

CENTER FOR HOPE AND SAFETY, INC.
Financial Statements
June 30, 2025
(with summarized comparative financial information
as of and for the year ended June 30, 2024)

CENTER FOR HOPE AND SAFETY, INC.

FINANCIAL STATEMENTS

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(with summarized comparative financial information
as of and for the year ended June 30, 2024)

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of

Center for Hope and Safety, Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Center for Hope and Safety, Inc. (a Not-for-Profit Organization), which are comprised of the statement of financial position as of June 30, 2025, and the related statements of activities, functional expenses, and cash flows for the year 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 Center for Hope and Safety, Inc. as of June 30, 2025, and the changes in its net assets and its cash flows for the year 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 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Center for Hope and Safety, 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 Center for Hope and Safety, 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 auditors' 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 Center for Hope and Safety, 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 Center for Hope and Safety, 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.

Report on Summarized Comparative Information

We have previously audited Center for Hope and Safety, Inc.'s 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 24, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

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 county awards is presented for purposes of additional analysis and is not a required part of the financial statements. 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* (the "Uniform Guidance") and New Jersey OMB Circular Letter 15-08, 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 schedules are 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 23, 2026 on our consideration of Center for Hope and Safety, 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 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 Center for Hope and Safety, 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 Center for Hope and Safety, Inc.'s internal control over financial reporting and compliance.

Malesardi Quackenbush Swift + Company LLC

Englewood, New Jersey
March 23, 2026

CENTER FOR HOPE AND SAFETY, INC.

STATEMENT OF FINANCIAL POSITION

June 30, 2025

(with comparative financial information as of June 30, 2024)

ASSETS

	<u>2025</u>	<u>2024</u>
ASSETS:		
Cash and equivalents	\$ 2,159,841	\$ 1,449,492
Marketable securities	521,904	441,103
Grants receivable	298,404	976,164
Welfare receivable	10,416	11,010
Client fees receivable, net	88,177	126,941
Other receivables	3,237	-
Prepaid expenses	42,243	71,221
Security deposits	3,108	3,108
Operating lease right-of-use assets, net	43,797	68,691
Unrecognized forgiveness of mortgage payable	11,614	23,228
Property and equipment, net	<u>2,645,380</u>	<u>2,757,778</u>
Total Assets	<u>\$ 5,828,121</u>	<u>\$ 5,928,736</u>

LIABILITIES AND NET ASSETS

LIABILITIES:		
Accounts payable	\$ 21,248	\$ 84,170
Accrued expenses	80,816	60,781
Refundable advances	341,746	388,549
Operating lease obligations	44,500	69,480
Mortgage payable	<u>11,614</u>	<u>23,228</u>
Total Liabilities	<u>499,924</u>	<u>626,208</u>
NET ASSETS:		
Without donor restrictions:		
General operating	4,608,154	4,575,985
Board designated	238,987	238,987
With donor restrictions	<u>481,056</u>	<u>487,556</u>
Total Net Assets	<u>5,328,197</u>	<u>5,302,528</u>
Total Liabilities and Net Assets	<u>\$ 5,828,121</u>	<u>\$ 5,928,736</u>

The accompanying notes are an integral
part of these financial statements.

CENTER FOR HOPE AND SAFETY, INC.

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2025

(with summarized comparative financial information for the year ended June 30, 2024)

