

Prevent Child Abuse - New Jersey Chapter, Inc. and Affiliate

Consolidated Financial Statements

Years Ended December 31, 2025 and 2024

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Independent Auditor's Report

To the Board of Trustees
Prevent Child Abuse - New Jersey Chapter, Inc. and Affiliate
North 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 Affiliate (the "Organization"), which comprise the consolidated statements of financial position as of June 30, 2025 and 2024, 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 consolidated financial position of the Organization as of June 30, 2025 and 2024, 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 consolidated financial statements are 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 combined statements of financial positions - by affiliate, combined statements of activities and changes in net assets - by affiliate, and combined statements of functional expenses - by affiliate, 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 supplementary 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 February 3, 2026 on our consideration of Prevent Child Abuse - New Jersey Chapter, Inc. and Affiliate'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. and Affiliate's internal control over financial reporting and compliance.

Sax LLP

Parsippany, New Jersey
February 3, 2026

Prevent Child Abuse - New Jersey Chapter, Inc. and Affiliate

Consolidated Statements of Financial Position

	June 30,	
	2025	2024
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 2,993,851	\$ 2,861,563
Investments	669,229	597,089
Grants and contracts receivable	461,753	143,827
Accounts receivable	35,709	28,461
Prepaid expenses	1,531	13,632
Total current assets	4,162,073	3,644,572
PROPERTY AND EQUIPMENT, NET	12,901	23,929
OTHER ASSETS		
Right-of-use ("ROU") assets - leases	931,638	108,466
Security deposits	20,236	20,236
Total other assets	951,874	128,702
TOTAL ASSETS	\$ 5,126,848	\$ 3,797,203
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 336,642	\$ 414,544
Deferred revenue	42,365	128,877
Grants and contracts payable	404,823	358,250
Obligations under lease liabilities - short term	113,805	36,545
Total current liabilities	897,635	938,216
LONG-TERM LIABILITIES		
Obligations under lease liabilities - long term	817,827	72,666
Total long-term liabilities	817,827	72,666
NET ASSETS		
Without donor restrictions		
Undesignated	2,679,360	2,079,295
Board designated	668,995	643,995
	3,348,355	2,723,290
With donor restrictions	63,031	63,031
Total net assets	3,411,386	2,786,321
TOTAL LIABILITIES AND NET ASSETS	\$ 5,126,848	\$ 3,797,203

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

Prevent Child Abuse - New Jersey Chapter, Inc. and Affiliate

Consolidated Statements of Activities and Changes in Net Assets

	Year Ended June 30, 2025			Year Ended June 30, 2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND SUPPORT						
Grants and contracts	\$ 8,092,338	\$ -	\$ 8,092,338	\$ 7,183,789	\$ -	\$ 7,183,789
Program fee revenue	259,203	-	259,203	170,599	-	170,599
Contributions	260,961	-	260,961	227,522	-	227,522
Other income	10,430	-	10,430	5,715	-	5,715
In-kind donations	12,318	-	12,318	12,888	-	12,888
Investment income	163,700	-	163,700	81,505	-	81,505
Special events income, (net of donor received benefits of \$41,929 and \$48,653 in 2025 and 2024 respectively	74,153	-	74,153	61,409	-	61,409
	8,873,103	-	8,873,103	7,743,427	-	7,743,427
Net assets released from restrictions	-	-	-	-	-	-
Total revenues and support	8,873,103	-	8,873,103	7,743,427	-	7,743,427
FUNCTIONAL EXPENSES						
Program services	7,269,889	-	7,269,889	6,549,361	-	6,549,361
Management and general	808,630	-	808,630	777,482	-	777,482
Fundraising	169,519	-	169,519	130,035	-	130,035
Total functional expenses	8,248,038	-	8,248,038	7,456,878	-	7,456,878
Changes in net assets	625,065	-	625,065	286,549	-	286,549
NET ASSETS, <i>beginning of year</i>	2,723,290	63,031	2,786,321	2,436,741	63,031	2,499,772
NET ASSETS, <i>end of year</i>	\$ 3,348,355	\$ 63,031	\$ 3,411,386	\$ 2,723,290	\$ 63,031	\$ 2,786,321

