934	66	2,393	6,955	--	9,348
Postage	2,834	1,351	279	4,464	326	676	5,466
Printing	2,312	863	287	3,462	98	5,176	8,736
Professional training	65,983	17,932	1,590	85,505	471	49	86,025
Travel expense	13,489	2,260	394	16,143	5,772	2,066	23,981
Depreciation	--	--	--	--	47,327	--	47,327
Miscellaneous	--	--	--	--	5,255	10	5,265
Dues and subscriptions	20,821	9,956	1,215	31,992	7,865	3,171	43,028
Subgrant expense	463,031	--	--	463,031	--	--	463,031
	<u>\$ 4,699,033</u>	<u>\$ 674,620</u>	<u>\$ 67,017</u>	<u>\$ 5,440,670</u>	<u>\$ 654,350</u>	<u>\$ 143,277</u>	<u>\$ 6,238,297</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			Total Program Services	Management and General	Development	Total
	Technical Assistance	Professional Training	Public Education				
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

Notes to Consolidated Financial Statements

Years Ended June 30, 2022 and 2021

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 intercompany 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, 2022 and 2021, 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, 2022, PCA-NJ had no accounting transactions in the net assets with donor restrictions category.

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, 2022 and 2021

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

PCA-NJ receives various in-kind donations of goods including non-food items such as books and infant health-care items, and services such as legal and volunteering at program events. In-kind donations of goods are recorded at the fair market value on the date of receipt. In-kind donations of goods are not sold and are only distributed for program use. Legal and other services are recorded in the period provided and at the fair market value as determined by the service provider.

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, 2022 or 2021.

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, 2022 and 2021

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.

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.

Functional Allocation of Expenses

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, 2022 and 2021

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 ended June 30, 2022 and 2021, 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, 2022 or 2021. 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 \$6,409 and \$8,025 in 2022 and 2021, 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.

Prevent Child Abuse - New Jersey Chapter, Inc. and Subsidiary
Notes to Consolidated Financial Statements
Years Ended June 30, 2022 and 2021

2. Summary of Significant Accounting Policies - Continued

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. The Organization adopted the update during the current year and applied it retrospectively.

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, 2022 and 2021, financial assets available within one year of the balance sheet date for general expenditures are as follows:

	2022	2021
Cash and cash equivalents	\$ 1,142,150	\$ 387,825
Grants and contracts receivable	441,197	833,388
Accounts receivable	41,919	21,479
Investments	51,232	47,445
	<u>\$ 1,676,498</u>	<u>\$ 1,290,137</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:

	2022	2021
Investments at cost	\$ 30,344	\$ 30,344
Unrealized gain	20,888	17,101
Investments, current	<u>\$ 51,232</u>	<u>\$ 47,445</u>

Prevent Child Abuse - New Jersey Chapter, Inc. and Subsidiary
Notes to Consolidated Financial Statements
Years Ended June 30, 2022 and 2021

4. Investments - Continued

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

	2022	2021
Investments - board designated	\$ 511,799	\$ 499,309
Investments - donor restricted	<u>24,333</u>	<u>24,333</u>
	<u>\$ 536,132</u>	<u>\$ 523,642</u>

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:

	2022	2021
Investments with no restrictions or designations:		
Level 1	<u>\$ 51,232</u>	<u>\$ 47,445</u>
Investments with restrictions or designations:		
Board designations:		
Level 1	\$ 292,992	\$ 272,300
Level 3	<u>218,807</u>	<u>227,009</u>
	<u>\$ 511,799</u>	<u>\$ 499,309</u>
Restrictions		
Level 1	<u>\$ 24,333</u>	<u>\$ 24,333</u>

Prevent Child Abuse - New Jersey Chapter, Inc. and Subsidiary
Notes to Consolidated Financial Statements
Years Ended June 30, 2022 and 2021

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, 2022 and 2021:

	2022	2021
Interest and dividends	\$ 2,607	\$ 4,101
Realized gains (loss)	23,233	10,122
Unrealized gain (loss) - unrestricted	(60,743)	83,811
Unrealized gain - board designated and donor restricted	3,787	6,944
Total investment income (loss)	<u>\$ (31,116)</u>	<u>\$ 104,978</u>

5. Property and Equipment

Property and equipment consisted of the following at June 30, 2022 and 2021:

	Useful Life	2022	2021
Office equipment	5 Years	\$ 469,768	\$ 469,768
Less: accumulated depreciation	N/A	<u>(409,193)</u>	<u>(361,865)</u>
Property and equipment, net		<u>\$ 60,575</u>	<u>\$ 107,903</u>

Depreciation expense for the years ended June 30, 2022 and 2021 was \$47,327 and \$51,278, respectively.

