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

Consolidated Financial Statements

Years Ended June 30, 2023 and 2022

With Independent Auditor's Reports

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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 Audit of the Financial Statements

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, 2023 and 2022, 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.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Organization as of June 30, 2023 and 2022, and the changes in their net assets 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 Organization 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 consolidated 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 consolidated 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 Organization'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 consolidated 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 consolidated 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 consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events considered in the aggregate that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

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

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 8, 2023 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's 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 8, 2023

Prevent Child Abuse - New Jersey Chapter, Inc. and Subsidiary
Consolidated Statements of Financial Position
June 30, 2023 and 2022

	2023	2022
Assets		
Current assets		
Cash and cash equivalents	$ 2,417,604	$ 2,168,853
Investments	47,503	51,232
Grants and contracts receivable	882,786	441,197
Accounts receivable	44,063	41,919
Prepaid expenses	138,792	94,261
Total current assets	3,530,748	2,797,462
Property and equipment, net	46,846	60,575
Other assets		
Investments - board designated	572,800	511,799
Investments held for endowment	24,333	24,333
Right of use assets	341,909	--
Security deposits	13,238	13,238
	952,280	549,370
	$ 4,529,874	$ 3,407,407
Liabilities and Net Assets		
Current liabilities		
Accounts payable and accrued expenses	$ 364,233	$ 334,283
Grants and contracts payable	1,373,247	1,026,703
Obligtions under lease liabilities-short term	141,735	--
Total current liabilities	1,879,215	1,360,986
Obligations under lease liabilities-long term	150,887	--
Net assets		
Without Donor Restrictions	2,436,741	1,972,390
With Donor Restrictions	63,031	74,031
Total net assets	2,499,772	2,046,421
	$ 4,529,874	$ 3,407,407

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, 2023 and 2022

	2023			2022		
	Without Donor Restrictions	**With Donor Restrictions**	**Total**	**Without Donor Restrictions**	**With Donor Restrictions**	**Total**
Support and revenues						
Grants and contracts	$ 7,327,586	$ --	$ 7,327,586	$ 6,055,329	$ --	$ 6,055,329
Program fee revenue	173,750	--	173,750	275,062	--	275,062
Contributions	162,353	--	162,353	185,691	--	185,691
Other income	4,628	--	4,628	9,968	--	9,968
In-kind donations	6,761	--	6,761	7,396	--	7,396
Investment return	29,264	--	29,264	(31,116)	--	(31,116)
Special events income (net of donor received benefits of $38,080 and $31,628 in 2023 and 2022, respectively)	71,722	--	71,722	83,249	--	83,249
	7,776,064	--	7,776,064	6,585,579	--	6,585,579
Net assets released from restrictions	11,000	(11,000)	--	--	--	--
	7,787,064	(11,000)	7,776,064	6,585,579	--	6,585,579
Expenses						
Program services	6,520,813	--	6,520,813	5,440,670	--	5,440,670
Management and general	669,246	--	669,246	654,350	--	654,350
Development	132,654	--	132,654	143,277	--	143,277
	7,322,713	--	7,322,713	6,238,297	--	6,238,297
Changes in net assets	464,351	(11,000)	453,351	347,282	--	347,282
Net assets, beginning year	1,972,390	74,031	2,046,421	1,625,108	74,031	1,699,139
Net assets, end of year	$ 2,436,741	$ 63,031	$ 2,499,772	$ 1,972,390	$ 74,031	$ 2,046,421

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, 2023 and 2022

	2023	2022
Cash flows from operating activities		
Changes in net assets	$ 453,351	$ 347,282
Adjustments to reconcile changes in net assets		
to net cash provided by (used for) operating activities		
Depreciation	41,113	47,327
Realized loss (gain) on board designated investments	(5,011)	(23,233)
Unrealized loss (gain) on unrestricted investments	(11,525)	60,743
Unrealized loss (gain) on board designated and donor restricted investments	3,729	(3,787)
Contributions restricted to endowment	--	--
Changes in assets and liabilities		
Contributions receivable	--	--
Grants and contracts receivable	(441,589)	392,191
Accounts receivable	(2,144)	(20,440)
Prepaid expenses	(44,531)	(5,301)
Security deposits	--	--
Accounts payable and accrued expenses	29,950	9,543
Grants and contracts payable	346,544	309,900
Deferred revenue	--	--
Net cash (used for) provided by operating activities	369,887	1,114,225
Cash flows from investing activities		
Purchases of property and equipment	(27,384)	--
Change in board designated investments	(44,465)	(50,000)
Additions to right of use assets	(341,909)	--
Net cash (used for) investing activities	(413,758)	(50,000)
Cash flows from financing activities		
Additions to obligations under lease liabilities-short term	141,735	--
Additions to obligations under lease liabilities-long term	150,887	--
	292,622	--
Net increase (decrease) in cash and cash equivalents	248,751	1,064,225
Beginning of year - Cash and cash equivalents	2,168,853	1,104,628
Total end of year - Cash and cash equivalents	$ 2,417,604	$ 2,168,853