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

Prevent Child Abuse - New Jersey Chapter, Inc. and Affiliate

Consolidated Statements of Cash Flows

	Years Ended June 30,	
	2025	2024
CASH FLOWS PROVIDED BY (USED FOR) OPERATING ACTIVITIES		
Changes in net assets	\$ 625,065	\$ 286,549
Adjustments to reconcile changes in net assets to net cash provided by (used for) operating activities		
Depreciation	11,028	29,387
Realized (gain) on investments	(9,677)	(7,341)
Unrealized (gain) on investments	(62,107)	(38,113)
Amortization of ROU asset	(823,172)	233,443
Changes in assets and liabilities		
Grants and contracts receivable	(317,926)	192,714
Accounts receivable	(7,248)	15,602
Prepaid expenses	12,101	125,160
Security deposits	-	(6,998)
Accounts payable and accrued expenses	(77,902)	50,311
Operating lease liability	822,421	(183,411)
Grants and contracts payable	46,573	(336,056)
Deferred revenue	(86,512)	(3,819)
Net cash provided by operating activities	132,644	357,428
CASH FLOWS PROVIDED BY (USED FOR) INVESTING ACTIVITIES		
Additions to property and equipment	-	(6,470)
Purchases of investments	(356)	-
Net cash used for investing activities	(356)	(6,470)
Net increase in cash and cash equivalents	132,288	350,958
CASH AND CASH EQUIVALENTS, <i>beginning of year</i>	2,861,563	2,510,605
CASH AND CASH EQUIVALENTS, <i>end of year</i>	\$ 2,993,851	\$ 2,861,563
SUPPLEMENTARY CASH FLOW INFORMATION		
Cash paid for interest expense	\$ -	\$ -
Cash paid for income taxes	\$ -	\$ -

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

Prevent Child Abuse - New Jersey Chapter, Inc. and Affiliate

Consolidated Statements of Functional Expenses

Year Ended June 30, 2025

	Program Services	Management and General	Fundraising	Total
Salaries	\$ 3,834,332	\$ 488,902	\$ 85,446	\$ 4,408,680
Fringe benefits	1,209,111	148,577	26,204	1,383,892
Subgrant expense	1,272,688	-	-	1,272,688
Consultants and professional fees	438,414	39,466	8,107	485,987
Rent expense	135,870	31,105	8,364	175,339
Utilities	14,178	3,411	909	18,498
Telephone expense	58,690	6,312	1,033	66,035
Advertising	1,559	15,514	9,696	26,769
Conferences	39,651	2,500	-	42,151
Educational material	13,696	-	1,450	15,146
Equipment rental and maintenance	25,620	3,052	4,160	32,832
Non capitalizable equipment	7,397	-	-	7,397
Insurance	27,192	3,025	617	30,834
Office expense	10,127	7,508	99	17,734
Payroll Processing	9,455	1,139	207	10,801
Postage	3,627	395	602	4,624
Printing	4,561	192	6,457	11,210
Professional training	62,049	1,777	1,070	64,896
Travel Expense	43,522	6,880	4,877	55,279
Depreciation	-	11,028	-	11,028
Miscellaneous	10,997	25,000	4,563	40,560
Dues and subscriptions	47,153	12,847	5,658	65,658
Event expenses	-	-	41,929	41,929
	<u>\$ 7,269,889</u>	<u>\$ 808,630</u>	<u>\$ 211,448</u>	<u>\$ 8,289,967</u>
Less: donor received benefits net with special event revenue	-	-	(41,929)	(41,929)
Total functional expenses	<u>\$ 7,269,889</u>	<u>\$ 808,630</u>	<u>\$ 169,519</u>	<u>\$ 8,248,038</u>

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

Prevent Child Abuse - New Jersey Chapter, Inc. and Affiliate

Consolidated Statements of Functional Expenses

Year Ended June 30, 2024

	Program Services	Management and General	Fundraising	Total
Salaries	\$ 3,624,954	\$ 457,285	\$ 82,654	\$ 4,164,893
Fringe benefits	1,156,571	125,040	11,201	1,292,812
Subgrant expense	685,935	-	-	685,935
Consultants and professional fees	455,450	66,533	1,617	523,601
Rent expense	246,828	40,899	11,998	299,725
Utilities	15,123	2,252	619	17,994
Telephone expense	61,859	4,221	873	66,952
Advertising	6,038	13,739	1,181	20,958
Conferences	32,751	-	221	32,972
Educational material	16,893	-	-	16,893
Equipment rental and maintenance	18,329	3,404	1,240	22,973
Insurance	23,120	3,481	599	27,200
Office expense	18,348	6,940	81	25,368
Postage	2,125	331	1,383	3,839
Printing	977	319	3,972	5,267
Professional training	62,012	6,805	-	68,817
Travel Expense	63,798	8,125	5,138	77,061
Depreciation	-	29,387	-	29,387
Miscellaneous	14,176	4,442	3,785	22,403
Dues and subscriptions	44,073	4,280	3,471	51,824
Event expenses	-	-	48,653	48,653
	\$ 6,549,360	\$ 777,483	\$ 178,687	\$ 7,505,530
Less: donor received benefits net with special event revenue	-	-	(48,653)	(48,653)
Total functional expenses	\$ 6,549,360	\$ 777,483	\$ 130,034	\$ 7,456,877

