Prevent Child Abuse New Jersey™

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

Combined Financial Statements

Years Ended June 30, 2024 and 2023

With Independent Auditor's Reports

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

To the 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, 2024 and 2023, 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, 2024 and 2023, 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 19, 2024 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 19, 2024

Prevent Child Abuse - New Jersey Chapter, Inc. and Affiliate
Combined Statements of Financial Position
June 30, 2024 and 2023

	2024	2023
Assets		
Current assets		
Cash and cash equivalents	$ 2,861,563	$ 2,510,605
Investments	597,089	551,635
Grants and contracts receivable	143,827	336,541
Accounts receivable	28,461	44,063
Prepaid expenses	13,632	138,792
Total current assets	3,644,572	3,581,636
Property and equipment, net	23,929	46,846
Other assets		
Right of use assets	108,466	341,909
Security deposits	20,236	13,238
Total other assets	128,702	355,147
	$ 3,797,203	$ 3,983,628
Liabilities and Net Assets		
Current liabilities		
Accounts payable and accrued expenses	$ 414,544	$ 364,233
Deferred revenue	128,877	132,696
Grants and contracts payable	358,250	694,306
Obligations under lease liabilities - short term	36,545	141,735
Total current liabilities	938,216	1,332,970
Obligations under lease liabilities - long term	72,666	150,887
Net assets		
Without Donor Restrictions		
Undesignated	2,079,295	1,843,607
Board designated	643,995	593,133
	2,723,290	2,436,740
With Donor Restrictions	63,031	63,031
Total net assets	2,786,321	2,499,772
	$ 3,797,203	$ 3,983,629

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

Prevent Child Abuse - New Jersey Chapter, Inc. and Affiliate
Combined Statements of Activities and Changes in Net Assets
Years Ended June 30, 2024 and 2023

	2024			2023		
	Without Donor Restrictions	**With Donor Restrictions**	**Total**	**Without Donor Restrictions**	**With Donor Restrictions**	**Total**
Support and revenues						
Grants and contracts	$ 7,183,789	$ -	$ 7,183,789	$ 7,327,586	$ -	$ 7,327,586
Program fee revenue	170,599	-	170,599	173,750	-	173,750
Contributions	227,522	-	227,522	162,353	-	162,353
Other income	5,716	-	5,716	4,628	-	4,628
In-kind donations	12,888	-	12,888	6,761	-	6,761
Investment (loss) income	81,505	-	81,505	29,264	-	29,264
Special events income, (net of donor received benefits of $48,653 and $38,080 in 2024 and 2023 respectively	61,408	-	61,408	71,722	-	71,722
	7,743,427	-	7,743,427	7,776,064	-	7,776,064
Net assets released from restrictions	-	-	-	11,000	(11,000)	-
	7,743,427	-	7,743,427	7,787,064	(11,000)	7,776,064
Expenses						
Program services	6,549,361	-	6,549,361	6,520,813	-	6,520,813
Management and general	777,482	-	777,482	669,246	-	669,246
Fundraising	130,035	-	130,035	132,654	-	132,654
	7,456,878	-	7,456,878	7,322,713	-	7,322,713
Changes in net assets	286,549	-	286,549	464,351	(11,000)	453,351
Net assets, beginning year	2,436,741	63,031	2,499,772	1,972,390	74,031	2,046,421
, end of year	$ 2,723,290	$ 63,031	$ 2,786,321	$ 2,436,741	$ 63,031	$ 2,499,772

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

Prevent Child Abuse - New Jersey Chapter, Inc. and Affiliate
Combined Statements of Cash Flows
Years Ended June 30, 2024 and 2023

