

Passaic County Court Appointed Special Advocates, Inc.

***Reports on Audits of Financial Statements
For the Years Ended June 30, 2023 and 2022***



McIntee Fusaro Del Corral, LLC
Certified Public Accountants & Forensic Consultants

Passaic County Court Appointed Special Advocates, Inc.

Table of Contents

| | Page |
|---|-------------|
| Independent Auditors' Report | 1 - 3 |
| Financial Statements: | |
| Statements of Financial Position | 4 |
| Statements of Activities and Changes in Net Assets | 5 |
| Statements of Functional Expenses | 6 |
| Statements of Cash Flows | 7 |
| Notes to Financial Statements | 8 - 17 |
| Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> | 18 - 19 |
| Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance | 20 - 21 |
| Schedule of Expenditures of Federal Awards | 22 |
| Schedule of Expenditures of State Awards | 23 |
| Notes to the Schedules of Expenditures of Federal and State Awards | 24 |
| Schedule of Findings and Questioned Costs | 25 - 26 |



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Independent Auditors' Report

To the Board of Trustees of
Passaic County Court Appointed Special Advocates, Inc.
Wayne, NJ

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Passaic County Court Appointed Special Advocates, Inc. (a nonprofit organization) which comprise the statement of financial position as of June 30, 2023 and 2022, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Passaic County Court Appointed Special Advocates, Inc. as of June 30, 2023 and 2022, and the changes in its net assets and its 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 audit in accordance with auditing standards generally accepted in the United States of America and 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 Passaic County Court Appointed Special Advocates, Inc. and to meet our other ethical responsibilities, in accordance with the 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 audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*; we:

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



Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal and state awards, as required by Title 2 U.S. Code of Federal Regulations 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 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion the schedule of expenditures of federal and state awards is fairly stated, in all material respects, in relation to the 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 March 20, 2024, on our consideration of Passaic County Court Appointed Special Advocates, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to solely 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 Passaic County Court Appointed Special Advocates, Inc.'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 Passaic County Court Appointed Special Advocates, Inc.'s internal control over financial reporting and compliance.



McIntee Fusaro Del Corral, LLC

March 20, 2024
Fairfield, New Jersey



Passaic County Court Appointed Special Advocates, Inc.
Statements of Financial Position
June 30, 2023 and 2022

| | 2023 | 2022 |
|---|-------------------------|-------------------------|
| ASSETS | | |
| Assets: | | |
| Cash | \$ 751,121 | \$ 976,252 |
| Investments (Note C) | 305,990 | - |
| Grants and Pledges Receivable | 251,662 | 303,525 |
| Fixed Assets (Note D) | 22,146 | 24,717 |
| Operating Lease Right of Use Asset (Note A-4) | 565,062 | - |
| Other Assets | <u>23,524</u> | <u>14,799</u> |
| Total Assets | <u>\$ 1,919,505</u> | <u>\$ 1,319,293</u> |
| LIABILITIES AND NET ASSETS | | |
| Liabilities: | | |
| Loan Payable - Paycheck Protection Program (Note E) | \$ - | \$ 124,375 |
| Accounts Payable and Accrued Expenses | 133,432 | 101,376 |
| Operating Lease Liability (Note G) | 565,529 | - |
| Deferred Revenue | <u>16,750</u> | <u>21,625</u> |
| Total Liabilities | <u>715,711</u> | <u>247,376</u> |
| Net Assets: | | |
| With Donor Restrictions (Note J) | 54,000 | 100,000 |
| Without Donor Restrictions | <u>1,149,794</u> | <u>971,917</u> |
| | <u>1,203,794</u> | <u>1,071,917</u> |
| Total Liabilities and Net Assets | <u>\$ 1,919,505</u> | <u>\$ 1,319,293</u> |

See Independent Auditors' Report and Notes to Financial Statements

Passaic County Court Appointed Special Advocates, Inc.
Statements of Activities and Changes in Net Assets
For the Years Ended June 30, 2023 and 2022

| | 2023 | 2022 |
|---|----------------------|----------------------|
| Changes in net assets with restrictions: | | |
| Federal and State Grants: | | |
| Victim Assistance Grant Program | \$ 726,887 | \$ 570,546 |
| HHS HRSA Infant Toddler Court Program | 380,533 | - |
| Zero to Three Infant Toddler Court Program | 155,220 | 455,960 |
| NJ Legislative Funding | 166,138 | 133,517 |
| National CASA | - | 95,000 |
| Community Development Block Grant | 154,868 | 160,842 |
| Foundation Grants | <u>67,000</u> | <u>44,300</u> |
| Total | 1,650,646 | 1,460,165 |
| Released from restrictions: | <u>(1,696,646)</u> | <u>(1,460,165)</u> |
| Decrease in restricted net assets (Note J) | <u>(46,000)</u> | <u>-</u> |
| Changes in net assets without restrictions: | | |
| Individual Contributions | 124,646 | 137,035 |
| Corporate Contributions | 69,021 | 74,737 |
| Foundation Grants | 151,006 | 186,000 |
| Donated Services and Supplies (Note I) | 400,525 | 464,476 |
| Special Events Revenue, net of related expenses (Note K) | 167,627 | 42,510 |
| Shared Service Fees (Note A-1) | 75,728 | - |
| Net Assets Released from Restrictions | <u>1,696,646</u> | <u>1,460,165</u> |
| Increase in net assets without restrictions | <u>2,685,199</u> | <u>2,364,923</u> |
| Total Revenues | <u>2,639,199</u> | <u>2,364,923</u> |
| Expenses: | | |
| Program Services: | | |
| CASA Advocacy | 1,248,632 | 1,151,773 |
| Safe Babies Court Team | 712,640 | 506,153 |
| The Open Door Store | <u>295,944</u> | <u>287,439</u> |
| Total Program Services | 2,257,216 | 1,945,365 |
| Supporting Activities: | | |
| Management and General | 246,789 | 172,748 |
| Fund Raising | <u>140,025</u> | <u>154,827</u> |
| Total Expenses | <u>2,644,030</u> | <u>2,272,940</u> |
| Increase in net assets without restriction from operating activities: | <u>41,169</u> | <u>91,983</u> |
| Increase in net assets without restriction from non-operating activities: | | |
| Loan Forgiveness - Paycheck Protection Program (Note E) | 125,857 | 134,470 |
| Insurance Proceeds from flood damage, net (Note L) | - | 49,334 |
| Investment income (Note C) | <u>10,851</u> | <u>2,393</u> |
| | <u>136,708</u> | <u>186,197</u> |
| Increase in Net Assets | 131,877 | 278,180 |
| Net Assets, Beginning of Year | <u>1,071,917</u> | <u>793,737</u> |
| Net Assets, End of Year | <u>\$ 1,203,794</u> | <u>\$ 1,071,917</u> |