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, 2023

	Program Services						
	Technical Assistance	Professional Training	Public Education	Total Program Services	Management and General	Development	Total
Salaries	$ 2,756,181	$ 449,361	$ 88,341	$ 3,293,883	$ 464,739	$ 84,453	$ 3,843,075
Fringe benefits	810,259	101,563	9,032	920,854	91,477	11,296	1,023,627
Consultants/professional fees	253,712	14,241	1,699	269,652	30,576	4,203	304,431
Rent expense	200,552	18,645	1,989	221,186	(18,605)	9,190	211,771
Utilities	14,778	1,621	389	16,788	2,018	553	19,359
Telephone expense	48,369	7,962	1,385	57,716	3,439	834	61,989
Advertising	2,503	1,132	964	4,599	5,343	8,368	18,310
Conferences	26,986	--	--	26,986	1,175	--	28,161
Educational material	5,437	19,974	2,004	27,415	--	--	27,415
Equipment rental and maintenance	14,978	2,695	18	17,691	3,189	1,119	21,999
Non capitalizable equipment	220	67	68	355	--	--	355
Insurance	17,916	2,425	157	20,498	2,872	555	23,925
Office expense	11,127	934	788	12,849	6,392	395	19,636
Payroll processing	1,210	862	285	2,357	2,865	--	5,222
Postage	2,048	828	133	3,009	194	1,328	4,531
Printing	1,756	1,714	254	3,724	61	4,649	8,434
Professional training	49,521	29,212	7,148	85,881	2,043	17	87,941
Travel expense	25,000	2,501	698	28,199	11,388	2,095	41,682
Depreciation	--	--	--	--	41,113	--	41,113
Miscellaneous	--	--	--	--	8,455	10	8,465
Dues and subscriptions	24,675	12,625	1,984	39,284	10,512	3,589	53,385
Subgrant expense	1,467,887	--	--	1,467,887	--	--	1,467,887
	$ 5,735,115	$ 668,362	$ 117,336	$ 6,520,813	$ 669,246	$ 132,654	$ 7,322,713

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
	$ 4,699,033	$ 674,620	$ 67,017	$ 5,440,670	$ 654,350	$ 143,277	$ 6,238,297

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

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, 2023 and 2022, the Organization 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, or donor imposed restrictions that will not expire with the passage of time nor be fulfilled or otherwise resolved by actions of PCA-NJ (endowment). For the year ended June 30, 2023, PCA-NJ had $11,000 of 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.

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 Accounting Standards Codification (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. This follows revenue recognition guidance under ASC 606.

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 base on the standard hourly rate that is typically charged for similar type of service as disclosed in footnote 13.

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, 2023 or 2022.

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.

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 return 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.

2. Summary of Significant Accounting Policies - Continued

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.

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.

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, 2023 and 2022, 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, 2023 or 2022. 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 $18,310 and $6,409 in 2023 and 2022, respectively.

Recent Accounting Pronouncements

<u>Credit Losses</u>
In 2016, the Financial Accounting Standards Board (FASB) issued ASU 2016-13 - Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments. Among other provisions, the ASU requires the allowance for credit losses to reflect management's current estimate of credit losses that are expected to occur over the remaining life of the financial asset. The ASU is effective for fiscal year beginning after December 15, 2022.

2. Summary of Significant Accounting Policies - Continued

Recent Accounting Pronouncements - *Continued*

Leases

In February 2016, the FASB issued ASC Topic 842, Leases, to increase transparency and comparability among organizations related to their leasing arrangements. The update requires lessees to recognize most leases on their balance sheets as a right-of-use ("ROU") asset representing the right to use an underlying asset and a lease liability representing the obligation to make lease payments over the lease term, measured on a discounted basis. Topic 842 also requires additional disclosure of key quantitative and qualitative information for leasing arrangements. Similar to the previous lease guidance, the update retains a distinction between finance leases (similar to capital leases in Topic 840, Leases) and operating leases, with classification affecting the pattern of expense recognition in the income statement. The Organization adopted Topic 842 on July 1, 2022, using the optional transition method to the modified retrospective approach, which eliminates the requirement to restate the prior-period financial statements. Under this transition provision, the Organization has applied Topic 842 to reporting periods beginning on June 30, 2023, while prior periods continue to be reported and disclosed in accordance with the Organization's historical accounting treatment under ASC Topic 840, Leases.