	2024	2023
Cash flows from operating activities		
Changes in net assets	$ 286,549	$ 453,351
Adjustments to reconcile changes in net assets		
to net cash (used) provided by operating activities		
Depreciation	29,387	41,113
Realized (gain) on investments	(7,341)	(5,011)
Unrealized (gain) on investments	(38,113)	(7,796)
Amortization of right of use asset	233,443	192,007
Changes in assets and liabilities		
Grants and contracts receivable	192,714	104,656
Accounts receivable	15,602	(2,144)
Prepaid expenses	125,160	(44,531)
Security deposits	(6,998)	-
Accounts payable and accrued expenses	50,311	29,950
Operating lease liability	(183,411)	(241,293)
Grants and contracts payable	(336,056)	(332,397)
Deferred revenue	(3,819)	132,696
Net cash provided by operating activities	357,428	320,602
Cash flows from investing activities		
Additions to property and equipment	(6,470)	(27,386)
Purchases of investments	-	(44,465)
Net cash used by investing activities	(6,470)	(71,851)
Net increase in cash and cash equivalents	350,958	248,751
Beginning of year - Cash and Cash Equivalents	2,510,605	2,261,854
Total End of year Cash and Cash Equivalents	$ 2,861,563	$ 2,510,605

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

Prevent Child Abuse - New Jersey Chapter, Inc. and Affiliate
Combined Statement 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
Consultants and professional fees	455,450	66,533	1,617	523,600
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	978	319	3,972	5,268
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	3,472	51,825
Subgrant expense	685,935	-	-	685,935
Event expenses	-	-	48,653	48,653
	$ 6,549,361	$ 777,482	$ 178,688	$ 7,505,531
Less: donor received benefits net with special event revenue	-	-	(48,653)	(48,653)
Total functional expenses	$ 6,549,361	$ 777,482	$ 130,035	$ 7,456,878

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

Prevent Child Abuse - New Jersey Chapter, Inc. and Affiliate
Combined Statement of Functional Expenses
Year Ended June 30, 2023

	Program Services	Management and General	Fundraising	Total
Salaries	$ 3,293,883	$ 464,739	$ 84,453	$ 3,843,075
Fringe Benefits	920,854	91,477	11,296	1,023,627
Consultants/Professional Fees	269,652	30,576	4,203	304,431
Rent Expense	221,186	(18,605)	9,190	211,771
Utilities	16,788	2,018	553	19,359
Telephone Expense	57,716	3,439	834	61,989
Advertising	4,599	5,343	8,368	18,310
Conferences	26,986	1,175	-	28,161
Educational Material	27,415	-	-	27,415
Equipment Rental & Maintenance	17,691	3,189	1,119	21,999
Non Capitalizable Equipment	355	-	-	355
Insurance	20,498	2,872	555	23,925
Office Expense	12,849	6,392	395	19,636
Payroll Processing	2,357	2,865	-	5,222
Postage	3,009	194	1,328	4,531
Printing	3,724	61	4,649	8,434
Professional Training	85,881	2,043	17	87,941
Travel Expense	28,199	11,388	2,095	41,682
Depreciation	-	41,113	-	41,113
Miscellaneous	-	8,455	10	8,465
Dues & Subscriptions	39,284	10,512	3,589	53,385
Subgrant Expense	1,467,887	-	-	1,467,887
	$ 6,520,813	$ 669,246	$ 132,654	$ 7,322,713

The Notes to Combined 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 combined financial statements include the accounts of Prevent Child Abuse – New Jersey Chapter, Inc and the Child Wellness Institute, Inc. Hereinafter, the combined 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 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 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, 2024 and 2023, PCA-NJ had accounting transactions in the net assets without donor restrictions category. Net assets with donor restrictions represent net assets subject to donor imposed time or purpose restrictions, or donor imposed restrictions that will not expire with the passage of time nor be fulfilled or otherwise resolved by actions of PCA-NJ. 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 affiliate 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 affiliate receive funding from grant agencies that is cost reimbursement in nature. Grant agencies are not directly receiving commensurate value for the services provided to consumers, therefore grant revenue follows recognition guidance under ASC Topic 958. Funds are required to be spent in accordance with the approved budget and allowable cost guidelines from the state and federal government, therefore making the funding received a conditional contribution under ASC Topic 958 guidance. Support is recognized as income as conditions are met, such as costs are incurred and services are provided to consumers. Grant dollars received in advance of conditions being met are recorded as a liability until earned. Funds not spent by the end of the contract period are recognized as grants and contracts payable due back to the state of New Jersey on the statement of financial position. Funds received and not spent during the contract period are recognized as deferred revenue on the statement of financial position.

PCA-NJ recognizes program fee revenues in accordance with ASC 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 over time at the time the fundraising event occurs.