See Independent Auditors' Report and Notes to Financial Statements

Passaic County Court Appointed Special Advocates, Inc.
Statements of Functional Expenses
For the Year Ended June 30, 2023

| | CASA Advocacy | Safe Babies Court Team | The Open Door Store | Total Program Services | Management and General | Fundraising | Total |
|--|--------------------------|-----------------------------------|--------------------------------|---------------------------------------|-----------------------------------|--------------------|---------------------|
| Salaries and Wages | \$ 705,784 | \$ 450,674 | \$ 83,753 | \$ 1,240,211 | \$ 165,849 | \$ 77,939 | \$ 1,483,999 |
| Payroll Taxes and Benefits | 110,295 | 70,429 | 13,088 | 193,812 | 25,920 | 12,179 | 231,911 |
| Donated Volunteer Advocate Time | 228,695 | - | - | 228,695 | - | - | 228,695 |
| Donated Services and Supplies | 20,998 | 7,200 | 132,883 | 161,081 | 4,806 | 5,943 | 171,830 |
| Occupancy Costs | 68,803 | 33,636 | 34,554 | 136,993 | 11,161 | 4,740 | 152,894 |
| Office Services and Supplies | 25,215 | 16,535 | 16,955 | 58,705 | 13,170 | 12,777 | 84,652 |
| Marketing and Communications | 20,886 | 11,822 | 1,955 | 34,663 | 3,870 | 9,241 | 47,774 |
| Fundraising Events | - | - | - | - | - | 105,034 | 105,034 |
| Professional Fees | 13,809 | 8,642 | 1,606 | 24,057 | 15,930 | 12,960 | 52,947 |
| Program Services and Supplies | 16,033 | 77,628 | 8,297 | 101,958 | - | - | 101,958 |
| Conference Attendance | 15,843 | 26,455 | 1,065 | 43,363 | - | 1,597 | 44,960 |
| Insurance | 8,721 | 5,568 | 1,035 | 15,324 | 2,049 | 963 | 18,336 |
| Other Expenditures | 9,273 | 1,320 | 245 | 10,838 | 3,029 | 1,213 | 15,080 |
| Depreciation | 4,277 | 2,731 | 508 | 7,516 | 1,005 | 473 | 8,994 |
| Total Expenses by Function | 1,248,632 | 712,640 | 295,944 | 2,257,216 | 246,789 | 245,059 | 2,749,064 |
| Less Expenses Included With Revenues on the Statement of Activities | - | - | - | - | - | (105,034) | (105,034) |
| Total Expenses | \$ 1,248,632 | \$ 712,640 | \$ 295,944 | \$ 2,257,216 | \$ 246,789 | \$ 140,025 | \$ 2,644,030 |

For the Year Ended June, 30, 2022

| | CASA Advocacy | Safe Babies Court Team | The Open Door Store | Total Program Services | Management and General | Fundraising | Total |
|--|--------------------------|-----------------------------------|--------------------------------|---------------------------------------|-----------------------------------|--------------------|---------------------|
| Salaries and Wages | \$ 566,234 | \$ 351,250 | \$ 100,520 | \$ 1,018,004 | \$ 107,634 | \$ 60,710 | \$ 1,186,348 |
| Payroll Taxes and Benefits | 88,100 | 54,652 | 15,640 | 158,392 | 16,747 | 9,445 | 184,584 |
| Donated Volunteer Advocate Time | 294,971 | - | - | 294,971 | - | - | 294,971 |
| Donated Services and Supplies | 50,649 | 16,199 | 78,537 | 145,385 | 7,744 | 16,376 | 169,505 |
| Occupancy Costs | 65,226 | 40,461 | 11,579 | 117,266 | 12,399 | 6,993 | 136,658 |
| Office Services and Supplies | 30,831 | 19,125 | 9,396 | 59,352 | 8,725 | 13,227 | 81,304 |
| Marketing and Communications | 5,662 | 2,985 | 854 | 9,501 | 2,451 | 19,106 | 31,058 |
| Fundraising Events | - | - | - | - | - | 6,243 | 6,243 |
| Professional Fees | 11,188 | 7,340 | 1,937 | 20,465 | 14,075 | 25,110 | 59,650 |
| Program Services and Supplies | 3,944 | 2,039 | 65,841 | 71,824 | - | - | 71,824 |
| Insurance | 8,179 | 5,074 | 1,452 | 14,705 | 1,555 | 877 | 17,137 |
| Other Expenditures | 21,919 | 4,007 | 818 | 26,744 | 492 | 2,461 | 29,697 |
| Depreciation | 4,870 | 3,021 | 865 | 8,756 | 926 | 522 | 10,204 |
| Total Expenses by Function | 1,151,773 | 506,153 | 287,439 | 1,945,365 | 172,748 | 161,070 | 2,279,183 |
| Less Expenses Included With Revenues on the Statement of Activities | - | - | - | - | - | (6,243) | (6,243) |
| Total Expenses | \$ 1,151,773 | \$ 506,153 | \$ 287,439 | \$ 1,945,365 | \$ 172,748 | \$ 154,827 | \$ 2,272,940 |