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

Prevent Child Abuse - New Jersey Chapter, Inc. and Affiliate

Notes to Consolidated Financial Statements

Years Ended June 30, 2025 and 2024

Note 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 North Brunswick, NJ.

The Child Wellness Institute of New Jersey, Inc. ("CWI") is a private New Jersey non-profit corporation and is a related entity through a common board. 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 Organization 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.

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.

Note 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, 2025 and 2024, 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 the Organization. For the years ended June 30, 2025 and 2024, the Organization had no accounting transactions in the net assets with donor restrictions category.

Revenue and Support Recognition

The Organization recognizes 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 Affiliate

Notes to Consolidated Financial Statements

Years Ended June 30, 2025 and 2024

Note 2 - Summary of Significant Accounting Policies - Continued

The Organization receives 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 Financial Accounting Standards Board (“FASB”) 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 when the contract period extends beyond June 30, 2025.

The Organization recognizes program fee revenues in accordance with ASC Topic 606, *Revenue from Contracts with Customers*. 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 at the time at the time the fundraising event occurs.

In-Kind Donations

The Organization receives various in-kind donations of goods including non-food items such as books and infant health-care items, and services such as legal. 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. The Organization received donated materials of \$12,318 and \$12,888 in 2025 and 2024, respectively, which the Organization records based on retail value of identical or similar products. There were no donated services in either year.

Accounts Receivable and Credit Losses

The Organization’s accounts receivable are unsecured and non-interest bearing. Invoices are due upon receipt and are considered delinquent after 30 days. The Organization applies 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. The Organization has determined based on this review that no allowance for credit losses was necessary at June 30, 2025 or 2024.

The Organization applies ASC Topic 326 - *Financial Instruments - Credit Losses* (“CECL”) to its accounts receivable from customers. Under this guidance, an allowance for expected credit losses is recorded as a valuation account, netted against the related financial asset to present the net amount expected to be collected. The allowance is determined through analysis of the aging of accounts receivable, historical loss experience, and consideration of current and forecasted economic conditions. As of June 30, 2025, no allowance for credit losses was recorded.

Prevent Child Abuse - New Jersey Chapter, Inc. and Affiliate

Notes to Consolidated Financial Statements

Years Ended June 30, 2025 and 2024

Note 2 - Summary of Significant Accounting Policies - Continued

Accounts Receivable and Credit Losses

Grants and contracts receivable consist of amounts due under grant agreements and contracts with funding agencies and are not subject to ASC 326. These receivables are recognized in accordance with ASC 958 - Not-for-Profit Entities, when eligibility requirements under the agreements are met, and no allowance for credit losses is applied.

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

The Organization considers all highly liquid investments with an initial maturity date of three months or less at the time of acquisition to be cash equivalents.

Investments

Investments are recorded at cost, when 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 and Changes in Net Assets. 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.

Prevent Child Abuse - New Jersey Chapter, Inc. and Affiliate

Notes to Consolidated Financial Statements

Years Ended June 30, 2025 and 2024

Note 2 - Summary of Significant Accounting Policies - Continued

Investments - Continued

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.

The Organization holds an investment in the Princeton Area Community Foundation which is valued at the beneficial interest in assets held at the fair value of the Organization's share of the investment pool as of the measurement date. The investment pool is based on quoted net asset as reported by the fund manager.

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. 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.

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, through 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.

Prevent Child Abuse - New Jersey Chapter, Inc. and Affiliate

Notes to Consolidated Financial Statements

Years Ended June 30, 2025 and 2024

Note 2 - Summary of Significant Accounting Policies - Continued

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. Property and equipment consists of office equipment which is depreciated over 3-5 years. 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

The Organization is 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, 2025 and 2024, the Organization has recognized an accrual for estimated taxes due in the amount of \$0. The Organization follows ASC 740 regarding uncertain tax positions. The Organization had no unrecognized tax benefits at June 30, 2025 or 2024. 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 \$26,769 and \$20,958 in 2025 and 2024, respectively.