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

Accounts Receivable and Collections
PCA-NJ's and its affiliate'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 affiliate 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 affiliate have determined based on this review that no allowance for doubtful accounts was necessary at June 30, 2024 or 2023.

On July 1, 2023, the Company adopted ASU 2016-13, the Company Financial Instruments – Credit Losses (Topic 326). Financial assets, which potentially subject the Company to credit losses, consist primarily of accounts receivables. Expected losses are recorded to an allowance account for credit losses valuation account that is net against the corresponding asset to present the net amount expected to be collected on the financial asset. The credit loss allowance is determined through analysis of the financial assets and assessments of risk that are based on historical trends and evaluation of the impact of current and projected economic conditions.

Based on the analysis performed on the open accounts receivable again and detail analysis of the customers, the Company did not record an allowance for bad debt as of June 30, 2024. The impact of the adoption was not considered material to the financial statements and primarily results in new/enhanced disclosures only.

2. Summary of Significant Accounting Policies - Continued

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 affiliate consider 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, if purchased, or at fair value, if donated. Thereafter, investments are reported at fair value in the Combined Statements of Financial Position, and changes in fair value are reported as investment income in the Combined 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.

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.

Princeton Area Community Foundation: 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.

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.
>
> **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.

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
PCA-NJ and its affiliate 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, 2024 and 2023, 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 affiliate had no unrecognized tax benefits at June 30, 2024 or 2023. 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 $20,958 and $18,310 in 2024 and 2023, respectively.

Reclassifications
Certain reclassifications were made to prior year amounts to conform with the current year presentation. The reclassification did not result in a change in the overall net assets.

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.

2. Summary of Significant Accounting Policies - Continued

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.

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 December 19, 2024, the date the financial statements were available to be issued.

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 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.

3. Liquidity and Funds Availability - Continued

At June 30, 2024 and 2023, financial assets available within one year of the balance sheet date for general expenditures are as follows:

	2024	2023
Cash and cash equivalents	$ 2,861,563	$ 2,510,605
Grants and contracts receivable	143,827	336,541
Accounts receivable	28,461	44,063
Investments	597,089	551,635
	3,630,940	3,442,844
Less: amounts unavailable for general expenditures within one year		
Grants and contracts payable	358,250	694,306
Board designated net assets	643,995	593,133
Donor restricted net assets	63,031	63,031
Amount available for general expenditures within one year of the statement of financial position date	$ 2,565,664	$ 2,092,374

4. Investments

PCA-NJ has investments that contain no restrictions, investments that are board designated, and investments that are permanently restricted by donors. Investments are as follows at June 30:

	2024	2023
Investments unrestricted and undesignated	$ 42,094	$ 47,503
Investments - board designated	554,995	504,133
Total investments	$ 597,089	$ 551,636

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. Thus, it is recorded at NAV by the foundation and has been excluded from the fair market value hierarchy.

4. Investments - Continued

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:

	2024	2023
Level 1	$ 354,084	$ 331,162

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, 2024 and 2023:

	2024	2023
Interest and Dividends	$ 35,667	$ 16,708
Realized gains (loss)	7,431	(250)
Realized gains (loss) - unrestricted	43,816	16,536
Unrealized gain (loss) - board designated and donor restricted	(5,409)	(3,730)
Total investment return	$ 81,505	$ 29,264

5. Property and Equipment

Property and equipment consisted of the following at June 30, 2024 and 2023:

	2024	2023
Office Equipment	$ 503,622	$ 497,152
Less: Accumulated Depreciation	(479,693)	(450,306)
Property and Equipment, Net	$ 23,929	$ 46,846

Depreciation expense for the years ended June 30, 2024 and 2023 was $29,387 and $41,113, respectively.

6. Contributions Receivable

PCA-NJ has contributions receivable of $0 and $0 at June 30, 2024 and 2023, respectively. These contributions are from foundations, corporations, and individuals.