See Independent Auditors' Report and Notes to Financial Statements

Passaic County Court Appointed Advocates, Inc.
Statements of Cash Flows
For the Years Ended June 30, 2023 and 2022

| | 2023 | 2022 |
|--|--------------------------|--------------------------|
| Change in Net Assets | \$ 131,877 | \$ 278,180 |
| Adjustments to Reconcile Change in Net Assets to Net Cash Flows From Operating Activities | | |
| Loan Forgiveness - Paycheck Protection Program | (125,857) | (132,800) |
| Depreciation | 8,994 | 10,203 |
| Changes in Operating Assets and Liabilities: | | |
| Grants and Pledges Receivable | (51,863) | (56,870) |
| Other Assets | (8,725) | 802 |
| Accounts Payable and Accrued Expenses | 32,056 | 40,785 |
| Deferred Revenue | <u>4,875</u> | <u>21,625</u> |
| Net Cash Flows From Operating Activities | <u>(8,643)</u> | <u>161,925</u> |
| Cash Flows From Investing Activities | | |
| Payments for the Purchase of Investments | (302,156) | - |
| Purchase of Fixed Assets | <u>(6,423)</u> | <u>(15,949)</u> |
| Net Cash Flows From Investing Activities | <u>(308,579)</u> | <u>(15,949)</u> |
| Cash Flows From Financing Activities | | |
| Capital Lease Principal Payments | <u>-</u> | <u>(5,617)</u> |
| Net Cash Flows From Financing Activities | <u>-</u> | <u>(5,617)</u> |
| Net Change in Cash | (317,222) | 140,359 |
| Cash, Beginning of Year | <u>976,252</u> | <u>835,893</u> |
| Cash, End of Year | <u><u>\$ 751,121</u></u> | <u><u>\$ 976,252</u></u> |

See Independent Auditors' Report and Notes to Financial Statements

Passaic County Court Appointed Special Advocates, Inc.
Notes to Financial Statements
June 30, 2023 and 2022

A. Nature of Activities and Significant Accounting Policies

1. Nature of Activities

Incorporated on January 26, 2007 and operating since July 1, 2007, Passaic County Court Appointed Special Advocates, Inc. (“PC CASA”) is a non-profit organization that champions the best interests of children, with a particular focus on children involved with the child welfare/foster care systems. The Organization operates three complementary yet distinct programs: the **Court Appointed Special Advocates (CASA)** program, the **New Jersey Safe Babies Court Team**, and **The Open Door Store**.

The **COURT APPOINTED SPECIAL ADVOCATES (CASA)** program recruits, screens, trains, and supervises volunteer advocates from the local community who ensure children in the child welfare system are safe and receiving the services they need. These advocates focus on the individual needs of each child and advocate for their best interests throughout the legal and child welfare process. This program is affiliated with the Court Appointed Special Advocates of New Jersey, Inc. (NJ CASA) and the National CASA/GAL Association for Children. Starting in September 2023, the CASA Program expanded to provide services to children in Passaic and Union Counties under the name **CASA OF PASSAIC AND UNION COUNTIES**.

The **expansion into Union County** happened after PC CASA entered into a shared services agreement with CASA of Union County, Inc. in February 2023. Under this agreement, PC CASA provided interim program and operational resources to assist the program in Union County while it was undergoing a leadership transition. CASA of NJ and National CASA also provided oversight for the CASA program in Union County during this transition. For the seven months ended August 31, 2023, PC CASA assisted and supported the former CASA of Union County staff and volunteers, and provided interim management and general support to the corporate entity in Union County. Revenues earned under this agreement for the year ended June 30, 2023 were \$75,728. This shared services agreement ended on August 31, 2023. At that point, PC CASA no longer had any role in or authority over the activities of the legal entity CASA of Union County, Inc.

Beginning in September 2023, in collaboration with National CASA, CASA of NJ, and the NJ Administrative Office of the Courts, PC CASA expanded its services and operations to include children involved with the family court system in Union County under the name **CASA of Passaic and Union Counties**. The legal authority to operate the CASA program in Union County was transferred to the legal corporate entity, Passaic County Court Appointed Special Advocates, Inc. (PC CASA) under a Memorandum of Understanding with the Union County Vicinage of the New Jersey Superior Court - Family Division. This change happened because the team overseeing the leadership transition determined that a multi-county program was the best long-term structure for the children of Union County. PC CASA has assumed responsibility for the physical location from which the program has been operating, hired the employees

who had been operating the CASA program in Union County under the previous corporate entity, and continues supporting the volunteers who advocate for abused and neglected children in Union County.

The **NEW JERSEY SAFE BABIES COURT TEAM (NJSBCT)** program provides evidence-based and hands-on support to children aged 0-3 and their families in the court system. NJSBCT works to improve outcomes for very young children in foster care, or at risk of removal from their parents' care. The team is focused on minimizing trauma and its impact on early development by improving collaboration between the judicial and child welfare systems, working together to support young children and their families. NJSBCT is affiliated with ZERO TO THREE, the National Resource Center for the Infant Toddler Court Program, funded by the US Department of Health and Human Services.