Leases

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 customer 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 recognizes most leases on its 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. Leases are classified as either finance leases or operating leases based on certain criteria. Classification of the lease affects the pattern of expense recognition in the income statement.

Prevent Child Abuse - New Jersey Chapter, Inc. and Affiliate

Notes to Consolidated Financial Statements

Years Ended June 30, 2025 and 2024

Note 2 - Summary of Significant Accounting Policies - Continued

Leases - Continued

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.

Subsequent Events

The Organization has evaluated subsequent events for recognition or disclosure through February 3, 2026, the date the financial statements were available to be issued.

Note 3 - Liquidity and Funds Availability

The Organization 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 year. 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 daily. Grants and contracts receivable, along with accounts receivable, are reviewed monthly 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.

Prevent Child Abuse - New Jersey Chapter, Inc. and Affiliate

Notes to Consolidated Financial Statements

Years Ended June 30, 2025 and 2024

Note 3 - Liquidity and Funds Availability - Continued

At June 30, 2025 and 2024, financial assets available within one year of the balance sheet date for general expenditures are as follows:

	June 30,	
	2025	2024
Cash and cash equivalents	\$ 2,993,851	\$ 2,861,563
Grants and contracts receivable	461,753	143,827
Accounts receivable	35,709	28,461
Investments	669,229	597,089
	<u>4,160,542</u>	<u>3,630,940</u>
Less: amounts unavailable for general expenditures within one year		
Grants and contracts payable	404,823	358,250
Board designated net assets	668,995	643,995
Donor restricted net assets	63,031	63,031
	<u>63,031</u>	<u>63,031</u>
Amount available for general expenditures within one year of the statement of financial position date	<u>\$ 3,023,693</u>	<u>\$ 2,565,664</u>

Note 4 - Investments

The Organization has investments that contain no restrictions and investments that are board designated. Investments are as follows:

	Years Ended June 30,	
	2025	2024
Investments unrestricted and undesignated	\$ 45,055	\$ 42,094
Investments - board designated	624,174	554,995
Total investments	<u>\$ 669,229</u>	<u>\$ 597,089</u>

Investments are comprised of assets that are record at fair market value ("FMV") and assets that are pooled funds held with a community area foundation and recorded at net asset value ("NAV").

Investments at FMV are placed with a brokerage firm and 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 a 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 the Organizations investment is determined by the community area foundation and is based on the Organizations pro-rata share of the market value. Thus, it is recorded at NAV by the foundation and has been excluded from the fair market value hierarchy. Investments measured at NAV amounted to \$278,283 and \$243,005 as of June 30, 2025 and 2024, respectively.

Prevent Child Abuse - New Jersey Chapter, Inc. and Affiliate

Notes to Consolidated Financial Statements

Years Ended June 30, 2025 and 2024

Note 4 - Investments - Continued

The Organization has reviewed its investments within the framework of the fair value hierarchy for measuring fair value that has been established by U.S. GAAP. The Organization's investments are classified within the fair value hierarchy as follows at June 30:

	<u>2025</u>	<u>2024</u>
Level 1	<u>\$ 390,946</u>	<u>\$ 354,084</u>

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, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Interest and dividends	\$ 91,916	\$ 35,667
Realized gains (loss)	9,677	7,431
Realized gains (loss) - unrestricted	59,503	43,816
Unrealized gain (loss) - board designated and donor restricted	2,604	(5,409)
Total investment return	<u>\$ 163,700</u>	<u>\$ 81,505</u>

Note 5 - Property and Equipment

Property and equipment consisted of the following at June 30, 2025 and 2024:

	<u>June 30,</u>	
	<u>2025</u>	<u>2024</u>
Office equipment	\$ 503,622	\$ 503,622
Less: accumulated depreciation	(490,721)	(479,693)
Property and equipment, net	<u>\$ 12,901</u>	<u>\$ 23,929</u>

Depreciation expense for the years ended June 30, 2025 and 2024 was \$11,028 and \$29,387, respectively.

Prevent Child Abuse - New Jersey Chapter, Inc. and Affiliate

Notes to Consolidated Financial Statements

Years Ended June 30, 2025 and 2024

Note 6 - Grants and Contracts Receivable, Payable and Deferred Revenue

The Organization operates under various grants and contracts. The Organization 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.