The Organization elected the "package of practical expedients" under the transition guidance within Topic 842, in which the Organization does not reassess (1) the historical lease classification, (2) whether any existing contracts at transition are or contain leases, or (3) the initial direct costs for any existing leases. The Organization has not elected to adopt the "hindsight" practical expedient, and therefore will measure the ROU asset and lease liability using the remaining portion of the lease term upon adoption of ASC 842 on July 1, 2022.

The Organization determines if an arrangement is or contains a lease at inception, which is the date on which the terms of the contract are agreed to, and the agreement creates enforceable rights and obligations. A contract is or contains a lease when (i) explicitly or implicitly identified assets have been deployed in the contract and (ii) the Organization obtains substantially all of the economic benefits from the use of that underlying asset and directs how and for what purpose the asset is used during the term of the contract. The Organization also considers whether its service arrangements include the right to control the use of an asset.

The Organization made an accounting policy election available under Topic 842 not to recognize ROU assets and lease liabilities for leases with a term of 12 months or less. For all other leases, ROU assets and lease liabilities are measured based on the present value of future lease payments over the lease term at the commencement date of the lease (or July 1, 2022, for existing leases upon the adoption of Topic 842). The ROU assets also include any initial direct costs incurred and lease payments made at or before the commencement date and are reduced by any lease incentives. To determine the present value of lease payments, the Organization made an accounting policy election available to non-public companies to utilize a risk-free borrowing rate, which is aligned with the lease term at the lease commencement date (or remaining term for leases existing upon the adoption of Topic 842).

Future lease payments may include fixed rent escalation clauses or payments that depend on an index (such as the consumer price index), which is initially measured using the index or rate at lease commencement. Subsequent changes of an index and other periodic market-rate adjustments to base rent are recorded in variable lease expense in the period incurred. Residual value guarantees or payments for terminating the lease are included in the lease payments only when it is probable they will be incurred.

The Organization has made an accounting policy election to account for lease and non-lease components in its contracts as a single lease component for its real estate, vehicle, and equipment asset classes. The non-lease components typically represent additional services transferred to the Organization, such as common area maintenance for real estate, which are variable in nature and recorded in variable lease expense in the period incurred.

2. Summary of Significant Accounting Policies - Continued

Recent Accounting Pronouncements - *Continued*

Adoption of Topic 842 resulted in the recording of additional ROU assets and lease liabilities related to the Organization’s operating leases of approximately $341,909 and $292,622, respectively, at July 1, 2022. The adoption of the new lease standard did not materially impact consolidated net earnings or consolidated cash flows and did not result in a cumulative-effect adjustment to the opening balance of retained earnings.

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, 2023 and 2022, financial assets available within one year of the balance sheet date for general expenditures are as follows:

	2023	2022
Cash and cash equivalents	$ 1,044,357	$ 1,142,150
Grants and contracts receivable	882,786	441,197
Accounts receivable	44,063	41,919
Investments	47,503	51,232
	$ 2,018,709	$ 1,676,498

4. Investments

PCA-NJ has investments that contain no restrictions, investments that are board designated, and investments that are held for endowment.

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:

	2023	2022
Investments at cost	$ 30,344	$ 30,344
Unrealized gain	17,159	20,888
Investments, current	$ 47,503	$ 51,232

4. Investments

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

	2023	2022
Investments - board designated	$ 572,800	$ 511,799
Investments - held for endowment	24,333	24,333
	$ 597,133	$ 536,132

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:

	2023	2022
Investments with no restrictions or designations:		
Level 1	$ 47,503	$ 51,232
Investments with restrictions or designations:		
Board designations:		
Level 1	$ 352,326	$ 292,992
Other	220,474	218,807
	$ 572,800	$ 511,799
Restrictions		
Level 1	$ 24,333	$ 24,333

At June 30, 2023 and 2022, other investment include PCA's pro-rata share of the market value of the community area foundation's long-term endowment fund. This investment is reported at fair value utilizing the net asset values provided by fund managers. Investments that are measured at fair value using the net asset per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy.