THE OPEN DOOR STORE, (previously referred to as the Neighborhood Assistance Program), responds to the needs of vulnerable children and families in our area, ensuring a holistic approach to supporting children in the CASA advocacy and NJSBCT programs. By helping families with necessities like diapers, wipes, formula, clothing, toiletries, school supplies, and other essentials, our goal is to reduce infant/toddler health risks, reduce the risk of child abuse, and lessen the burden of basic childhood necessities on local families engaged with the child welfare system.

2. Basis of Accounting

The financial statements of PC CASA have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP).

3. Comparative Financial Information

Certain prior year amounts have been reclassified to conform to the current year presentation.

4. Newly Adopted Accounting Pronouncements

Effective July 1, 2022, PC CASA adopted Accounting Standards Update ("ASU") 2016-02, "Leases (Topic 842)," which replaces the existing guidance in ASC 840. This ASU requires a dual approach for lessee accounting under which a lessee would account for leases as finance leases or operating leases. Both finance leases and operating leases result in the lessee recognizing a right-of-use asset and a corresponding lease liability. For finance leases, the lessee recognizes interest expense and amortization of the right-of-use asset and for operating leases, the lessee would recognize a straight-line lease expense. This ASU is effective for fiscal years beginning after December 15, 2021. PC CASA adopted the standard using the effective date method, and therefore did not adjust prior period amounts and continues to report those in accordance with historic accounting policies resulting in a balance sheet presentation that is not comparable to the prior period in the first year of adoption. With adoption, PC CASA elected the package of three practical expedients, including to retain the historical lease classification, relief from reviewing expired or existing contracts to determine if they contain leases, as well as not reviewing previously capitalized initial direct costs to see if they would qualify for capitalization under Topic 842. PC CASA also elected to not separate lease and non-lease components. The adoption of this ASU resulted in the recognition of an operating lease asset of \$576,353. The corresponding operating lease

liability recognized totaled \$565,529 with no adjustment to opening retained earnings and no effect on net income.

5. Revenue Recognition

PC CASA derives its revenue and support primarily from federal and state grants and contributions from the general public. Under Accounting Standards Codification Topic 606, *Revenue from Contracts with Customers* (“ASC 606”), adopted on July 1, 2020, revenue is recognized when performance obligations to a customer are satisfied, and revenue is earned. Secondary revenue and support are received from fundraising. PC CASA applied the guidance under ASC Topic 958 (“ASC 958”) – *Non-Profit Entities* to recognize support received that is not subject to revenue recognition under ASC 606. A portion of PC CASA’s revenue is derived from federal and state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when expenditures in compliance with specific contract or grant provisions have been incurred. PC CASA was awarded cost reimbursable grants of \$994,920 and \$883,543 that have not been recognized at June 30, 2023 and 2022 because qualifying expenditures had not yet been incurred.

Fundraising Revenue (Special Events) – Fundraising revenue is comprised of payments received from third parties (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, which follows revenue recognition guidance under ASC 606. The amount paid by individuals and corporations that is above the value of goods or services received is considered a contribution. Revenue is recognized over time at the time the fundraising event occurs. Special event revenue of \$167,627 and \$42,510 is net of direct benefit to donor costs consisting of meals and entertainment for the years ended June 30, 2023 and 2022, respectively.

Contribution Support – Support that is received from a donor follows guidance under ASC 958 and is recognized as income at the time it is received, unless the amount received is conditional. Unconditional contributions are recognized as revenue at the time received as an increase in net assets without donor restriction or as an increase in net assets with donor restriction. When a restriction expires, net assets with a donor restriction are reclassified to net assets without a donor restriction and reported in the statement of activities as net assets released from restrictions. If the restriction expires in the reporting period in which the support is recognized, then the contribution is recorded as an increase in net assets without donor restriction. When a contribution is conditional, the amount received is deferred and not recognized as revenue until the conditions are satisfied.

6. Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of PC CASA. These net assets may be used at the discretion of the PC CASA’s management and the board of directors.

Net Assets With Donor Restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of PC CASA or by the passage of time. Donor restricted contributions are reported under the caption net assets with donor restrictions. When a restriction is met or expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

7. Donated Goods and Services

PC CASA has a system to account for and value donated services and items. Donated services and items, such as children's clothing, supplies, toys and volunteer hours amounting to \$400,525 and \$464,476 have been recognized on the accompanying statement of activities and changes in net assets, and on the statement of functional expenses, for the years ended June 30, 2023 and 2022, respectively.

8. Estimates

Preparing financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses. Actual results could differ from those estimates, and those differences could be material.

9. Cash and Cash Equivalents

Cash and cash equivalents include all highly-liquid investments with a maturity of three months or less at the date of purchase. PC CASA minimizes its credit risk by placing its cash and cash equivalents with a major bank. PC CASA believes that no concentration of credit risk exists with respect to cash and cash equivalents.

PC CASA maintains its cash in financial institutions which are insured by Federal Deposit Insurance Corporation (FDIC) up to \$250,000 each. At times, such balances may be in excess of the FDIC insurance limit.

10. Investments

Investments are reported at fair values, generally based on current market quotations. All investment income is without donor restrictions as to use. Fair value is defined at the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). All transactions are recorded on a trade-date basis. The cost of securities sold is determined using the specific identification method. PC CASA reviews its investments on a regular basis for impairment. Management has determined there are no other than temporary losses as of June 30, 2023.