	June 30,	
	2025	2024
Grants and Contracts Receivable	\$ 461,753	\$ 143,827
Deferred revenue	42,365	128,877
Grants payable	404,823	358,250
Total grants payable	\$ 447,188	\$ 487,127

Note 7 - Leases

The Organization leases office space for its New Brunswick, New Jersey office and rents one 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. The components of lease expense are as follows for the year ended June 30, 2025:

	June 30,	
	2025	2024
Operating leases:		
Operating lease right-of-use assets	\$ 931,638	\$ 108,466
Operating lease liabilities, current	\$ 113,805	\$ 36,545
Operating lease liabilities, non-current	817,827	72,666
Total operating lease liabilities	\$ 931,632	\$ 109,211
Operating lease cost	\$ 136,385	\$ 162,308

Prevent Child Abuse - New Jersey Chapter, Inc. and Affiliate

Notes to Consolidated Financial Statements

Years Ended June 30, 2025 and 2024

Note 8 - Leases - Continued

	June 30,	
	2025	2024
Cash paid for amounts included in measurement of lease liabilities:		
Operating cash outflows - payments on operating leases	\$ 137,137	\$ 169,286
Right-of-use assets obtained in exchange for new lease obligations:		
Operating leases	\$ 938,821	\$ 132,525
Weighted-average remaining lease term:		
Operating leases	8.52 years	2.83 years
Weighted-average discount rate:		
Operating leases	2.3%	3.4%

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

	Operating Leases
Future Lease Payments	
2026	\$ 133,244
2027	129,952
2028	98,419
2029	101,100
2030	103,875
Thereafter	<u>457,522</u>
Total lease payments	1,024,112
Less imputed interest	<u>(92,480)</u>
Total present value of lease liabilities	<u>\$ 931,632</u>

Note 9 - Retirement Plan

The Organization 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 the Organization. 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 the Organization's policy to fund the plan currently. Employees are fully and immediately vested upon contributions to the Plan. For the years ended June 30, 2025 and 2024, the Organization contributed \$49,126 and \$47,999 to the Plan.

Prevent Child Abuse - New Jersey Chapter, Inc. and Affiliate

Notes to Consolidated Financial Statements

Years Ended June 30, 2025 and 2024

Note 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. For the years ended June 30, 2025 and 2024, board designated funds are \$668,995 and \$643,995, respectively.

	June 30,	
	2025	2024
Net assets without donor restrictions		
Board designated net assets	\$ 668,995	\$ 643,995
Undesignated	2,679,360	2,079,295
Total net assets without donor restrictions	<u>\$ 3,348,355</u>	<u>\$ 2,723,290</u>

Note 11 - Net Assets with Donor Restrictions

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

	June 30,	
	2025	2024
Purpose restrictions		
Technical assistance program	\$ 448	\$ 448
Weissman opportunity fund	38,250	38,250
Restricted in perpetuity		
Endowment fund	24,333	24,333
	<u>\$ 63,031</u>	<u>\$ 63,031</u>

Note 12 - Endowment Fund

The Organization'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 permanently restricted amount of net assets with donor restrictions represents contributions to the endowment fund. The Organization 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 the Organization 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, the Organization 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.

Prevent Child Abuse - New Jersey Chapter, Inc. and Affiliate

Notes to Consolidated Financial Statements

Years Ended June 30, 2025 and 2024

Note 12 - Endowment Fund - Continued

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 the Organization in a manner consistent with the standard of prudence prescribed by state law.

The Organization 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 the Organization 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 the Organization 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, the Organization 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

The Organization has a policy of appropriating for distribution amounts directed toward those special, unusual, or emergency needs of the Organization and toward current operating expenses of the Organization for purposes consistent with the Organization'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.

Prevent Child Abuse - New Jersey Chapter, Inc. and Affiliate

Notes to Consolidated Financial Statements

Years Ended June 30, 2025 and 2024

Note 12 - Endowment Fund - Continued

Changes in endowment assets for the years ended June 30, 2025 and 2024 are as follows:

	June 30,	
	2025	2024
Balance - beginning of year	\$ 24,333	\$ 24,333
Balance - end of year	\$ 24,333	\$ 24,333

Note 13 - Concentrations

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

Economic Dependency - Approximately 91 percent and 95 percent of the Organization's income for the years ended June 30, 2025 and 2024, respectively, was derived from Federal and State of New Jersey funding sources, the loss of which could have a material effect on the Organization.