Management reviews and evaluates the values provided by the fund managers and agrees with the valuation methods and assumptions used in determining the fair value. These methods produce a fair value calculation that may not be indicative of future values. The use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in different fair value measurements.

4. Investments - Continued

Investment return related to these investments, both unrestricted, board designated, and permanently restricted by donor, was comprised of the following for the years ended June 30, 2023 and 2022:

	2023	2022
Interest and dividends	$ 16,708	$ 2,607
Realized gains (loss)	(250)	23,233
Unrealized gain (loss) - unrestricted	16,536	(60,743)
Unrealized gain (loss) - board designated and donor restricted	(3,730)	3,787
Total investment return	$ 29,264	$ (31,116)

Property and Equipment

Property and equipment consisted of the following at June 30, 2023 and 2022:

	Useful Life	2023	2022
Office equipment	5 Years	$ 497,152	$ 469,768
Less: accumulated depreciation	N/A	(450,306)	(409,193)
Property and equipment, net		$ 46,846	$ 60,575

Depreciation expense for the years ended June 30, 2023 and 2022 was $41,113 and $47,327, respectively.

5. Contributions Receivable

PCA-NJ has contributions receivable of $0 and $0 at June 30, 2023 and 2022, respectively. These contributions are from foundations, corporations, and individuals.

6. 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:

Grants and Contracts Receivable

	2023	2022
State of New Jersey, Department of Children & Families		
Division of Child Protection & Permanency		
Parent Café Pass-Thru	$ -	$ 73,799
Division of Youth & Family Services		
Training & Technical Assistance, Co-Design	49,268	
State of New Jersey, Department of Human Services		
Division of Family Development		
GROW NJ Kids Technical Assistance	710,686	309,804
Preschool Development Grant - Birth thru Five	122,832	57,594
	$ 882,786	$ 441,197

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

	2023	2022
State of New Jersey, Department of Human Services		
Division of Child Protection and Permanency		
Parent Education Technical Assistance	$ 32,450	$ 19,918
Human Trafficking	31,308	31,308
Healthy Families Program	79,263	41,616
Essex Pregnancy & Parenting Connection	162,574	142,659
Essex Pregnancy & Parenting Connection Central Intake	130,623	-
Maternal Infant Early Childhood Home Visiting	51,340	20,834
County Council for Young Children	33,967	33,967
Adverse Childhood Experiences	35,206	21,514
Powerful Families, Powerful Communities	25,755	-
Division of Family and Community Partnerships		
Parent Linking Project	110,085	99,610
Young Parents Coalition	132,695	-
Division of Family Development		
GROW NJ Kids Incentives	546,264	613,560
Essex Impact 100	139	139
Prevent Child Abuse - America	1,578	1,578
	$ 1,373,247	$ 1,026,703

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

PCA-NJ had no Deferred Revenue at June 30, 2023 and 2022.

7. Leases

PCA-NJ leases office space for its New Brunswick, New Jersey office and rents additional space for programs under operating lease agreements that have initial terms ranging from 1 to 5 years. Some leases include one or more options to renew, generally at the Organization's sole discretion, with renewal terms that can extend the lease term up to 5 years. In addition, certain leases contain termination options, where the rights to terminate are held by either the Organization, the lessor, or both parties. These options to extend or terminate a lease are included in the lease terms when it is reasonably certain that the Organization will exercise that option. The Organization's operating leases generally do not contain any material restrictive covenants or residual value guarantees.

Operating lease cost is recognized on a straight-line basis over the lease term. Finance lease cost is recognized as a combination of the amortization expense for the ROU assets and interest expense for the outstanding lease liabilities, and results in a front-loaded expense pattern over the lease term. The components of lease expense are as follows for the year ended June 30, 2023:

	2023
Operating Leases:	
Operating lease right of use assets	$ 341,909
Operating lease liabilities, current	141,735
Operating lease liabilities, non-current	150,887
Total operating lease liabilites	$ 292,622
Operating lease cost	146,742
Total lease cost	$ 146,742

Supplemental cash flow information related to leases were as follows:

Cash paid for amounts included in measurement of lease liabilities:	
Operating cash outflows - payments on operating leases	$ 212,327
Right-of-use assets obtained in exchange for new lease obligations:	
Operating leases	$ 481,939
Finance leases	-

Average lease term and discount rate as of June 30, 2023 was as follows:

Weighted-average remaining lease term - operating leases	4.58 years
Weighted-average discount rate - operating leases	2.84%

8. Leases - Continued

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

	Operating Leases
2024	$ 216,741
2025	194,666
2026	195,534
2027	196,401
2028	197,269
	$ 1,000,611

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, 2023 and 2022, PCA-NJ contributed $43,980 and $45,216 to the Plan.