The investments are protected by the Securities Insurance Protection Corporation (SIPC), which provides limited insurance in certain circumstances for securities. The insurance is limited to \$500,000 and does not protect against investment losses. At times, such balances may be in excess of SIPC insured limits.

Net investment return/(loss) is reported in the statements of activities and changes in net assets and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses. Realized gains and

losses are calculated based on the difference between the cost of the investments and the proceeds received from the sale or maturity of the respective investments.

11. Grants and Pledges Receivable

Grants and pledges receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment of a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. At June 30, 2023 and 2022, there was no allowance for uncollectible grants or pledges receivable.

12. Functional Allocation of Expenses

The costs of providing the various programs and other activities of PC CASA have been allocated among the programs and supporting services benefited based on methods considered by management to be reasonable. All salaries and benefits expense allocations are driven by a time and effort allocation method. Management considers this to be a reasonable basis due to the fact that salaries and benefits are the largest expense. Expenses directly attributable to specific functional areas of PC CASA are reported as expenses of those functional areas while indirect costs that benefit multiple functional areas have been allocated among the various functional areas based on the number of employees involved or the amount of time and effort spent.

13. Income and Other Taxes

When PC CASA was established, it was granted 501(c) (3) status as part of a group exemption under CASA of New Jersey. As part of this exemption, PC CASA qualified as a charitable organization as defined by Internal Revenue Code (the "Code") Section 501(c) (3) and, accordingly, has been exempt from Federal income taxes under Section 501(a) of the Code. On January 3, 2022, PC CASA filed for independent 501(c) (3) status with the Internal Revenue Service and was issued a determination letter on July 6, 2022 that this application was approved effective January 3, 2022. PC CASA has been determined by the Internal Revenue Service not to be a "private foundation" within the meaning of Section 509(a)(1) of the Code. PC CASA is also exempt from New Jersey State income tax.

PC CASA was in compliance with applicable Federal and State regulations as of June 30, 2023 relative to the remitting of employee withholding taxes and filing of payroll tax returns and all other annual regulatory information filings.

14. Uncertain Tax Positions

Management has analyzed the tax positions taken by PC CASA and has concluded that as of June 30, 2023, there are no uncertain tax positions taken or expected to be taken. Management believes it is no longer subject to federal and state income tax examinations for years prior to 2020.

15. Fixed Assets

The cost of fixed assets is capitalized when purchased. Depreciation is provided over the estimated useful lives of the respective assets on a straight line basis. Estimated

useful lives are as follows:

| | |
|------------------------|---------|
| Equipment | 5 years |
| Leasehold Improvements | 5 years |

16. Long-Lived Assets

PC CASA evaluates all long-lived assets for impairment. As of June 30, 2023 and 2022, management has determined that these assets are not impaired.

17. Operating Leases

As of July 1, 2022, PC CASA categorizes leases with contractual terms longer than twelve months as either operating or finance. The operating lease at June 30, 2023 has a term of 5 years for the property. Both finance and operating leases are considered right of use assets. PC CASA has elected the practical expedient to not capitalize leases with a term of twelve months or less. These short-term leases are instead expensed as incurred on a straight-line basis. PC CASA also elected to utilize their incremental borrowing rate on their line of credit when the rate implicit in the lease is not determinable. Lastly, PC CASA elected the practical expedient to not separate the lease from non-lease components. On June 30, 2023, management determined that these assets are not impaired.

18. Subsequent Events

In September 2023, PC CASA expanded its services to cover Union County as discussed in Note A-1 above. This change is not expected to negatively impact the financial condition of PC CASA.

PC CASA has evaluated subsequent events through March 20, 2024, the date that the financial statements are available for issuance. Based on this evaluation, PC CASA has determined that no subsequent events have occurred that require adjustment to or additional disclosures in the financial statements.

B. Availability and Liquidity

The following represents PC CASA’s financial assets at June 30, 2023 and 2022:

| | 2023 | 2022 |
|--|---------------------|---------------------|
| Cash | \$ 751,121 | \$ 976,252 |
| Investments | 305,990 | - |
| Grants and Pledges Receivable | <u>251,662</u> | <u>303,525</u> |
| Total Financial Assets | 1,308,773 | 1,279,777 |
| Less Amounts Not Available to be used Within One Year: | | |
| Net Assets with Donor Restrictions | <u>54,000</u> | <u>100,000</u> |
| Financial Assets, all of which are Available to Meet General Expenditures Over the Next Twelve Months | <u>\$ 1,254,773</u> | <u>\$ 1,179,777</u> |

As part of its liquidity plan, funds are invested based on current and projected cash flow needs. Risk and return is considered based on those requirements.

C. Investments

Fair Value Measurement FASB ASU 820 establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation technique used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement). The carrying amounts of cash and equivalents, accounts receivable and accounts payable included in the accompanying statement of financial position approximated fair value at June 30, 2023. The three levels of the fair value hierarchy under FASB ASC are described as follows:

- Level I - Quoted prices are available in active markets for identical investments as of the measurement date.
- Level II - Pricing inputs, including broker quotes, are generally those other than exchange quoted prices in active markets, which are either directly or indirectly observable as of the measurement date, and fair value is determined through the use of models or other valuation methodologies.
- Level III - Pricing inputs are unobservable and include situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require significant management judgment or estimation.

PC CASA held investments in fixed income government bonds with a Level I fair value of \$305,990 at June 30, 2023.