	2025		2024	
	Without Donor Restrictions	With Donor Restrictions	Total	Total
SUPPORT AND REVENUE:				
Grants	\$ 2,799,001	\$ -	\$ 2,799,001	\$ 2,825,279
Welfare	153,585	-	153,585	306,727
Client housing	129,144	-	129,144	67,724
Individual	368,784	117,445	486,229	158,732
Private grants	9,113	177,226	186,339	195,314
In-kind contributions	27,302	-	27,302	9,908
Events	506,883	-	506,883	627,390
Investment return, net	51,780	-	51,780	(1,509)
Miscellaneous income	61,708	-	61,708	3,327
Total Support and Revenue	4,107,300	294,671	4,401,971	4,192,892
EXPENSES:				
Program services:				
Shelter	2,099,834	-	2,099,834	2,030,300
Transitional housing	1,081,668	-	1,081,668	863,890
Children's programs	460,972	-	460,972	477,648
Total Program Services	3,642,474	-	3,642,474	3,371,838
Management and general	336,431	-	336,431	405,235
Fundraising	424,101	-	424,101	416,898
Total Expenses	4,403,006	-	4,403,006	4,193,971
CHANGE IN NET ASSETS FROM OPERATING ACTIVITIES	(295,706)	294,671	(1,035)	(1,079)
NON-OPERATING ACTIVITIES:				
Investment return, net - other	26,704	-	26,704	73,231
Net assets released from restrictions	301,171	(301,171)	-	-
Total Non-Operating Activities	327,875	(301,171)	26,704	73,231
CHANGE IN NET ASSETS	32,169	(6,500)	25,669	72,152
NET ASSETS, Beginning of Year	4,814,972	487,556	5,302,528	5,230,376
NET ASSETS, End of Year	\$ 4,847,141	\$ 481,056	\$ 5,328,197	\$ 5,302,528

The accompanying notes are an integral
part of these financial statements.

CENTER FOR HOPE AND SAFETY, INC.

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2025

(with summarized comparative financial information for the year ended June 30, 2024)

	2025					2024	
	Program Services			Management and General	Fundraising	Total	Total
	Shelter	Transitional Housing	Children's Programs				
Salaries	\$ 1,248,369	\$ 317,122	\$ 329,158	\$ 174,932	\$ 232,007	\$ 2,301,588	\$ 2,213,940
Health and life insurance	97,131	33,724	26,844	11,437	23,517	192,653	183,736
Workers' compensation	1,957	6,328	6,534	3,314	4,665	22,798	44,430
Pension plan	24,540	6,370	9,171	4,066	4,000	48,147	44,807
Payroll taxes	99,952	26,314	27,400	14,138	19,569	187,373	195,240
Accounting and audit	13,843	4,224	3,068	1,605	-	22,740	18,081
Consulting	53,776	9,864	9,653	61,059	55,316	189,668	235,982
Office supplies and postage	8,066	2,172	2,667	3,764	2,740	19,409	19,877
Computer expense	17,224	6,286	5,486	15,990	7,932	52,918	68,641
Supplies - food and kitchen	44,413	1,193	2,757	3,382	733	52,478	49,381
Supplies - education and children	2,163	-	7,034	-	-	9,197	5,767
Rent	85	28,221	-	-	-	28,306	41,796
Utilities	44,021	29,292	3,794	137	8	77,252	63,919
Small furniture, equipment, and household	10,935	4,810	366	1,776	1,456	19,343	10,993
Equipment rental	2,602	1,763	1,185	2,869	397	8,816	10,210
Equipment repairs and maintenance	1,367	1,914	644	828	-	4,753	5,395
Maintenance	101,056	26,268	1,688	239	2	129,253	121,147
Telephone	32,057	26,591	4,448	5,827	1,430	70,353	63,149
Insurance	56,257	12,197	8,997	14,418	-	91,869	71,907
Client assistance	58,512	350,369	5,587	-	-	414,468	299,795
Legal fund assistance	4,800	-	-	-	-	4,800	4,800
Travel	6,148	2,499	197	97	267	9,208	20,043
Training and education	2,201	355	840	165	1,193	4,754	10,459
Community education and awareness	500	88	-	458	1,578	2,624	6,599
In-kind expenses	27,302	-	-	-	-	27,302	9,908
Special events	-	-	-	-	66,890	66,890	136,785
Various other expenses	15,455	4,753	3,454	15,930	401	39,993	38,477
Credit loss expense	21,010	147,200	-	-	-	168,210	53,842
Subtotal	1,995,742	1,049,917	460,972	336,431	424,101	4,267,163	4,049,106
Depreciation	104,092	31,751	-	-	-	135,843	144,865
Total Expenses	\$ 2,099,834	\$ 1,081,668	\$ 460,972	\$ 336,431	\$ 424,101	\$ 4,403,006	\$ 4,193,971

The accompanying notes are an integral part of these financial statements.