The Organization conducts programs which are publicly supported by federal and state agencies. There are uncertainties regarding future fundings, which could have an adverse impact on the Organization's financial position. Management is currently assessing all programs and funding to make appropriate decisions to mitigate any losses should contracts be reduced or not renewed.

SUPPLEMENTARY INFORMATION

Prevent Child Abuse - New Jersey Chapter, Inc. and Affiliate

Combined Statements of Financial Position - By Affiliate

ASSETS	PCA-NJ	CWI	Elimination	Total
CURRENT ASSETS				
Cash and cash equivalents	\$ 2,238,695	\$ 755,156	\$ -	\$ 2,993,851
Investments	669,229	-	-	669,229
Grants and contracts receivable	461,753	-	-	461,753
Accounts receivable	60,912	7,803	(33,006)	35,709
Prepaid expenses	1,281	250	-	1,531
Total current assets	<u>3,431,870</u>	<u>763,209</u>	<u>(33,006)</u>	<u>4,162,073</u>
PROPERTY AND EQUIPMENT, NET	<u>12,901</u>	<u>-</u>	<u>-</u>	<u>12,901</u>
OTHER ASSETS				
Right of use assets	931,638	-	-	931,638
Security deposits	20,236	-	-	20,236
Total other assets	<u>951,874</u>	<u>-</u>	<u>-</u>	<u>951,874</u>
TOTAL ASSETS	<u>\$ 4,396,645</u>	<u>\$ 763,209</u>	<u>\$ (33,006)</u>	<u>\$ 5,126,848</u>
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Accounts payable and accrued expenses	\$ 340,917	\$ 28,731	\$ (33,006)	\$ 336,642
Deferred revenue	42,365	-	-	42,365
Grants and contracts payable	404,823	-	-	404,823
Obligations under lease liabilities - short term	113,805	-	-	113,805
Total current liabilities	<u>901,910</u>	<u>28,731</u>	<u>(33,006)</u>	<u>897,635</u>
LONG-TERM LIABILITIES				
Obligations under lease liabilities - long term	817,827	-	-	817,827
Total long-term liabilities	<u>817,827</u>	<u>-</u>	<u>-</u>	<u>817,827</u>
NET ASSETS				
Without Donor Restrictions				
Undesignated	1,944,882	734,478	-	2,679,360
Board designated	668,995	-	-	668,995
	<u>2,613,877</u>	<u>734,478</u>	<u>-</u>	<u>3,348,355</u>
With Donor Restrictions				
Total net assets	<u>63,031</u>	<u>-</u>	<u>-</u>	<u>63,031</u>
	<u>2,676,908</u>	<u>734,478</u>	<u>-</u>	<u>3,411,386</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 4,396,645</u>	<u>\$ 763,209</u>	<u>\$ (33,006)</u>	<u>\$ 5,126,848</u>

See Independent Auditor's Report.

Prevent Child Abuse - New Jersey Chapter, Inc. and Affiliate

Combined Statements of Activities and Changes in Net Assets - By Affiliate

	<u>PCA- NJ</u>	<u>CWI</u>	<u>Elimination</u>	<u>Total</u>
REVENUES AND SUPPORT				
Grants and contracts	\$ 8,066,938	\$ 25,400	\$ -	\$ 8,092,338
Program fee revenue	145,434	113,769	-	259,203
Contributions	187,604	73,357	(25,000)	235,961
Other income	10,230	200	-	10,430
In-kind donations	12,318	-	-	12,318
Investment income	146,021	17,679	-	163,700
Special events income	8,913	65,240	-	74,153
Total revenue and support	<u>8,577,458</u>	<u>295,645</u>	<u>(25,000)</u>	<u>8,848,103</u>
EXPENSES				
Program services	7,161,025	108,864	(12,500)	7,257,389
Management and general	779,130	29,500	(12,500)	796,130
Fundraising	168,802	717	-	169,519
Total expenses	<u>8,108,957</u>	<u>139,081</u>	<u>(25,000)</u>	<u>8,223,038</u>
CHANGES IN NET ASSETS	468,501	156,564	-	625,065
NET ASSETS - BEGINNING OF THE YEAR				
Without donor restrictions	2,145,376	577,914	-	2,723,290
With donor restrictions	63,031	-	-	63,031
Total net assets beginning of the year	<u>2,208,407</u>	<u>577,914</u>	<u>-</u>	<u>2,786,321</u>
NET ASSETS - END OF THE YEAR				
Without donor restrictions	2,613,877	734,478	-	3,348,355
With donor restrictions	63,031	-	-	63,031
Total net assets end of the year	<u>\$ 2,676,908</u>	<u>\$ 734,478</u>	<u>\$ -</u>	<u>\$ 3,411,386</u>

See Independent Auditor's Report.