6. Contributions Receivable

PCA-NJ has contributions receivable of \$0 and \$0 at June 30, 2022 and 2021, 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, 2022 and 2021

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:

	2022	2021
State of New Jersey, Department of Children & Families		
Division of Child Protection & Permanency		
Parent Café Pass-Thru	\$ 73,799	\$ -
State of New Jersey, Department of Human Services		
Division of Family Development		
GROW NJ Kids Technical Assistance	309,804	449,413
Preschool Development Grant - Birth thru Five	57,594	219,285
TIP Training Program	-	164,690
	<u>\$ 441,197</u>	<u>\$ 833,388</u>

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

	2022	2021
State of New Jersey, Department of Human Services		
Division of Child Protection and Permanency		
Parent Education Technical Assistance	\$ 19,918	\$ 6,019
Promoting Success for Expectant & Parenting Teens	-	195
Human Trafficking	31,308	31,308
Healthy Families Program	41,616	23,116
Essex Pregnancy & Parenting Connection	142,659	59,261
Maternal Infant Early Childhood Home Visiting	20,834	26,221
County Council for Young Children	33,967	27,200
Adverse Childhood Experiences	21,514	14,912
Division of Family and Community Partnerships		
Parent Linking Project	99,610	70,483
Division of Family Development		
GROW NJ Kids Incentives	613,560	430,172
State of New Jersey, Department of State		
Office of Faith Based Initiatives	-	3,936
Essex Impact 100	139	15,516
Prevent Child Abuse - America	1,578	8,464
	<u>\$ 1,026,703</u>	<u>\$ 716,803</u>

Prevent Child Abuse - New Jersey Chapter, Inc. and Subsidiary
Notes to Consolidated Financial Statements
Years Ended June 30, 2022 and 2021

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

PCA-NJ had no Deferred Revenue at June 30, 2022 and 2021.

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 \$244,167 and \$250,780 for the years ended June 30, 2022 and 2021, respectively.

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

Year Ended June 30	Amount
2023	\$ 259,779
2024	264,194
2025	266,539
2026	268,884
2027	268,884
	<u>\$ 1,328,280</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, 2022 and 2021, PCA-NJ contributed \$45,216 and \$48,495 to the Plan.

Prevent Child Abuse - New Jersey Chapter, Inc. and Subsidiary
Notes to Consolidated Financial Statements
Years Ended June 30, 2022 and 2021

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, 2022 and 2021, components of net assets without donor restrictions were as follows:

	2022	2021
Net assets without donor restrictions		
Board designated net assets	\$ 511,799	\$ 499,309
Undesignated	1,460,591	1,125,799
Total net assets without donor restrictions	<u>\$ 1,972,390</u>	<u>\$ 1,625,108</u>

11. Net Assets with Donor Restrictions

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

	2022	2021
Purpose restrictions		
Technical assistance program	\$ 448	\$ 448
Weissman opportunity fund	49,250	49,250
Time restrictions	--	--
Permanent restrictions		
Endowment Fund	24,333	24,333
	<u>\$ 74,031</u>	<u>\$ 74,031</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, 2022 and 2021

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 years end June 30, 2022 and 2021 are as follows:

	2022	2021
Balance - beginning of year	\$ 24,333	\$ 20,333
Contributions	<u> --</u>	<u> 4,000</u>
Balance - end of year	<u><u> \$ 24,333</u></u>	<u><u> \$ 24,333</u></u>

Prevent Child Abuse - New Jersey Chapter, Inc. and Subsidiary
Notes to Consolidated Financial Statements
Years Ended June 30, 2022 and 2021

13. In-Kind Donations

For the year ended June 30, 2022, PCA-NJ and its subsidiary received donated services of \$3,313 and donated materials of \$4,083 aggregating \$7,396 in total in-kind donations. 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. In-kind donations for the years ended June 30, 2022 and 2021 are as follows:

Non-Food Items	Diapers and infant health care items, Children's pajamas, Children's books, Reusable grocery bags	Retail value based on identical or similar products	\$ 4,083	\$ 3,601
Services	Legal pro bono services	Standard industry pricing for similar services	<u>3,313</u>	<u>-</u>
			<u>\$ 7,396</u>	<u>\$ 3,601</u>

14. 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 of PCA-NJ's income for the years ended June 30, 2022 and 2021, respectively, was derived from Federal and State of New Jersey funding sources, the loss of which could have a material effect on PCA-NJ.