CENTER FOR HOPE AND SAFETY, INC.

STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2025

(with comparative financial information for the year ended June 30, 2024)

	<u>2025</u>	<u>2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 25,669	\$ 72,152
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	135,843	144,865
Amortization of operating lease right-of-use assets	24,894	24,191
Realized (gain) loss on investments	(7,790)	34,457
Unrealized gain on investments	(26,704)	(73,231)
Change in grants receivable	677,760	(560,992)
Change in welfare receivable	594	48,602
Change in client fees receivable, net	38,764	2,139
Change in other receivables	(3,237)	48,859
Change in prepaid expenses	28,978	(30,337)
Change in accounts payable	(62,922)	32,487
Change in accrued expenses	20,035	2,530
Change in refundable advances	(46,803)	92,063
Change in operating lease obligations	(24,980)	(23,952)
Net Cash Provided by (Used in) Operating Activities	<u>780,101</u>	<u>(186,167)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(23,445)	-
Purchases of investments	(158,280)	(332,978)
Proceeds from sale of investments	111,973	328,830
Net Cash Used in Investing Activities	<u>(69,752)</u>	<u>(4,148)</u>
NET CHANGE IN CASH, EQUIVALENTS AND RESTRICTED CASH	710,349	(190,315)
CASH, EQUIVALENTS AND RESTRICTED CASH, Beginning of Year	1,449,492	1,639,807
CASH, EQUIVALENTS AND RESTRICTED CASH, End of Year	<u>\$ 2,159,841</u>	<u>\$ 1,449,492</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Non-cash transactions:		
Forgiven community affairs mortgage	\$ 11,614	\$ 11,614
Donated material and services	\$ 27,302	\$ 9,908

The accompanying notes are an integral part of these financial statements.

CENTER FOR HOPE AND SAFETY, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2025

(with comparative financial information as of June 30, 2024)

NOTE 1 - NATURE OF ORGANIZATION AND OPERATIONS:

Center for Hope and Safety, Inc. (the "Organization"), formerly known as Shelter Our Sisters, Inc., assists victims of domestic violence, and their children, provides emergency and transitional housing, and numerous services focusing on safety, empowerment, and self-sufficiency.

The Organization's programs include a 24-hour Hotline, Emergency Shelter, counseling, legal advocacy, Project Self-Sufficiency (work readiness training), bilingual services, follow-up services, volunteer programs, and community education. The Organization also has an Outreach and Multicultural Services program in addition to Domestic Violence Liaisons who consult in the state protective services offices.

Transitional Housing includes the management of four homes and case management of clients.

Children's programs include residential emergency shelter program for children including preschool activities, counseling, school transfers, and social-recreational activities. Project CHILD is the community-based creative arts therapy program for children, which builds Confidence, Hope, Independence, Love, and Direction. Transportation is available for the children, and counseling and education programs are available for the non-offending parent.

The Organization is supported through donor contributions, government and private grants, and client housing fees.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

Net assets, revenue, gains, and losses are classified based on the existence of 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 without donor restrictions are available for use at the discretion of the Board of Trustees (the "Board") and/or management for general operating purposes. From time to time the Board designates a portion of these net assets for specific purposes which makes them unavailable for use at management's discretion.

Net Assets - With Donor Restrictions

Net assets with donor restrictions represent those amounts which are donor restricted for specific purposes. When a donor restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are reclassified as net assets without donor restrictions and reported on the statement of activities as net assets released from restrictions.