Prevent Child Abuse - New Jersey Chapter, Inc. and Affiliate

Combined Statement of Functional Expenses - By Affiliate

	PCA - NJ				CWI			
	Total Program Services	Management and General	Fundraising	Total	Total Program Services	Management and General	Fundraising	Total
Salaries	\$ 3,834,332	\$ 488,902	\$ 85,446	\$ 4,408,680	\$ -	\$ -	\$ -	\$ -
Fringe benefits	1,209,111	148,577	26,204	1,383,892	-	-	-	-
Subgrant expense	1,272,688	-	-	1,272,688	-	-	-	-
Consultants and professional fees	369,305	34,966	8,107	412,378	69,109	4,500	-	73,609
Rent expense	135,870	31,105	8,364	175,339	-	-	-	-
Utilities	14,178	3,411	909	18,498	-	-	-	-
Telephone expense	58,638	6,312	1,033	65,983	52	-	-	52
Advertising	806	15,514	9,696	26,016	753	-	-	753
Conferences	39,651	2,500	-	42,151	-	-	-	-
Educational material	7,705	-	1,450	9,155	5,991	-	-	5,991
Equipment rental and maintenance	25,620	3,052	4,160	32,832	-	-	-	-
Non capitalizable equipment	7,397	-	-	7,397	-	-	-	-
Insurance	27,192	3,025	617	30,834	-	-	-	-
Office expense	10,092	7,508	99	17,699	35	-	-	35
Payroll Processing	9,455	1,139	207	10,801	-	-	-	-
Postage	3,224	395	602	4,221	403	-	-	403
Printing	4,561	192	6,457	11,210	-	-	-	-
Professional training	35,455	1,777	1,070	38,302	26,594	-	-	26,594
Travel Expense	42,668	6,880	4,702	54,250	854	-	175	1,029
Depreciation	-	11,028	-	11,028	-	-	-	-
Miscellaneous	10,917	-	4,021	14,938	80	25,000	542	25,622
Dues and subscriptions	42,160	12,847	5,658	60,665	4,993	-	-	4,993
Event expenses	-	-	-	-	-	-	41,929	41,929
	<u>\$ 7,161,025</u>	<u>\$ 779,130</u>	<u>\$ 168,802</u>	<u>\$ 8,108,957</u>	<u>\$ 108,864</u>	<u>\$ 29,500</u>	<u>\$ 42,646</u>	<u>\$ 181,010</u>
Less: donor received benefits net with special event revenue	-	-	-	-	-	-	(41,929)	(41,929)
Total functional expenses	<u>\$ 7,161,025</u>	<u>\$ 779,130</u>	<u>\$ 168,802</u>	<u>\$ 8,108,957</u>	<u>\$ 108,864</u>	<u>\$ 29,500</u>	<u>\$ 717</u>	<u>\$ 139,081</u>

See Independent Auditor's Report.

Prevent Child Abuse - New Jersey Chapter, Inc. and Affiliate

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2025

Federal Grantor/New Jersey Pass Through Grantor/Program or Cluster Title	Assistance Listing #	NJ Pass-Through Grantor's Number/ Contract Number	Federal Expenditures
U.S. Department of Health and Human Services:			
Passed through State of New Jersey			
Department of Children and Families			
Division of Child Protection and Permanency			
Temporary Assistance for Needy Families -Early Start Kids Needs	93.558	MF0048	\$ 84,229
Temporary Assitanc for Needy Families- Initiative for Parents	93.558	MF0049	368,381
			452,610
MaryLee Allen Promoting Safe and Stable Families - Title IV	93.556	MF0049	175,849
Maternal, Infant, & Early Childhood Home Visiting Grant Program - Home Visiting	93.870	MF0049	166,488
Maternal, Infant, & Early Childhood Home Visiting Grant Program - Home Visiting	93.870	MF0052	79,790
Maternal, Infant, & Early Childhood Home Visiting Grant Program - Essex	93.870	MF0053	91,070
			337,348
Division of Child Protection and Permanency			
Community Based Child Abuse Prevention Grants - Adverse Childhood Experiences	93.590	MF0269	358,029
Division of Family and Community Partnerships			
Community Based Child Abuse Prevention Grants - Early Childhood Prevention	93.590	MF0284	118,492
			476,521
Department of Human Services, Division of Family Development			
Child Care Mandatory and Matching Funds of the Child Care and Development Fund - GROW	93.596	TA25001	2,169,980
Total Federal Awards			\$ 3,612,308