15. 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.

Prevent Child Abuse - New Jersey Chapter, Inc. and Subsidiary
Notes to Consolidated Financial Statements
Years Ended June 30, 2022 and 2021

16. Subsequent Events

PCA-NJ has evaluated subsequent events occurring after the statement of financial position date for potential recognition or disclosure through November 28, 2022 which is the date the consolidated financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

Prevent Child Abuse - New Jersey Chapter, Inc.
Statements of Financial Position
June 30, 2022 and 2021

	2022	2021
Assets		
Current assets		
Cash and cash equivalents	\$ 1,772,266	\$ 895,494
Investments	51,232	47,445
Grants and contracts receivable	441,197	833,388
Accounts receivable	38,517	9,224
Prepaid expenses	88,966	87,960
Total current assets	<u>2,392,178</u>	<u>1,873,511</u>
Property and equipment, net	<u>60,575</u>	<u>107,903</u>
Other assets		
Investments - board designated	511,799	499,309
Investments - permanently restricted	24,333	24,333
Security deposits	13,238	13,238
	<u>549,370</u>	<u>536,880</u>
	<u>\$ 3,002,123</u>	<u>\$ 2,518,294</u>
 Liabilities and Net Assets		
Current liabilities		
Accounts payable and accrued expenses	\$ 337,675	\$ 324,062
Deferred revenue	--	--
Grants and contracts payable	1,026,703	716,803
Total current liabilities	<u>1,364,378</u>	<u>1,040,865</u>
Net assets		
Without Donor Restrictions	1,563,714	1,403,398
With Donor Restrictions	74,031	74,031
Total net assets	<u>1,637,745</u>	<u>1,477,429</u>
	<u>\$ 3,002,123</u>	<u>\$ 2,518,294</u>

See Independent Auditor's Report.

Prevent Child Abuse - New Jersey Chapter, Inc.
Statements of Activities and Changes in Net Assets
For the Years Ended June 30, 2022 and 2021

	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenues						
Grants and contracts	\$ 6,028,329	\$ --	\$ 6,028,329	\$ 5,580,305	\$ --	\$ 5,580,305
Program fee revenue	99,358	--	99,358	89,587	--	89,587
Contributions	172,663	--	172,663	148,149	4,000	152,149
Other income	9,968	--	9,968	3,291	--	3,291
In-kind donations	4,083	--	4,083	3,601	--	3,601
Investment (loss) income	(31,116)	--	(31,116)	104,978	--	104,978
Special events income, Net	9,653	--	9,653	10,312	--	10,312
	<u>6,292,938</u>	<u>--</u>	<u>6,292,938</u>	<u>5,940,223</u>	<u>4,000</u>	<u>5,944,223</u>
Net assets released from restrictions	--	--	--	--	--	--
	<u>6,292,938</u>	<u>--</u>	<u>6,292,938</u>	<u>5,940,223</u>	<u>4,000</u>	<u>5,944,223</u>
Expenses						
Program services	5,342,841	--	5,342,841	4,894,137	--	4,894,137
Management and general	646,504	--	646,504	569,013	--	569,013
Development	143,277	--	143,277	149,308	--	149,308
	<u>6,132,622</u>	<u>--</u>	<u>6,132,622</u>	<u>5,612,458</u>	<u>--</u>	<u>5,612,458</u>
Changes in net assets	160,316	--	160,316	327,765	4,000	331,765
Net assets, beginning 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>
Net assets, end of year	<u>\$ 1,563,714</u>	<u>\$ 74,031</u>	<u>\$ 1,637,745</u>	<u>\$ 1,403,398</u>	<u>\$ 74,031</u>	<u>\$ 1,477,429</u>

See Independent Auditor's Report.