CENTER FOR HOPE AND SAFETY, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2025
(with comparative financial information as of June 30, 2024)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

In the absence of donor restriction, contributions and bequests are considered to be available for unrestricted use. All income is recognized in the period when the contribution, pledge, or unconditional promise to give is received.

Cash and Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents. In addition, the Organization considers all certificates of deposit with a maturity of one year or less to be cash.

Investments

The Organization carries investments at their fair values in the statement of financial position. Realized gains and losses are included in earnings; unrealized gains and losses are reported as a separate component of net assets in the statement of activities. On the statement of activities, the Organization presents as separate line-items both investment return, net that is comprised of ordinary interest, dividend income, and realized gains and losses under operating activities and investment return, net - other that is comprised of unrealized gains and losses on investments under non-operating activities.

Receivables

The Organization records its receivables at the amount management expects to collect from outstanding balances. Management evaluates the collectability of accounts receivable on an ongoing basis. As of June 30, 2025, the Organization has not recorded an allowance for credit losses, as it has not experienced material credit losses in the past and expects all outstanding receivables to be fully collectible based on current conditions.

Fair Market Value Measurements

The Organization follows Financial Accounting Standards Board guidance on Fair Value Measurements which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

CENTER FOR HOPE AND SAFETY, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2025

(with comparative financial information as of June 30, 2024)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Property and Equipment

Property and equipment are stated at cost or fair value at the date of donation. Depreciation is provided using the straight-line method over the estimated useful lives of the assets as follows:

Buildings	30 - 31.5 years
Improvements	7 - 39 years
Equipment	5 - 10 years
Furniture and fixtures	5 - 7 years
Transportation equipment	5 years

Additions and betterments of \$2,500 or more are capitalized, while maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

The Organization owns four properties: the shelter, two transitional homes, and the Community Program Center, where the administrative and program offices are located.

Revenue and Revenue Recognition

Revenue is recognized when earned. Contributions are recognized when cash, securities, or other assets; an unconditional promise to give; or notification of a beneficial interest is received. Conditional promises to give, that is, those with measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met or the donor has explicitly released the restriction. Grant revenue is recognized as certain performance requirements and/or the occurrence of allowable qualifying expenses occur, as stipulated in the grant agreements. Revenue from program services is recognized when the service is performed.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income Taxes

The Organization is a Not-for-Profit organization under Section 501(c)(3) of the Internal Revenue Code and is exempt from income taxes.

Refundable Advances

The Organization records grant receipts, received in advance, as refundable advances until it is expended for the purpose of the grant, at which time it is recognized as revenue.

CENTER FOR HOPE AND SAFETY, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2025

(with comparative financial information as of June 30, 2024)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

In-Kind Contributions

The Organization benefited from donated gift cards and services, which are reflected at their fair market value at the date of donation. Donated services require professional skills and would typically be purchased if not provided by donation. The total value of in-kind contributions as of June 30, 2025 and 2024 were \$27,302 and \$9,908, respectively.

Open Tax Years

The Organization's Forms 990, *U.S. Return of Organization Exempt from Income Tax*, for the years ending June 30, 2022, 2023, 2024, and 2025 are subject to examination by the Internal Revenue Service, generally for three years after they were filed.

Expense Allocation

Directly identifiable expenses are charged to program and supporting services. Expenses related to more than one function are charged to program and supporting services on the basis of periodic time and expense studies. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization. The Organization maintains different charts of accounts to fulfill the process of tracking all transactions within the general ledger by allocation codes. The source document control ensures that all documents have an audit trail.

Comparative Financial Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2024, from which the summarized information was derived.

Leases

The Organization determines if a contract is a leasing arrangement and the classification of that lease, if applicable, at inception. Operating lease assets represent the right to control the use of an identified asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. Operating lease right-of-use assets and liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. For operating leases that do not provide an implicit rate, the Organization uses the risk-free rate based on the information available at the commencement date in determining the present value of lease payments.