Investment income consists of the following at June 30, 2023:

| | |
|--|-----------------|
| Interest from Investments | \$ 2,156 |
| Realized Gain on the Maturity of Bonds | 2,059 |
| Unrealized Gain on Investments | <u>1,775</u> |
| Total Gain from Investments | <u>\$ 5,990</u> |

D. Fixed Assets

A summary of fixed assets as of June 30, 2023 and 2022 are as follows:

| | 2023 | 2022 |
|--------------------------|------------------|------------------|
| Equipment | \$ 58,218 | \$ 51,795 |
| Leasehold Improvements | <u>15,949</u> | <u>15,949</u> |
| | 74,167 | 67,744 |
| Accumulated Depreciation | <u>(52,021)</u> | <u>(43,027)</u> |
| | <u>\$ 22,146</u> | <u>\$ 24,717</u> |

E. Loan Payable – Paycheck Protection Program

On April 15, 2020, and May 15, 2021 PC CASA was granted loans from Columbia Bank in the amounts amount of \$132,800 and \$124,375, respectively, pursuant to the Paycheck Protection Program (“PPP”) under Division A, Title I of the Coronavirus Aid, Relief and

Economic Security Act (“CARES Act”), which was enacted March 27, 2020.

The loans and accrued interest are forgivable after 24 weeks as long as PC CASA uses the loan proceeds for eligible purposes, including payroll, benefit, rent and utilities, and maintains its payroll levels. The amount of loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during the 24 week period. PC CASA was granted forgiveness for the first loan on August 4, 2021 in the amount of \$134,470, which includes accrued interest of \$1,670. Forgiveness was granted for the second loan August 5, 2022 in the amount of \$125,857, which includes accrued interest of \$1,482.

F. Line of Credit Agreement

PC CASA has a line of credit agreement with a bank with a maximum balance of \$300,000, increased from \$150,000 on September 1, 2023. Interest is charged at the higher of 7.25% or the published prime rate plus 0.50%. The line of credit expires September 1, 2025. There have been no borrowings against the line since September 2016.

G. Operating Lease

PC CASA has a lease for office space for five years ending on May 31, 2028, with an option to renew for an additional five years through May 31, 2033. The lease is payable in monthly installments. The discount rate is not readily determinable from the lease. PC CASA used an incremental borrowing rate of 7.25% based the terms of their line of credit agreement in place at the time of the lease.

The following summarizes PC CASA’s undiscounted principal commitments of the lease liabilities discussed above as of June 30, 2023:

| | |
|----------------------------------|-------------------|
| Year Ending June 30, | |
| 2024 | \$ 130,114 |
| 2025 | 132,828 |
| 2026 | 135,550 |
| 2027 | 138,372 |
| 2028 | <u>141,044</u> |
| Total Lease Payments | 677,908 |
| Less Present Value Discount | <u>(112,379)</u> |
| Present Value of Lease Liability | <u>\$ 565,529</u> |

The following summarizes the cost related to the lease for the year ended June 30, 2023:

| | |
|---|------------------|
| Operating lease, included in operating expenses | <u>\$ 11,291</u> |
|---|------------------|

The following summarizes cash flow information related to this lease:

Cash paid for amounts included in the measurement of the lease

| | |
|---|------------------|
| Operating cash flows from operating lease | <u>\$ 10,824</u> |
|---|------------------|

Lease assets obtained in exchange for lease obligations –

| | |
|-----------------|-------------------|
| Operating lease | <u>\$ 576,353</u> |
|-----------------|-------------------|

| | |
|----------------------|---------|
| Remaining lease term | 7 years |
| Discount rate | 7.25% |

The landlord has pledged to make quarterly unrestricted donations of \$4,000 for the term of the lease and will allow the donations to be deducted from rent payments under the terms of the lease. Rent expense is reflected in the gross amount in the financial statements, and the donation is recorded as unrestricted corporate donations.

H. Major Contributors

PC CASA receives most of its support from government sponsored grants, workplace campaigns, corporate donations, and special events. The continued operations of PC CASA are contingent upon receiving support from these sources.

I. Donated Services and Supplies (In-Kind)

The success of PC CASA in conducting its mission is highly dependent on recruiting and retaining committed volunteers. A substantial number of volunteers have donated approximately 8,700 hours to PC CASA's program services. Donated services provided to PC CASA for the years ended June 30, 2023 and 2022 consisted of the following:

| | 2023 | 2022 |
|-----------------------|-------------------|-------------------|
| Volunteer Services | \$ 282,957 | \$ 294,971 |
| Professional Services | 25,517 | 79,248 |
| Supplies and Expenses | 61,405 | 59,611 |
| Storage Space | 30,646 | 30,646 |
| | <u>\$ 400,525</u> | <u>\$ 464,476</u> |

Contributed services are recognized as in-kind revenues at their estimated fair value if they create or enhance nonfinancial assets or they require specialized skills that would need to be purchased if they were not donated. PC CASA receives contributed volunteer services that are reported using current rates for similar volunteer services. PC CASA also receives a significant amount of donated program supplies recognized at their estimated fair value.

All donated services and assets were utilized by the PC CASA's program and supporting services. There were no donor-imposed restrictions associated with the donated services and supplies.

J. Net Assets With Donor Restrictions

Net assets with donor restrictions are assets whose use is limited by either donor imposed time restrictions or purpose restrictions. Time restrictions require resources to be used in a certain period or after a specified date. Purpose restrictions require resources to be used for a specific purpose.