Prevent Child Abuse - New Jersey Chapter, Inc.
Statements of Cash Flows
For the Years Ended June 30, 2022 and 2021

	2022	2021
Cash flows from operating activities		
Changes in net assets	\$ 160,316	\$ 331,765
Adjustments to reconcile changes in net assets to net cash (used) provided by operating activities		
Depreciation	47,327	51,278
Realized loss (gain) on board designated investments	(23,233)	(10,122)
Unrealized loss (gain) on unrestricted investments	60,743	(83,811)
Unrealized loss (gain) on board designated and donor restricted investments	(3,787)	(6,944)
Contributions restricted to endowment	--	(4,000)
Changes in assets and liabilities		
Contributions receivable	--	--
Grants and contracts receivable	392,191	38,637
Accounts receivable	(29,293)	29,753
Prepaid expenses	(1,006)	(12,341)
Security deposits	--	--
Accounts payable and accrued expenses	13,614	(181,627)
Grants and contracts payable	309,900	511,431
Deferred revenue	--	(388,381)
Net cash (used) provided by operating activities	<u>926,772</u>	<u>275,638</u>
 Cash flows from investing activities		
Purchases of property and equipment	--	(77,850)
Purchases of board designated investments	(50,000)	--
Net cash used by investing activities	<u>(50,000)</u>	<u>(77,850)</u>
 Cash flows from investing activities		
Contributions restricted to endowment	<u>--</u>	<u>4,000</u>
 Net (decrease) increase in cash and cash equivalents	876,772	201,788
 Beginning of year - Cash and Cash Equivalents	895,494	693,706
End of year Cash and Cash Equivalents	<u>\$ 1,772,266</u>	<u>\$ 895,494</u>

See Independent Auditor's Report.

Prevent Child Abuse NJ, Inc.
Statement of Functional Expenses
For the year ended June 30, 2022

	Technical Assistance	Professional Training	Public Education	Total Program Services	Management and General	Fundraising	Total
Salaries	\$ 2,692,996	\$ 406,456	\$ 36,633	\$ 3,136,085	\$ 401,089	\$ 84,932	\$ 3,622,106
Fringe Benefits	805,402	97,574	8,416	911,392	74,807	30,828	1,017,027
Consultants/Professional Fees	285,492	11,134	881	297,507	44,859	1,718	344,084
Rent Expense	181,680	22,244	1,989	205,913	29,484	8,770	244,167
Utilities	14,229	1,872	173	16,274	1,883	550	18,707
Telephone Expense	49,624	8,612	701	58,937	3,563	955	63,455
Advertising	869	348	43	1,260	2,263	2,272	5,795
Conferences	26,260	--	--	26,260	--	--	26,260
Educational Material	23,555	9,674	9,674	42,903	12	--	42,915
Equipment Rental & Maintenance	17,925	4,946	254	23,125	3,371	1,141	27,637
Non Capitalizable Equipment	--	--	--	--	--	--	--
Insurance	16,169	2,335	155	18,659	2,381	530	21,570
Office Expense	14,969	616	294	15,879	9,008	433	25,320
Payroll Processing	1,393	934	66	2,393	6,955	--	9,348
Postage	2,834	1,099	266	4,199	326	676	5,201
Printing	2,312	255	254	2,821	98	5,176	8,095
Professional Training	65,983	4,414	879	71,276	471	49	71,796
Travel Expense	13,488	2,231	391	16,110	5,772	2,066	23,948
Depreciation	--	--	--	--	47,327	--	47,327
Miscellaneous	--	--	--	--	5,205	10	5,215
Dues & Subscriptions	20,822	6,940	1,055	28,817	7,630	3,171	39,618
Subgrant Expense	463,031	--	--	463,031	--	--	463,031
	\$ 4,699,033	\$ 581,684	\$ 62,124	\$ 5,342,841	\$ 646,504	\$ 143,277	\$ 6,132,622

See Independent Auditor's Report.

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

	Program Services						
	Technical Assistance	Professional Training	Public Education	Total Program Services	Management and General Development	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 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	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 and 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.

Child Wellness Institute, Inc.
Statements of Financial Position

	2022	2021
Assets		
Current assets		
Cash and cash equivalents	\$ 396,587	\$ 209,134
Investments	-	-
Contributions receivable	-	-
Grants and contracts receivable	-	-
Accounts receivable	40,667	22,482
Prepaid expenses	5,295	1,000
Total current assets	<u>442,549</u>	<u>232,616</u>
Property and equipment, net	-	-
Other assets		
Cash - board designated	-	-
Cash - permanently restricted	-	-
Security deposits	-	-
	<u>-</u>	<u>-</u>
	<u>\$ 442,549</u>	<u>\$ 232,616</u>
Liabilities and Net Assets		
Current liabilities		
Accounts payable and accrued expenses	\$ 33,873	\$ 10,906
Deferred revenue	-	-
Grants and contracts payable	-	-
Total current liabilities	<u>33,873</u>	<u>10,906</u>
Net assets		
Without Donor Restrictions	408,676	221,710
With Donor Restrictions	-	-
Total net assets	<u>408,676</u>	<u>221,710</u>
	<u>\$ 442,549</u>	<u>\$ 232,616</u>

See Independent Auditor's Report.