The Organization's operating leases consisted of a lease for its copier machine and a real estate lease for one of its transitional homes. The right-of-use assets represent the Organization's right to use underlying assets for the lease terms, and the lease obligations represent the Organization's obligation to make lease payments arising from these leases.

CENTER FOR HOPE AND SAFETY, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2025
(with comparative financial information as of June 30, 2024)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Reclassifications

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

NOTE 3 - FAIR VALUE MEASUREMENTS:

Assets measured at fair value on a recurring basis are as follows:

<u>June 30, 2025</u>	<u>Fair Value</u>	<u>Quoted Prices (Level 1)</u>
<u>Description</u>		
Money market funds	\$ 6,500	\$ 6,500
Mutual funds	<u>515,404</u>	<u>515,404</u>
Total	<u>\$ 521,904</u>	<u>\$ 521,904</u>

<u>June 30, 2024</u>	<u>Fair Value</u>	<u>Quoted Prices (Level 1)</u>
<u>Description</u>		
Money market funds	\$ 5,536	\$ 5,536
Mutual funds	<u>435,567</u>	<u>435,567</u>
Total	<u>\$ 441,103</u>	<u>\$ 441,103</u>

Fair values for investments and money-markets are determined by references to quoted market prices and other relevant information generated by market transactions.

NOTE 4 - INVESTMENT RETURN:

Investment return is summarized as follows:

	<u>2025</u>	<u>2024</u>
Dividends and interest	\$ 48,932	\$ 37,622
Realized gain (loss)	7,790	(34,457)
Unrealized gain	26,704	73,231
Investment fees	<u>(4,942)</u>	<u>(4,674)</u>
Total Investment Return, net	<u>\$ 78,484</u>	<u>\$ 71,722</u>

CENTER FOR HOPE AND SAFETY, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2025
(with comparative financial information as of June 30, 2024)

NOTE 5 - PROPERTY AND EQUIPMENT:

Property and equipment consisted of the following:

	<u>2025</u>	<u>2024</u>
Land	\$ 456,463	\$ 456,463
Buildings	2,185,715	2,185,715
Improvements	2,719,050	2,695,605
Furniture and fixtures	120,962	120,962
Equipment	348,984	348,984
Transportation equipment	<u>111,737</u>	<u>111,737</u>
Total Property and Equipment	5,942,911	5,919,466
Less: accumulated depreciation	<u>3,297,531</u>	<u>3,161,688</u>
Property and Equipment, net	<u>\$ 2,645,380</u>	<u>\$ 2,757,778</u>

Depreciation expense for the years ended June 30, 2025 and 2024 was \$135,843 and \$144,865, respectively.

NOTE 6 - LINE OF CREDIT:

On January 17, 2024, the Organization opened a revolving line of credit in the amount of \$100,000 with PNC Bank. The outstanding principal of all advances will bear interest of 2.50% over the prime rate as published by the Wall Street Journal. There was no outstanding balance as of June 30, 2025 and 2024.

NOTE 7 - MORTGAGES PAYABLE:

On March 23, 2016, the Organization borrowed \$116,140 from the New Jersey Department of Community Affairs, Division of Housing. The promissory note has a provision whereby 10% of the original principal balance is forgiven on the anniversary date of the note. The loan matures on March 23, 2026. The outstanding balance of the loan will be due and payable upon default, termination or sale of the interest owned in the property. The Organization must submit documentation to the New Jersey Department of Community Affairs, Division of Housing to effectuate the discharge of the mortgage. Future principal payment to be forgiven as of June 30, 2025 is \$11,614.