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, 2023 and 2022, components of net assets without donor restrictions were as follows:

	2023	2022
Net assets without donor restrictions		
Board designated net assets	$ 572,800	$ 511,799
Undesignated	1,863,941	1,460,591
Total net assets without donor restrictions	$ 2,436,741	$ 1,972,390

11. Net Assets with Donor Restrictions

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

	2023	2022
Purpose restrictions		
Technical assistance program	$ 448	$ 448
Weissman opportunity fund	38,250	49,250
Time restrictions	--	--
Restricted in perpetuity		
Endowment Fund	24,333	24,333
	$ 63,031	$ 74,031

12. Endowment Fund

PCA-NJ's endowment consists of two funds 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 amount restricted in perpetuity 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 endowment fund and (b) the original value of subsequent gifts to the 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.

PCA-NJ considers the following factors in making a determination for donor 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

12. Endowment Fund - Continued

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. 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, 2023 and 2022 are as follows:

	2023	2022
Balance - beginning of year	$ 24,333	$ 24,333
Contributions	--	--
Balance - end of year	$ 24,333	$ 24,333

13. In-Kind Donations

For the year ended June 30, 2023, PCA-NJ and its subsidiary received donated materials of $6,761 aggregating $6,761 in total 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. In-kind donations for the years ended June 30, 2023 and 2022 are as follows:

In-Kind Donations Category	Type of In-Kind Donation	Valuation Method	2023	2022
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	$ 6,761	$ 4,083
Services	Legal pro bono services	Standard industry pricing for similar services	-	3,313
			$ 6,761	**$ 7,396**

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 87 percent and 91 percent of PCA-NJ's income for the years ended June 30, 2023 and 2022, 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.

16. Subsequent Events

PCA-NJ has evaluated subsequent events occurring after the statement of financial position date for potential recognition or disclosure through December 8, 2023, which is the date the consolidated financial statements were available to be issued.

16. Subsequent Events - Continued

In July 2023, the Organization signed a lease for approximately 1,735 square feet of office space in Livingston, NJ. Concurrently with the execution of this lease, the Organization gave notice to the landlord of the premises totaling approximately 4,690 square feet it is leasing in Newark, NJ that it would not renew the lease that was expiring at the end of October 2023. The programs housed in the Newark location, specifically the Essex Pregnancy and Parenting Connection (EPPC) and the GROW NJ Kids Northeast Division (GROW NE) will move their operations to the office in Livingston. The Organization found that with the hybrid in-office/work from home model that it is employing, it no longer needed the amount of office space it has in Newark. The move and reduction in office space will result in a cost savings of approximately $67,000 per annum, which will be used to enhance the two programs service deliverables.

SUPPLEMENTARY INFORMATION

Prevent Child Abuse - New Jersey Chapter, Inc.
Statements of Financial Position
June 30, 2023 and 2022

	2023	2022
Assets		
Current assets		
Cash and cash equivalents	$ 1,870,659	$ 1,772,266
Investments	47,503	51,232
Grants and contracts receivable	882,786	441,197
Accounts receivable	153,517	38,517
Prepaid expenses	131,702	88,966
Total current assets	3,086,167	2,392,178
Property and equipment, net	46,846	60,575
Other assets		
Investments - board designated	572,800	511,799
Investments held for endowment	24,333	24,333
Right of use assets	341,909	--
Security deposits	13,238	13,238
	952,280	549,370
	$ 4,085,293	$ 3,002,123
Liabilities and Net Assets		
Current liabilities		
Accounts payable and accrued expenses	$ 405,978	$ 337,675
Grants and contracts payable	1,373,247	1,026,703
Obligation under lease liabilities - short term	141,735	--
Total current liabilities	1,920,960	1,364,378
Obligations under lease liabilities - long term	150,887	--
Net assets		
Without Donor Restrictions	1,950,415	1,563,714
With Donor Restrictions	63,031	74,031
Total net assets	2,013,446	1,637,745
	$ 4,085,293	$ 3,002,123