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

	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenues						
Grants and contracts	\$ 27,000	\$ --	\$ 27,000	\$ 6,067	\$ --	\$ 6,067
Program fee revenue	175,704	--	175,704	127,553	--	127,553
Contributions	63,028	--	63,028	46,451	--	46,451
Other income	--	--	--	--	--	--
In-kind donations	3,313	--	3,313	--	--	--
Investment (loss) income	--	--	--	--	--	--
Special events income, (Net of donor received benefits of \$31,628 in 2022 and \$25,334 in 2021)	73,596	--	73,596	55,101	--	55,101
	<u>342,641</u>	<u>--</u>	<u>342,641</u>	<u>235,172</u>	<u>--</u>	<u>235,172</u>
Net assets released from restrictions	--	--	--	--	--	--
	<u>342,641</u>	<u>--</u>	<u>342,641</u>	<u>235,172</u>	<u>--</u>	<u>235,172</u>
Expenses						
Program services	97,829	--	97,829	83,813	--	83,813
Management and general Development	57,846	--	57,846	120	--	120
	--	--	--	--	--	--
	<u>155,675</u>	<u>--</u>	<u>155,675</u>	<u>83,933</u>	<u>--</u>	<u>83,933</u>
Changes in net assets	186,966	--	186,966	151,239	--	151,239
Net assets, beginning year	221,710	--	221,710	70,471	--	70,471
Net assets, end of year	<u>\$ 408,676</u>	<u>\$ -</u>	<u>\$ 408,676</u>	<u>\$ 221,710</u>	<u>\$ -</u>	<u>\$ 221,710</u>

See Independent Auditor's Report.

Child Wellness Institute, Inc.
Statements of Cash Flows
For the Years Ended June 30, 2022 and 2021

	2022	2021
Cash flows from operating activities		
Changes in net assets	\$ 186,966	\$ 151,239
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	(18,185)	(14,432)
Prepaid expenses	(4,295)	5,700
Security deposits	--	--
Accounts payable and accrued expenses	22,967	(14,538)
Grants and contracts payable	--	--
Deferred revenue	--	(6,778)
Net cash (used) provided by operating activities	187,453	121,191
 Cash flows from investing activities		
Additions to property and equipment	--	--
Change in cash - board restricted	--	--
Change in cash - permanently restricted	--	--
Net cash used by investing activities	--	--
 Net increase in cash and cash equivalents	187,453	121,191
 Cash and cash equivalents		
Beginning of year	209,134	87,943
 End of year	\$ 396,587	\$ 209,134

See Independent Auditor's Report.

Child Wellness Institute, Inc.
Statement of Functional Expenses
For the year ended June 30, 2022

	Technical Assistance	Professional Training	Public Education	Total Program Services	Management and General	Fundraising	Total
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fringe Benefits	-	2,016	106	2,122	-	-	2,122
Consultants/Professional Fees	-	58,820	3,096	61,916	7,313	-	69,229
Rent Expense	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-
Telephone Expense	-	49	3	52	-	-	52
Advertising	-	347	18	365	248	-	613
Conferences	-	-	-	-	-	-	-
Educational Material	-	13,637	718	14,355	-	-	14,355
Equipment Rental & Maintenance	-	-	-	-	-	-	-
Non Capitalizable Equipment	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-
Office Expense	-	645	34	679	-	-	679
Payroll Processing	-	-	-	-	-	-	-
Postage	-	252	13	265	-	-	265
Printing	-	608	32	640	-	-	640
Professional Training	-	13,518	711	14,229	-	-	14,229
Travel Expense	-	29	2	31	-	-	31
Special Events	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	50,050	-	50,050
Dues & Subscriptions	-	3,016	159	3,175	235	-	3,410
Subgrant Expense	-	-	-	-	-	-	-
	\$ -	\$ 92,937	\$ 4,892	\$ 97,829	\$ 57,846	\$ -	\$ 155,675

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.