Net assets with donor restrictions consist of the following:

| | |
|--|------------------|
| June 30, 2022 balance for Open Door Store | \$ 100,000 |
| Released from Restriction | (100,000) |
| Time Restrictions | <u>54,000</u> |
| June 30, 2023 balance due to Time Restrictions | <u>\$ 54,000</u> |

Decrease in restricted net assets consists of the following:

| | |
|--|--------------------|
| Released from Restriction from 2022 | (\$ 100,000) |
| Time Restrictions for the year ended June 30, 2023 | <u>54,000</u> |
| Decrease in Restricted Net Assets at June 30, 2023 | <u>(\$ 46,000)</u> |

K. Special Events

PC CASA held the following special events during the years ended June 30, 2023 and 2022:

| 2023 | <u>Revenue</u> | <u>Expenses</u> | <u>Net</u> |
|--------------------------|-----------------------|------------------------|-------------------|
| Voices for Children Gala | \$ 171,300 | \$ 69,690 | \$ 101,610 |
| Tricky Tray | 90,679 | 30,761 | 59,918 |
| Pickleball Tournament | <u>10,680</u> | <u>4,581</u> | <u>6,099</u> |
| | <u>\$ 272,659</u> | <u>\$ 105,032</u> | <u>\$ 167,627</u> |

| 2022 | <u>Revenue</u> | <u>Expenses</u> | <u>Net</u> |
|------------------|-----------------------|------------------------|-------------------|
| Tricky Tray | \$ 33,455 | \$ 5,120 | \$ 28,335 |
| Virtual 5K Event | <u>15,298</u> | <u>1,123</u> | <u>14,175</u> |
| | <u>\$ 48,753</u> | <u>\$ 6,243</u> | <u>\$ 42,510</u> |

L. Flood Damages

On July 9, 2021, a construction accident flooded the office space leaving it unusable. Temporary on-site and remote work arrangements provided for continuing operations until remediation was completed. Insurance coverage provided \$90,884 towards incurred losses, of which \$41,550 funded non-programmatic expenditures for supplies, services, equipment rental and consulting fees directly related to remediation efforts. The balance of \$49,334 is classified as non-operating revenue, and expenditures for operating supplies, equipment, and leasehold improvements are included in operating expenses and fixed assets for the year ended June 30, 2022.

M. Retirement Plan

PC CASA has a Savings Incentive Match Plan for Employees (SIMPLE), which allows employees to contribute to a traditional IRA. All employees are eligible to participate and PC CASA makes a matching contribution equal to the employee's contribution up to a limit of 3% of employee compensation. Pension expense amounted to \$26,810 and \$23,977 for the years ended June 30, 2023 and 2022, respectively.



McIntee Fusaro Del Corral, LLC
Certified Public Accountants & Forensic Consultants

Independent Auditors' 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*

To the Board of Trustees of
Passaic County Court Appointed Special Advocates, Inc.

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Passaic County Court Appointed Special Advocates, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 20, 2024.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Passaic County Court Appointed Special Advocates, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Passaic County Court Appointed Special Advocates, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Passaic County Court Appointed Special Advocates, Inc.'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 financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Passaic County Court Appointed Special Advocates, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.



McIntee Fusaro Del Corral, LLC

March 20, 2024



Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance

To the Board of Trustees of
Passaic County Court Appointed Special Advocates, Inc.

Report on Compliance for Each Major Federal Program

We have audited Passaic County Court Appointed Special Advocates, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on Passaic County Court Appointed Special Advocates, Inc.'s major federal program for the year ended June 30, 2023. Passaic County Court Appointed Special Advocates, Inc.'s major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Passaic County Court Appointed Special Advocates, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Passaic County Court Appointed Special Advocates, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Passaic County Court Appointed Special Advocates, Inc.'s compliance.

Opinion on Each Major Federal Program

In our opinion, Passaic County Court Appointed Special Advocates, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2023.



Report on Internal Control Over Compliance

Management of Passaic County Court Appointed Special Advocates, Inc. is responsible for establishing and maintaining effective internal control over compliance with the type of compliance requirements referred to above. In planning and performing our audit, we considered Passaic County Court Appointed Special Advocates, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance and the State of New Jersey Department of the Treasury Circular 15-08-OMB, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Passaic County Court Appointed Special Advocates, Inc.'s internal control over compliance.

A deficiency in internal control over compliance 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 noncompliance with a type of compliance requirement of a federal or state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this communication is not suitable for any other purpose.



McIntee Fusaro Del Corral, LLC

March 20, 2024



Passaic County Court Appointed Special Advocates, Inc.
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023