7. Grants and Contracts Receivable, Payable and Deferred Revenue

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

	2024	2023
Grants and Contracts Receivable	$ 143,827	$ 336,541
Deferred Revenue	128,877	132,696
Grants Payable	358,250	694,306
Total Grants Payable	$ 487,127	$ 827,002

8. Leases

PCA-NJ 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, 2024:

	2024	2023
Operating leases:		
Operating lease right-of-use assets	$ 108,466	$ 341,909
Operating lease liabilities, current	$ 36,545	$ 141,735
Operating lease liabilities, non-current	72,666	150,887
Total operating lease liabilities	$ 109,211	$ 292,622
Operating lease cost	$ 162,308	$ 146,742

8. Leases - Continued

	2024	2023
Cash paid for amounts included in measurement of lease liabilities:		
Operating cash outflows - payments on operating leases	$ 169,286	$ 212,327
Right-of-use assets obtained in exchange for new lease obligations:		
Operating leases	$ 132,525	$ 481,939
Weighted-average remaining lease term:		
Operating leases	2.83 years	4.58 years
Weighted-average discount rate:		
Operating leases	3.4%	2.8%

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

	Operating Leases
Future Lease Payments	
2025	$ 39,616
2026	40,483
2027	34,412
Total lease payments	114,511
Less imputed interest	(5,300)
Total present value of lease liabilities	$ 109,211

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, 2024 and 2023, PCA-NJ contributed $47,999 and $43,980 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, 2024 and 2023, components of net assets without donor restrictions were as follows:

	2024	2023
Net assets without donor restrictions		
Board designated net assets	$ 643,996	$ 593,133
Undesignated	2,079,294	1,843,607
Total net assets without donor restrictions	$ 2,723,290	$ 2,436,740

11. Net Assets with Donor Restrictions

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

	2024	2023
Purpose restrictions		
Techical assistance program	$ 448	$ 448
Weissman opportunity fund	38,250	38,250
Time restrictions	-	-
Restricted in perpetuity		
Endowment fund	24,333	24,333
	$ 63,031	$ 63,031

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 permanently restricted amount of net assets with donor restrictions represents contributions to the endowment fund. PCA-NJ has established an endowment policy consistent with the Uniform Prudent Management of Institutional Funds Act (“UPMIFA”). The earnings of the funds are restricted or unrestricted based on directives from donors or the Board.

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

12. Endowment Fund - Continued

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

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

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

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

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

Changes in endowment assets for the year end June 30, 2024 and 2023 are as follows:

	2024	2023
Balance - beginning of year	$ 24,333	$ 24,333
Contributions	-	-
Balance - end of year	$ 24,333	$ 24,333

13. In-Kind Donations

PCA-NJ and its affiliate received donated materials of $12,888 and $6,761 in 2024 and 2023, respectively, which the Organization records based on retail value of identical or similar products. There were no donated services in either year.

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 95 percent and 89 percent of PCA-NJ’s income for the years ended June 30, 2024 and 2023, 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. Subsequent Events

On July 31, 2024 the Organization signed a lease for approximately 4,342 square feet of office space in North Brunswick, NJ. Concurrently with the execution of this lease, the organization gave notice to the landlord of the premises totaling approximately 6,718 square feet of office space in New Brunswick, NJ and negotiated a month to month lease. The move and reduction in office space is expected to save approximately $40,000 per annum.

SUPPLEMENTARY INFORMATION

Prevent Child Abuse - New Jersey Chapter, Inc. and Subsidiary
Statements of Financial Position - By Affiliate
June 30, 2024

Assets	**PCA-NJ**	**CWI**	**Elimination**	**Total**
Current assets				
Cash and cash equivalents	$ 2,228,423	$ 633,140	$ -	$ 2,861,563
Investments	597,089	-	-	597,089
Grants and contracts receivable	143,827	-	-	143,827
Accounts receivable	77,035	22,365	(70,939)	28,461
Prepaid expenses	13,632	-	-	13,632
Total current assets	3,060,006	655,505	(70,939)	3,644,572
Property and equipment, net	23,929	-	-	23,929
Other assets				
Right of use assets	108,466	-	-	108,466
Security deposits	20,236	-	-	20,236
Total other assets	128,702	-	-	128,702
	$ 3,212,637	$ 655,505	$ (70,939)	$ 3,797,203
Liabilities and Net Assets				
Current liabilities				
Accounts payable and accrued expenses	$ 407,892	$ 77,591	$ (70,939)	$ 414,544
Deferred revenue	128,877	-	-	128,877
Grants and contracts payable	358,250	-	-	358,250
Obligations under lease liabilities - short term	36,545	-	-	36,545
Total current liabilities	931,564	77,591	(70,939)	938,216
Obligations under lease liabilities - long term	72,666	-	-	72,666
Net assets				
Without Donor Restrictions				
Undesignated	1,501,381	577,914		2,079,295
Board designated	643,995			643,995
	2,145,376	577,914	-	2,723,290
With Donor Restrictions	63,031	-	-	63,031
Total net assets	2,208,407	577,914	-	2,786,321
	$ 3,212,637	$ 655,505	$ (70,939)	$ 3,797,203