CENTER FOR HOPE AND SAFETY, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2025
(with comparative financial information as of June 30, 2024)

NOTE 8 - NET ASSETS WITH DONOR RESTRICTIONS:

Net assets with donor restrictions are available for the following purposes:

	<u>2025</u>	<u>2024</u>
Subject to expenditure for specified purpose or period:		
Emergency Shelter	\$ 85,859	\$ 122,904
Community Services	14,025	13,025
Economic Empowerment	32,629	30,939
Children	124,878	127,115
Transitional Housing and Rapid Rehousing	71,688	29,179
Client assistance	31,092	32,172
Legal	10,099	300
Other programs	<u>110,786</u>	<u>131,922</u>
Total Net Assets with Donor Restrictions	<u>\$ 481,056</u>	<u>\$ 487,556</u>

Net assets released from donor restrictions, by incurring expenses satisfying the restricted purposes are as follows:

	<u>2025</u>	<u>2024</u>
Emergency Shelter	\$ 91,671	\$ 49,436
Economic Empowerment	810	133
Children	14,237	24,357
Transitional Housing and Rapid Rehousing	42,491	26,845
Client assistance	1,080	-
Legal	129,746	-
Other programs	<u>21,136</u>	<u>50,355</u>
Total	<u>\$ 301,171</u>	<u>\$ 151,126</u>

The various purposes of the above donor restricted amounts are as follows:

Emergency Shelter

Funds for confidential shelter, which provides a refuge for approximately 160-200 victims and survivors a year.

Community Services

Funds to provide follow-up counseling/case management to victims and survivors who have moved on from the Organization's residential services. Counselors provide guidance to reintegrate victims and survivors into their communities. Primary focus is on safety, job training, housing, court issues, food and immigration.

CENTER FOR HOPE AND SAFETY, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2025

(with comparative financial information as of June 30, 2024)

NOTE 8 - NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED):

Economic Empowerment

Funds to provide job readiness training including: English as a second language, high school equivalency test, resume writing, computer basics, and interview techniques. Case workers assist victims and survivors in exploring their vocational interests and capabilities, and seeks education and vocational trainings and employment opportunities with them.

Children

Funds for 70+ sheltered children to receive services annually and more than 300 community children receive referrals/assistance, holiday gifts and/or attend agency activities. Individual counseling, including art therapy, with an emphasis on building self-esteem, self-confidence, and appropriate behaviors. Afternoon programming for school-aged children, includes homework support, small group discussions, recreational activities, and community trips.

Transitional Housing and Rapid Rehousing

Funds for approximately 15-20 households a year to house in four transitional homes, and funds to provide rent subsidies to 15 households with Rapid-Rehousing Program. Max stay is 24 months. For clients in need of affordable housing and support services after their shelter stay. Victims and survivors work with counselors to continue gaining strength and building skills. Program provides support services for vocational counseling, training for reentry into the workforce and to secure employment etc., and provide services that help integration into a community, including transportation, childcare, case management and finding permanent housing.

Client assistance

Funds to provide client assistance which includes rent, utilities, childcare, transporting clients and help with medications.

Legal

Funds for the Organization's staff attorneys provide legal representation to survivors of domestic violence in Bergen County. Priority legal issues include: Temporary Restraining Orders ("TROs"), Final Restraining Orders ("FROs") and appeals, emergent custody, visitation, child support, spousal support and other related domestic violence family law matters. The attorneys also provide advice and counsel to survivors of domestic violence in lieu of representation when appropriate, to empower such survivors to represent themselves or to make appropriate decisions regarding their legal cases.

CENTER FOR HOPE AND SAFETY, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2025
(with comparative financial information as of June 30, 2024)

NOTE 8 - NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED):

Other Programs

Various funds that provide 24 Hour Hotline-Services are for victims of domestic violence, who may be abused by their husband, partner, relative or adult child. Callers receive crisis intervention, counseling and referrals. Also, Community Education programs focusing on domestic violence. Volunteer Program Opportunities include: answer hotline, working with children, tutoring, organizing, transportation and education fairs.

NOTE 9 - PENSION PLAN:

The Organization sponsors a Simplified Employee Pension ("SEP") Plan covering all eligible full-time employees. The Organization contributes a percentage of compensation (not to exceed 15%) to the plan. For the years ending June 30, 2025 and 2024, the pension plan expense was \$48,147 and \$44,807, respectively.