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, 2023 and 2022

	2023			2022		
	Without Donor Restrictions	**With Donor Restrictions**	**Total**	**Without Donor Restrictions**	**With Donor Restrictions**	**Total**
Support and revenues						
Grants and contracts	$ 7,308,286	$ --	$ 7,308,286	$ 6,028,329	$ --	$ 6,028,329
Program fee revenue	95,200	--	95,200	99,358	--	99,358
Contributions	168,375	--	168,375	172,663	--	172,663
Other income	4,628	--	4,628	9,968	--	9,968
In-kind donations	6,761	--	6,761	4,083	--	4,083
Investment return	29,264	--	29,264	(31,116)	--	(31,116)
Special events income, net	5,137	--	5,137	9,653	--	9,653
	7,617,651	--	7,617,651	6,292,938	--	6,292,938
Net assets released from restrictions	11,000	(11,000)	--	--	--	--
	7,628,651	(11,000)	7,617,651	6,292,938	--	6,292,938
Expenses						
Program services	6,444,636	--	6,444,636	5,342,841	--	5,342,841
Management and general	664,660	--	664,660	646,504	--	646,504
Development	132,654	--	132,654	143,277	--	143,277
	7,241,950	--	7,241,950	6,132,622	--	6,132,622
Changes in net assets	386,701	(11,000)	375,701	160,316	--	160,316
Net assets, beginning year	1,563,714	74,031	1,637,745	1,403,398	74,031	1,477,429
Net assets, end of year	$ 1,950,415	$ 63,031	$ 2,013,446	$ 1,563,714	$ 74,031	$ 1,637,745

See Independent Auditor's Report.

Prevent Child Abuse - New Jersey Chapter, Inc.
Statement of Cash Flows
For the Years Ended June 30, 2023 and 2022

	2023	2022
Cash flows from operating activities		
Changes in net assets	$ 375,701	$ 160,316
Adjustments to reconcile changes in net assets to net cash (used for) provided by operating activities		
Depreciation	41,113	47,327
Realized loss (gain) on board designated investments	(5,011)	(23,233)
Unrealized loss (gain) on unrestricted investments	(11,525)	60,743
Unrealized loss (gain) on board designated and donor restricted investments	3,729	(3,787)
Changes in assets and liabilities		
Grants and contracts receivable	(441,589)	392,191
Accounts receivable	(115,000)	(29,293)
Prepaid expenses	(42,736)	(1,006)
Security deposits	--	--
Accounts payable and accrued expenses	68,303	13,614
Grants and contracts payable	346,544	309,900
Net cash (used for) provided by operating activities	219,529	926,772
Cash flows from investing activities		
Purchases of property and equipment	(27,384)	--
Purchases of board designated investments	(44,465)	(50,000)
Additions to right of use assets	(341,909)	--
Net cash used for investing activities	(413,758)	(50,000)
Cash flows from investing activities		
Additions to obligations under lease liabilities-short term	141,735	--
Additions to obligations under lease liabilities-long term	150,887	--
	292,622	--
Net (decrease) increase in cash and cash equivalents	98,393	876,772
Beginning of year - Cash and Cash Equivalents	1,772,266	895,494
End of year Cash and Cash Equivalents	$ 1,870,659	$ 1,772,266

See Independent Auditor's Report.

Prevent Child Abuse NJ, Inc.
Statement of Functional Expenses
For the Year Ended June 30, 2023

	Technical Assistance	Professional Training	Public Education	Total Program Services	Management and General	Fundraising	Total
Salaries	$ 2,756,181	$ 417,203	$ 86,648	$ 3,260,032	$ 464,739	$ 84,453	$ 3,809,224
Fringe Benefits	810,259	96,572	8,770	915,601	91,477	11,296	1,018,374
Consultants/Professional Fees	253,712	12,149	1,589	267,450	26,076	4,203	297,729
Rent Expense	200,552	18,645	1,989	221,186	(18,605)	9,190	211,771
Utilities	14,778	1,621	389	16,788	2,018	553	19,359
Telephone Expense	48,369	7,912	1,382	57,663	3,439	834	61,936
Advertising	2,503	719	942	4,164	5,343	8,368	17,875
Conferences	26,986	--	--	26,986	1,175	--	28,161
Educational Material	5,437	2,895	1,105	9,437	--	--	9,437
Equipment Rental & Maintenance	14,978	2,695	18	17,691	3,189	1,119	21,999
Non Capitalizable Equipment	220	68	68	356	--	--	356
Insurance	17,916	2,425	157	20,498	2,872	555	23,925
Office Expense	11,127	590	770	12,487	6,356	395	19,238
Payroll Processing	1,210	862	285	2,357	2,865	--	5,222
Postage	2,048	540	118	2,706	194	1,328	4,228
Printing	1,756	1,665	251	3,672	61	4,649	8,382
Professional Training	49,521	19,820	6,654	75,995	2,043	17	78,055
Travel Expense	25,000	2,501	698	28,199	11,388	2,095	41,682
Depreciation	--	--	--	--	41,113	--	41,113
Miscellaneous	--	--	--	--	8,405	10	8,415
Dues & Subscriptions	24,675	7,112	1,694	33,481	10,512	3,589	47,582
Subgrant Expense	1,467,887	--	--	1,467,887	--	--	1,467,887
	$ 5,735,115	$ 595,994	$ 113,527	$ 6,444,636	$ 664,660	$ 132,654	$ 7,241,950

See Independent Auditor's Report.