**Prevent Child Abuse - New Jersey Chapter, Inc.
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2022**

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	22LRGM	7/1/2021 - 6/30/2022	\$ 27,565
Healthy Families Program - Home Visiting	93.556	22LRGM	7/1/2021 - 6/30/2022	156,238
Healthy Families Program - Home Visiting	93.558	22LRGM	7/1/2021 - 6/30/2022	406,399
Maternal, Infant, & Early Childhood - Home Visiting	93.870	22LRGM	7/1/2021 - 6/30/2022	305,092
Essex Pregnancy and Parenting Connection	93.870	22LRGM	7/1/2021 - 6/30/2022	195,272
Adverse Childhood Experiences	93.590	22LRGP	7/1/2021 - 6/30/2022	94,438
Adverse Childhood Experiences	93.643	22LRGP	7/1/2021 - 6/30/2022	20,588
				<u>1,205,592</u>
Department of Children and Families				
Division of Child Protection and Permanency				
Preschool Development Grant - Birth thru Five				
Powerful Families, Powerful Communities	93.434	22LRGM	7/1/2021 - 6/30/2022	18,100
Middlesex County Council for Young Children	93.434	22LRGM	7/1/2021 - 6/30/2022	5,734
Essex Pregnancy and Parenting Connection	93.434	22LRGM	7/1/2021 - 6/30/2022	173,576
				<u>197,410</u>
Department of Human Services, Division of Family Development				
Preschool Development Grant - Birth thru Five				
	93.434	TA22001	7/1/2021 - 6/30/2022	<u>507,594</u>
Department of Human Services, Division of Family Development				
GROW NJ Kids - Technical Assistance				
	93.596	TA22001	7/1/2021 - 6/30/2022	3,453,653
				<u>3,453,653</u>
Total U.S. Department of Health and Human Services				<u>5,364,249</u>
Total Federal Awards				<u>\$ 5,364,249</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.
Schedule of Expenditures of State Financial Assistance
Year Ended June 30, 2022**

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	22LRGP	7/1/2021 - 6/30/2022	\$ 263,187
			<u>263,187</u>
Division of Child Protection and Permanency			
Healthy Families Program - Home Visiting	22LRGM	7/1/2021 - 6/30/2022	21,857
Parenting Education Technical Assistance	22LRGM	7/1/2021 - 6/30/2022	57,069
Early Childhood Services - Parent Cafes'	22LRGM	4/25/2022 - 6/30/2022	75,699
Connections Matter	22LRGP	7/1/2021 - 6/30/2022	67,557
			<u>222,182</u>
Total Department of Children & Families			<u>485,369</u>
Office of Faith Based Initiatives			
Child Wellness Institute	OFBI21SE2D-018	11/1/2020 - 6/30/2022	<u>5,777</u>
Total State Financial Assistance			<u>\$ 491,146</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, 2022

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 ten 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, 2022 and 2021 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 November 28, 2022.

Report on 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.

Report on 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
November 28, 2022



**Report On Compliance For Each Major Federal and State Program;
Report On Internal Control Over Compliance; and Report on Schedule of
Expenditures of Federal, State, and Local Awards 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, 2022. 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.

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, 2022.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards 5*, 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 *NJ OMB Circular 15-08*. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Prevent Child Abuse - New Jersey Chapter, Inc. and Subsidiary and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of Prevent Child Abuse - New Jersey Chapter, Inc. and Subsidiary's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Prevent Child Abuse - New Jersey Chapter, Inc. and Subsidiary federal and state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Prevent Child Abuse - New Jersey Chapter, Inc. and Subsidiary's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Prevent Child Abuse - New Jersey Chapter, Inc. and Subsidiary's compliance with the requirements of each major federal and state program as a whole. In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Prevent Child Abuse - New Jersey Chapter, Inc. and Subsidiary's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Prevent Child Abuse - New Jersey Chapter, Inc. and Subsidiary's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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 over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed. 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. Accordingly, this report is not suitable for any other purpose.

Sax LLP

Parsippany, New Jersey
November 28, 2022

Prevent Child Abuse - New Jersey Chapter Inc. and Subsidiary

Schedule of Findings and Questioned Costs - Federal Awards

Year Ended June 30, 2022

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, 2022

There were no findings in the prior year.