| Contract Period | Grantor Type of Contract | Contract Number | Assisted Listing Number | Federal Grantor | Pass Thru | Amount (Maximum) | Contract Expenditures |
|------------------------|---|------------------------|--------------------------------|------------------------|---|-------------------------|------------------------------|
| 9/1/21 - 8/31/23 | New Jersey Department of Law and Public Safety Advocacy for Victims of Child Abuse | VAG 79-20 | 16.575 | U.S. Dept of Justice | New Jersey Dept. of Law and Public Safety | \$ 275,000 | \$ 148,463 |
| 9/1/21 - 8/31/23 | New Jersey Department of Law and Public Safety Training for Volunteers and Child Victims Advocacy Services | VAG 80-20 | 16.575 | U.S. Dept of Justice | New Jersey Dept. of Law and Public Safety | \$ 275,000 | 168,880 |
| 9/1/21 - 8/31/23 | New Jersey Department of Law and Public Safety Reaching Unserved Victims of Child Abuse | VAG 81-20 | 16.575 | U.S. Dept of Justice | New Jersey Dept. of Law and Public Safety | \$ 275,000 | 145,195 |
| 9/1/21 - 8/31/22 | New Jersey Department of Law and Public Safety Emergency Victim Assistance | VAG 227-18 | 16.575 | U.S. Dept of Justice | New Jersey Dept. of Law and Public Safety | \$ 120,443 | 23,666 |
| 9/1/22 - 8/31/23 | New Jersey Department of Law and Public Safety Emergency Victim Assistance | VAG 45-19 | 16.575 | U.S. Dept of Justice | New Jersey Dept. of Law and Public Safety | \$ 120,443 | 103,108 |
| 9/1/21 - 8/31/22 | New Jersey Department of Law and Public Safety New Jersey Safe Babies Court Team | VAG 228-18 | 16.575 | U.S. Dept of Justice | New Jersey Dept. of Law and Public Safety | \$ 115,910 | 49,667 |
| 9/1/22 - 8/31/23 | New Jersey Department of Law and Public Safety New Jersey Safe Babies Court Team | VAG 46-19 | 16.575 | U.S. Dept of Justice | New Jersey Dept. of Law and Public Safety | \$ 115,910 | <u>87,908</u> |
| 9/30/22 - 9/29/2023 | Department of Health and Human Services Health Resources and Services Administration Infant-Toddler Court Program | U2Z46642 | 93.110 | U.S. Dept of HHS | | \$ 625,000 | <u>380,533</u> |
| 9/30/21 - 9/29/22 | ZERO TO THREE: National Center for Infants, Toddlers and Families Infant-Toddler Court Program | 2021090590 | 93.110 | U.S. Dept of HHS | ZERO TO THREE: National Center for Infants, Toddlers and Families | \$ 441,666 | <u>155,220</u> |
| 1/21/20 - 9/30/23 | County of Passaic Community Development Block Grant | CDBG-CV1 | 14.218 | HUD | County of Passaic | \$ 120,000 | 17,055 |
| 8/20/20 - 12/31/22 | County of Passaic Community Development Block Grant | CDBG-CV3 | 14.218 | HUD | County of Passaic | \$ 111,768 | 111,768 |
| 9/1/22 - 8/31/24 | County of Passaic Community Development Block Grant | CDBG-FY2021 | 14.218 | HUD | County of Passaic | \$ 20,000 | 20,000 |
| 9/1/23 - 8/31/24 | County of Passaic Community Development Block Grant | CDBG-FY2022 | 14.218 | HUD | County of Passaic | \$ 30,000 | <u>6,045</u> |
| | | | | | | | <u>154,868</u> |
| | | | | | | | <u>\$ 1,417,508</u> |

**Passaic County Court Appointed Special Advocates, Inc.
Schedule of Expenditures of State Awards
For the Year Ended June 30, 2023**

| Contract Period | Grantor Type of Contract | Pass-Thru | Contract Number | Contract Amount (Maximum) | Contract Expenditures |
|---|---------------------------------|--------------------|------------------------|----------------------------------|------------------------------|
| NEW JERSEY DEPARTMENT OF CHILDREN AND FAMILIES | | | | | |
| 7/1/22 to 6/30/23 | Legislative Funding | CASA of New Jersey | Not Provided | \$ 166,138 | <u>\$ 166,138</u> |

Passaic County Court Appointed Special Advocates, Inc.
Notes to the Schedules of Expenditures of Federal and State Awards
For the Year Ended June 30, 2023

Note 1 - Basis of Presentation

The accompanying schedules of expenditures federal and state awards (“Schedules”) includes the federal and state award activities of Passaic County Court Appointed Special Advocates, Inc., (“PC CASA”) under programs of the federal and state government for the year ended June 30, 2023. The information in these Schedules are presented in accordance with the requirements of the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Because these Schedules present only a selected portion of the operations of PC CASA, it is not intended to and does not present the financial position, changes in net assets or cash flows of PC CASA.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported on the Schedules are reported on the accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-122, *Cost Principles for Non-Profit Organizations*, or cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. PC CASA has elected to use the 10% de minimis cost rate as allowed under the Uniform Guidance.

Note 3 - Subrecipient Pass Through

No entities received pass through federal awards from PC CASA during the year ended June 30, 2023.

Passaic County Court Appointed Special Advocates, Inc.
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023

Section I - Summary of Auditors' Results

Financial Statements

Type of Auditors' Report Issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? No

Significant deficiencies identified not considered
to be material weaknesses? None

Noncompliance material to financial statements noted? No

Federal and State Awards

Internal control over major programs:

Material weakness(es) identified? No

Significant deficiencies identified not considered
to be material weaknesses? None

Type of Auditors' Report Issued on Compliance
for Major Programs: Unmodified

Any audit findings disclosed that are required to be reported
in accordance with the Uniform Guidance 2 CFR 200-516(a)? No

Identification of Major Program/Cluster

| <u>Name of Federal Program/Cluster</u> | <u>ALN</u> | <u>Amount</u> |
|--|------------|-------------------|
| United States Department of Justice Passed Through the State of New Jersey Department of Law and Public Safety | | |
| Training for Volunteers and Child Victims | | |
| Advocacy Services | 16.575 | \$ 168,880 |
| Advocacy for Victims of Child Abuse | 16.575 | 148,463 |
| Reaching Unserved Victims of Child Abuse | 16.575 | 145,195 |
| Emergency Victim Assistance | 16.575 | 126,774 |
| New Jersey Safe Babies Court Team | 16.575 | 137,575 |
| | | <u>\$ 726,887</u> |

**Passaic County Court Appointed Special Advocates, Inc.
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023**

| | |
|--|-----------|
| Dollar threshold used to distinguish between Type A and B Programs: | \$750,000 |
| Auditee qualified as low-risk auditee? | No |

Section II - Financial Statement Findings

No Findings

Section III – Federal Award Findings and Questioned Costs

Current Year Findings

None

Questioned Costs

None