NOTE 10 - REVENUE FROM CONTRACTS WITH CUSTOMERS:

Contract Balances

Contract balances from contracts with customers were as follows:

	<u>Client Fees Receivable</u>	
	<u>2025</u>	<u>2024</u>
Beginning of year	<u>\$ 126,941</u>	<u>\$ 129,080</u>
End of year	<u>\$ 88,177</u>	<u>\$ 126,941</u>

Disaggregation of Revenue

The Organization has one source of revenue from contracts with customers, which is client housing fees from the transitional housing program. The Organization recognizes revenue from contracts with customers over time for financial reporting purposes. Revenue recognized over time for the years ended June 30, 2025 and 2024 was \$129,144 and \$67,724, respectively.

Performance Obligations

Revenue derived from client housing fees are recognized during the year in which the obligation under the rental agreements specific to each client are met. The performance obligation is providing housing to clients in four transitional homes; therefore, the revenue is recognized over the year or period of the rental agreements that are specific to each client. Fees are due by the first of the month. Fees paid in advance is deferred to the period to which they relate.

CENTER FOR HOPE AND SAFETY, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2025

(with comparative financial information as of June 30, 2024)

NOTE 11 - CONCENTRATIONS:

Credit Risk

The Organization maintains its cash balances at several financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. The balances, at times, may exceed federally insured limits.

Support

The Organization receives a substantial amount of its revenue from federal and state grants. A significant reduction in the level of this revenue, if this was to occur, may have an effect on the Organization's programs and activities.

NOTE 12 - COMMITMENTS AND CONTINGENCIES:

Operating Leases

For the years ended June 30, 2025 and 2024, total operating lease cost for the copier and transitional home was \$26,505 and \$26,505, respectively. Operating lease cost is included in the rent and equipment rent line items on the statement of functional expenses.

The following summarizes the line items in the statement of financial position which include amounts for the operating lease as of June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Operating lease right-of-use assets, net	\$ <u>43,797</u>	\$ <u>68,691</u>
Operating lease obligations	\$ <u>44,500</u>	\$ <u>69,480</u>

The components of operating lease expenses are included in the statement of activities for the years ended June 30, 2025 and 2024 are as follows:

	<u>2025</u>	<u>2024</u>
Operating lease cost	\$ <u>26,505</u>	\$ <u>26,505</u>

The following summarizes the cash flow information related to the operating leases for the years ended June 30, 2025 and 2024:

Cash paid for amounts included in the measurement of lease obligations:

	<u>2025</u>	<u>2024</u>
Operating cash flows for operating leases	\$ <u>26,590</u>	\$ <u>26,266</u>

CENTER FOR HOPE AND SAFETY, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2025
(with comparative financial information as of June 30, 2024)

NOTE 12 - COMMITMENTS AND CONTINGENCIES (CONTINUED):

The weighted-average lease term and discount rate applied to calculate the lease obligations as of June 30, 2025 and 2024 are as follows:

	<u>2025</u>	<u>2024</u>
Weighted average remaining lease term	21 months	33 months
Weighted average discount rate	2.88%	2.88%

Future maturities of the operating lease obligations are presented in the following table for the fiscal years ending June 30:

2026	\$ 26,920
2027	<u>18,640</u>
Total lease payments	45,560
Less present value discount	<u>(1,060)</u>
Total	<u>\$ 44,500</u>

Mortgages

The Organization has the following contingent notes payable to the New Jersey Department of Human Services:

<u>Original Amount</u>	<u>Date of Note</u>	<u>Date of Maturity</u>	<u>Annual Reduction</u>	<u>Balance as of 6/30/25</u>
\$ 3,555	10/31/04	10/31/24	\$ 178	\$ -
\$ 5,819	02/28/05	02/28/25	\$ 291	\$ -

The note specifies that the money be used for renovations or other improvements; the Organization has satisfied the obligation. In return, no repayment of the note is required as long as the Organization continues to operate in the same manner until the date of maturity as shown. Instead, the amount of the note is being reduced annually.