See Independent Auditor’s Report.

Prevent Child Abuse - New Jersey Chapter, Inc. and Affiliate
Statements of Activities and Changes in Net Assets - By Affiliate
For the Year Ended June 30, 2024

	PCA- NJ	CWI	Elimination	Total
Support and revenues				
Grants and contracts	$ 7,172,139	$ 11,650	-	$ 7,183,789
Program fee revenue	78,259	92,340	-	170,599
Contributions	212,628	39,894	(25,000)	227,522
Other income	5,716	-	-	5,716
In-kind donations	12,888	-	-	12,888
Investment (loss) income	79,868	1,637	-	81,505
Special events income	6,989	54,419	-	61,408
	7,568,487	199,940	(25,000)	7,743,427
Expenses				
Program services	6,467,791	94,070	(12,500)	6,549,361
Management and general	775,699	14,283	(12,500)	777,482
Fundraising	130,035	-	-	130,035
	7,373,525	108,353	(25,000)	7,456,878
Changes in net assets	194,962	91,587	-	286,549
Net assets - beginning of the year				
Without donor restrictions	1,950,415	486,326	-	2,436,741
With donor restrictions	63,031	-	-	63,031
Total net assets beginning of the year	2,013,446	486,326	-	2,499,772
Net assets - end of the year				
Without donor restrictions	2,145,377	577,913	-	2,723,290
With donor restrictions	63,031	-	-	63,031
Total net assets end of the year	$ 2,208,408	$ 577,913	$ -	$ 2,786,321

See Independent Auditor’s Report.

Prevent Child Abuse - New Jersey Chapter, Inc. and Affiliate
Statements of Functional Expenses - By Affiliate
For the year ended June 30, 2024

	PCA - NJ				CWI			
	Total Program Services	Management and General	Fundraising	Total	Total 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	-	-	-	-
Consultants and professional fees	397,828	62,033	1,617	461,479	57,622	4,500	-	62,122
Rent expense	246,828	40,899	11,998	299,725	-	-	-	-
Utilities	15,123	2,252	619	17,994	-	-	-	-
Telephone expense	61,807	4,221	873	66,900	52	-	-	52
Advertising	5,437	13,739	1,181	20,358	601	-	-	601
Conferences	32,751	-	221	32,972	-	-	-	-
Educational material	4,261	-	-	4,261	12,632	-	-	12,632
Equipment rental and maintenance	18,329	3,404	1,240	22,973	-	-	-	-
Insurance	23,120	3,481	599	27,200	-	-	-	-
Office expense	18,165	6,742	81	24,987	183	198	-	381
Postage	1,902	331	1,383	3,616	223	-	-	223
Printing	978	319	3,972	5,268	-	-	-	-
Professional training	59,084	6,805	-	65,889	2,929	-	-	2,929
Travel Expense	62,019	8,125	5,138	75,282	1,779	-	-	1,779
Depreciation	-	29,387	-	29,387	-	-	-	-
Miscellaneous	13,954	1,107	3,785	18,846	12,722	9,585	-	22,307
Dues and subscriptions	38,746	10,530	3,472	52,748	5,327	-	-	5,327
Subgrant expense	685,935	-	-	685,935	-	-	-	-
Event expenses	-	-	-	-	-	-	48,653	48,653
	$ 6,467,791	$ 775,699	$ 130,035	$ 7,373,525	$ 94,070	$ 14,283	$ 48,653	$ 157,006
Less: donor received benefits net with special event revenue	-	-	-	-	-	-	(48,653)	(48,653)
Total functional expenses	$ 6,467,791	$ 775,699	$ 130,035	$ 7,373,525	$ 94,070	$ 14,283	$ -	$ 108,353

See Independent Auditor’s Report.