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. and Affiliate

Schedule of Expenditures of State Financial Assistance

Year Ended June 30, 2025

<u>State Grantor Department/ Program Title</u>	<u>State Grant Award Number</u>	<u>Grant Award Period</u>		<u>Fiscal Year Grant Expenditures</u>	<u>Total Grant Expenditures To Date</u>
		<u>From</u>	<u>To</u>		
New Jersey Department of Children and Families Division of Family and Community Partnerships Parent Linking Project - Child Care	MF0001	7/1/2024	- 6/30/2025	\$ 255,503	\$ 255,503
Division of Child Protection and Permanency Healthy Families Program - Home Visiting	MF0049	7/1/2024	- 6/30/2025	780,161	780,161
Parenting Education Technical Assistance	MF0048	7/1/2024	- 6/30/2025	164,059	164,059
Essex Pregnancy and Parenting Connection	MF0053	7/1/2024	- 6/30/2025	696,504	696,504
Maternal, Infant, & Early Childhood - Home Visiting	MF0052	7/1/2024	- 6/30/2025	166,379	166,379
Adverse Childhood Experiences	MF0269	10/1/2022	- 9/30/2025	358,179	358,179
Essex Pregnancy and Parenting Connection	MF0288	7/1/2024	- 6/30/2025	164,630	164,630
Powerful Families, Powerful Communities	MF0284	7/1/2024	- 6/30/2025	198,078	198,078
				<u>2,527,990</u>	<u>2,527,990</u>
New Jersey Department of Human Services Division of Family Development GROW NJ Kids - Technical Assistance	TA25001	7/1/2024	- 6/30/2025	5,189,921	5,189,921
Total State Financial Assistance				<u>\$ 7,973,414</u>	<u>\$ 7,973,414</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. and Affiliate

Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance

Year Ended June 30, 2025

Note 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 The Organization. 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.

Note 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.

Note 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.

Note 4 - Indirect Cost

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

**Report on Internal Control Over Financial Reporting and on Compliance and
Other Matters Based on an Audit of Financial Statements Performed in Accordance
With Government Auditing Standards**

Independent Auditor's Report

To the Board of Trustees
Prevent Child Abuse - New Jersey Chapter, Inc. and Affiliate
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 Affiliate which comprise the consolidated statements of financial position as of June 30, 2025 and the related consolidated statements of activities and changes in net assets, cash flows, and functional expenses for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated February 3, 2026

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 Affiliate's internal control over financial reporting (internal control) as a basis for designing 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 Affiliate's internal control. Accordingly, we do not express an opinion on the effectiveness of Prevent Child Abuse - New Jersey Chapter, Inc. and Affiliate'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 Affiliate'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 organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Sax LLP

Parsippany, New Jersey
February 3, 2026

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

Independent Auditor's Report

To the Board of Trustees
Prevent Child Abuse - New Jersey Chapter, Inc. and Affiliate
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 Affiliate'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 Affiliate's major federal and state programs for the year ended June 30, 2025. Prevent Child Abuse - New Jersey Chapter, Inc. and Affiliate'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 Affiliate complied, in all material respects, with the 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, 2025.

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* 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 Affiliate 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 Affiliate'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 Affiliate 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 Affiliate'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 Affiliate'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 Affiliate'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 Affiliate'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 Affiliate'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. Given these limitations, during our audit we did not identify any 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
February 3, 2026

Prevent Child Abuse - New Jersey Chapter, Inc. and Affiliate

Schedule of Findings and Questioned Costs - Federal Awards

Year Ended June 30, 2025

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>ALN</u>	<u>Program</u>
93.596	Child Care Mandatory and Matching Funds of the Child Care and Development Fund

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. and Affiliate

Schedule of Findings and Questioned Costs - State Awards

Year Ended June 30, 2025

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>Contract</u>	<u>Program</u>
MF0049 TA25001	Healthy Families Program – Home Visiting GROW NJ Kids Technical Assistance

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 STATE AWARDS

None

Prevent Child Abuse - New Jersey Chapter, Inc. and Affiliate

Schedule of Prior Year Findings

Year Ended June 30, 2025

There were no findings in the prior year.