Prevent Child Abuse NJ, Inc.
Statement of Functional Expenses
For the 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	$ 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 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	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 and 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.

Child Wellness Institute, Inc.
Statements of Financial Position
June 30, 2023 and 2022

	2023	2022
Assets		
Current assets		
Cash and cash equivalents	$ 546,945	$ 396,587
Investments	-	-
Contributions receivable	-	-
Grants and contracts receivable	-	-
Accounts receivable	54,822	40,667
Prepaid expenses	7,090	5,295
Total current assets	608,857	442,549
Property and equipment, net	-	-
Other assets		
Cash - board designated	-	-
Cash - permanently restricted	-	-
Security deposits	-	-
	-	-
	$ 608,857	$ 442,549
Liabilities and Net Assets		
Current liabilities		
Accounts payable and accrued expenses	$ 122,531	$ 33,873
Deferred revenue	-	-
Grants and contracts payable	-	-
Total current liabilities	122,531	33,873
Net assets		
Without Donor Restrictions	486,326	408,676
With Donor Restrictions	-	-
Total net assets	486,326	408,676
	$ 608,857	$ 442,549

See Independent Auditor’s Report.

Child Wellness Institute, Inc.
Statements of Activities and Changes in Net Assets
For the Years Ended June 30, 2023 and 2022

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and revenues						
Grants and contracts	$ 19,300	$ --	$ 19,300	$ 27,000	$ --	$ 27,000
Program fee revenue	78,550	--	78,550	175,704	--	175,704
Contributions	43,978	--	43,978	63,028	--	63,028
Other income	--	--	--	--	--	--
In-kind donations	--	--	--	3,313	--	3,313
Investment (loss) income	--	--	--	--	--	--
Special events income, (Net of donor received benefits of $38,080 in 2023 and $31,628 in 2022)	66,585	--	66,585	73,596	--	73,596
	208,413	--	208,413	342,641	--	342,641
Net assets released from restrictions	--	--	--	--	--	--
	208,413	--	208,413	342,641	--	342,641
Expenses						
Program services	76,177	--	76,177	97,829	--	97,829
Management and general	54,586	--	54,586	57,846	--	57,846
Development	--	--	--	--	--	--
	130,763	--	130,763	155,675	--	155,675
Changes in net assets	77,650	--	77,650	186,966	--	186,966
Net assets, beginning year	408,676	--	408,676	221,710	--	221,710
Net assets, end of year	$ 486,326	$ -	$ 486,326	$ 408,676	$ -	$ 408,676

See Independent Auditor's Report.

Child Wellness Institute, Inc.
Statement of Cash Flows
For the Years Ended June 30, 2023 and 2022

	2023	2022
Cash flows from operating activities		
Changes in net assets	$ 77,650	$ 186,966
Adjustments to reconcile changes in net assets		
to net cash (used for) provided by operating activities		
Depreciation	--	--
Donated securities	--	--
Unrealized loss on investments	--	--
Changes in assets and liabilities		
Contributions receivable	--	--
Grants and contracts receivable	--	--
Accounts receivable	(14,155)	(18,185)
Prepaid expenses	(1,795)	(4,295)
Security deposits	--	--
Accounts payable and accrued expenses	88,658	22,967
Grants and contracts payable	--	--
Deferred revenue	--	--
Net cash (used for) provided by operating activities	150,358	187,453
Cash flows from investing activities		
Additions to property and equipment	--	--
Change in cash - board restricted	--	--
Change in cash - permanently restricted	--	--
Net cash used for investing activities	--	--
Net increase in cash and cash equivalents	150,358	187,453
Cash and cash equivalents		
Beginning of year	396,587	209,134
End of year	$ 546,945	$ 396,587

See Independent Auditor’s Report.