Prevent Child Abuse – New Jersey Chapter, Inc.
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

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	$ 26,823
Temporary Assitanc for Needy Families- Initiative for Parents	93.558	MF0049	377,604
			404,427
MaryLee Allen Promoting Safe and Stable Families - Title IV	93.556	MF0049	156,365
Maternal, Infant, & Early Childhood Home Visiting Grant Program - Home Visiting	93.870	MF0049	45,178
Maternal, Infant, & Early Childhood Home Visiting Grant Program - Home Visiting	93.870	MF0052	261,045
Maternal, Infant, & Early Childhood Home Visiting Grant Program - Essex	93.870	MF0053	186,870
			493,093
Division of Child Protection and Permanency			
Community Based Child Abuse Prevention Grants - Adverse Childhood Experiences	93.590	MF0269	271,732
Division of Family and Community Partnerships			
Community Based Child Abuse Prevention Grants - Early Childhood Prevention	93.590	MF0284	128,933
			400,665
Department of Children and Families			
Division of Child Protection and Permanency			
Preschool Development Grant - Birth thru Five	93.434	MF0288	149,252
Department of Human Services, Division of Family Development			
Preschool Development Grant - Birth thru Five	93.434	TA23001	312,000
			461,252
Department of Children and Families			
Division of Child Protection and Permanency			
Foster Care Title IV-E - Powerful Families, Powerful Communities	93.658	MF0284	94,650
Division of Youth and Family Services			
Foster Care Title IV-E - Training & Technical Assistance, Co-Design	93.658	MF0268	321,246
			415,896
Department of Human Services, Division of Family Development			
Child Care Mandatory and Matching Funds of the Child Care and Development Fund - GROW	93.596	TA23001	2,165,575
Total U.S. Department of Health and Human Services			**4,497,273**
Total Federal Awards			**$ 4,497,273**

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, 2024

State Grantor Department/ Program Title	State Grant Award Number	Grant Award Period From	To	Fiscal Year Grant Expenditures	Total Grant Expenditures To Date
New Jersey Department of Children and Families					
Division of Family and Community Partnerships					
Parent Linking Project - Child Care	MF0001	7/1/2023	6/30/2024	$ 266,047	$ 266,047
Division of Child Protection and Permanency					
Healthy Families Program - Home Visiting	MF0049	7/1/2023	6/30/2024	631,519	631,519
Parenting Education Technical Assistance	MF0048	7/1/2023	6/30/2024	74,617	74,617
Essex Pregnancy and Parenting Connection	MF0053	7/1/2023	6/30/2024	450,517	450,517
Maternal, Infant, & Early Childhood - Home Visiting	MF0052	7/1/2023	6/30/2024	261,045	261,045
Adverse Childhood Experiences	MF0269	10/1/2022	9/30/2025	271,732	330,817
Essex Pregnancy and Parenting Connection	MF0288	7/1/2023	6/30/2024	149,252	149,252
Powerful Families, Powerful Communities	MF0284	7/1/2023	6/30/2024	304,855	304,855
				2,143,537	2,202,622
Division of Youth and Family Services					
Training & Technical Assistance, Co-Design	MF0268	7/1/2023	6/30/2024	321,246	321,246
New Jersey Department of Human Services					
Division of Family Development					
GROW NJ Kids - Technical Assistance	TA23001	7/1/2023	6/30/2024	4,426,011	4,426,011
Total State Financial Assistance				$ 7,156,841	$ 7,215,926

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

To the 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, 2024 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 thereon dated December 19, 2024.

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 19, 2024

**Report On Compliance For Each Major Federal and State Program;
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 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, 2024. 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, 2024.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards 5*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and *NJ OMB Circular 15-08*. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Prevent Child Abuse - New Jersey Chapter, Inc. and Subsidiary's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance 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. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weakness, 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 19, 2024

Prevent Child Abuse - New Jersey Chapter Inc. and Subsidiary

Schedule of Findings and Questioned Costs - Federal Awards

Year Ended June 30, 2024

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	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.
Schedule of Prior Year Findings
Year Ended June 30, 2024

There were no findings in the prior year.