Child Wellness Institute, Inc.
Statement of Functional Expenses
For the Year Ended June 30, 2023

	Technical Assistance	Professional Training	Public Education	Total Program Services	Management and General	Fundraising	Total
Salaries	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Fringe Benefits	-	2,278	120	2,398	-	-	2,398
Consultants/Professional Fees	-	36,963	1,945	38,908	4,500	-	43,408
Rent Expense	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-
Telephone Expense	-	50	3	53	-	-	53
Advertising	-	413	22	435	-	-	435
Conferences	-	-	-	-	-	-	-
Educational Material	-	17,079	899	17,978	-	-	17,978
Equipment Rental & Maintenance	-	-	-	-	-	-	-
Non Capitalizable Equipment	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-
Office Expense	-	344	18	362	36	-	398
Payroll Processing	-	-	-	-	-	-	-
Postage	-	287	15	302	-	-	302
Printing	-	49	3	52	-	-	52
Professional Training	-	9,392	494	9,886	-	-	9,886
Travel Expense	-	-	-	-	-	-	-
Special Events	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	50,050	-	50,050
Dues & Subscriptions	-	5,513	290	5,803	-	-	5,803
Subgrant Expense	-	-	-	-	-	-	-
	$ -	$ 72,368	$ 3,809	$ 76,177	$ 54,586	$ -	$ 130,763

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.

Prevent Child Abuse - New Jersey Chapter, Inc.
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023

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						
Administration for Children and Families						
Division of Child Protection and Permanency						
Parent Education Technical Assistance	93.558	23LRGM	7/1/2022	-	6/30/2023	$ 23,175
Healthy Families Program - Home Visiting	93.558	23LRGM	7/1/2022	-	6/30/2023	363,516
						386,691
Healthy Families Program - Home Visiting	93.556	23LRGM	7/1/2022	-	6/30/2023	150,590
Maternal, Infant, & Early Childhood - Home Visiting	93.870	23LRGM	7/1/2022	-	6/30/2023	296,444
Essex Pregnancy and Parenting Connection	93.870	23LRGM	7/1/2022	-	6/30/2023	214,457
						510,901
Adverse Childhood Experiences	93.590	23LRGP	7/1/2022	-	6/30/2023	110,561
Division of Family and Community Partnerships						
Early Childhood Prevention	93.590	23LSMP	10/1/2022	-	9/30/2025	59,085
Division of Child Protection and Permanency						169,646
Preschool Development Grant - Birth thru Five						
Powerful Families, Powerful Communities	93.658	23LRGM	7/1/2022	-	6/30/2023	298,496
Essex Pregnancy and Parenting Connection	93.434	23LRGM	7/1/2022	-	6/30/2023	190,628
Division of Family Development						
Preschool Development Grant - Birth thru Five	93.434	TA23001	7/1/2022	-	6/30/2023	559,031
						749,659
CCDF Cluster						
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	TA23001	7/1/2022	-	6/30/2023	3,767,502
						3,767,502
Total U.S. Department of Health and Human Services						**6,033,485**
Total Federal Awards						**$ 6,033,485**

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, 2023

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	23LRGP	7/1/2022	-	6/30/2023	$	248,313
						248,313
Division of Child Protection and Permanency						
Healthy Families Program - Home Visiting	23LRGM	7/1/2022	-	6/30/2023		21,067
Parenting Education Technical Assistance	23LRGM	7/1/2022	-	6/30/2023		47,978
Essex Pregnancy and Parenting Connection Central Intake	23LRGM	7/1/2022	-	6/30/2023		69,377
Connections Matter	23LRGP	7/1/2022	-	6/30/2023		64,935
						203,357
Total Department of Children & Families						451,670
Total State Financial Assistance					**$**	**451,670**

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

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 deminimis 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, 2023 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 8, 2023.

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) as a basis for designing 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 or significant deficiencies, 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 financial statements. 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 8, 2023

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 he 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

Opinion on 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 identified as subject to audit 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, 2023. 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, 2023.

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 2U.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 and NJ OMB Circular 15-08 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 and NJ OMB Circular 15-08, 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 and NJ OMB Circular 15-08, 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 Auditor's Responsibilities for the audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not 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 and the NJ OMB 15-08. Accordingly, this report is not suitable for any other purpose.

Sax LLP

Parsippany, New Jersey
December 8, 2023

Prevent Child Abuse - New Jersey Chapter Inc. and Subsidiary

Schedule of Findings and Questioned Costs - Federal Awards

Year Ended June 30, 2023

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:

CFDA	Program
93.596	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, 2023

There were no findings in the prior year.