The U.S. Department of Housing and Urban Development ("HUD") Supportive Housing grant, awarded in conjunction with the purchase of a transitional home, requires a 20-year commitment (until March 2036) to operate that facility in accordance with grant requirements. No repayment is required as long as the facility remains in operation as a transitional home until that date.

CENTER FOR HOPE AND SAFETY, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2025

(with comparative financial information as of June 30, 2024)

NOTE 13 - ENDOWMENT FUNDS:

Board Designated Endowment

As of June 30, 2025 and 2024, the Board of Trustees has designated \$238,987 and \$238,987, respectively, of net assets without donor restrictions as a general endowment fund to support the Organization's operations and capital improvements. Since that amount resulted from an internal designation and is not donor restricted, it is classified and reported as net assets without donor restrictions.

Investment Return Objective, Risk Parameters, and Strategies. The Organization maintains an Endowment Program for the explicit purpose of assuring the continuity and viability of the Organization. To achieve this objective, endowment assets are invested in a well-diversified asset mix, which includes cash and money-market, equities and fixed income securities that are intended to result in a consistent rate of return.

Spending Policy. The long-term objective of the Organization's endowment is that annual spending should remain at a prudent level with the objective to balance current and future requirements of the agency. Spending should not exceed 5% of a three-year average of market value, calculated on the latest twelve-quarter ending market values. The income may be used at the discretion of the board.

NOTE 14 - LIQUIDITY AND AVAILABILITY OF RESOURCES:

The following reflects the Organization's financial assets as of June 30, 2025 and 2024 that could readily be made available within one year of the statement of financial position to fund expenses without limitations:

	<u>2025</u>	<u>2024</u>
Cash and equivalents	\$ 2,159,841	\$ 1,449,492
Marketable securities	521,904	441,103
Grants receivable	298,404	976,164
Welfare receivable	10,416	11,010
Client fees receivable, net	88,177	126,941
Other receivables	<u>3,237</u>	<u>-</u>
Total financial assets at year-end	<u>3,081,979</u>	<u>3,004,710</u>
Less those unavailable for general expenditures within one year due to:		
Restricted by donors with purpose restrictions	(481,056)	(487,556)
Board designated quasi-endowment	<u>(238,987)</u>	<u>(238,987)</u>
Total unavailable for general use	<u>(720,043)</u>	<u>(726,543)</u>
Total financial assets available to management for general expenditure within one year	<u>\$ 2,361,936</u>	<u>\$ 2,278,167</u>

CENTER FOR HOPE AND SAFETY, INC.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
June 30, 2025
(with comparative financial information as of June 30, 2024)

NOTE 14 - LIQUIDITY AND AVAILABILITY OF RESOURCES (CONTINUED):

Liquidity Management

The Organization maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due. At any time, the Board can ratify the need to draw down on the board designated quasi-endowment for liquidity management. Additionally, the Organization has a line of credit as noted in Note 6 that it may draw upon as obligations come due.

NOTE 15 - SUBSEQUENT EVENTS:

Subsequent events have been evaluated through March 23, 2026, the date the financial statements were available to be issued. No events have occurred subsequent to the statement of financial position date and through the date the financials were available to be issued that would require adjustment to or disclosure in the accompanying financial statements.

CENTER FOR HOPE AND SAFETY, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended June 30, 2025

Federal/State Agency/Pass-Through Entity	AL Number	Grant Number	Fiscal Year Expenditures	Total Grant Expenditures	Grant Period
Federal:					
U.S. Department of Housing and Urban Development:					
Continuum of Care Program	14.267	NJ0022L2F012316	\$ 15,801	\$ 15,801	07/01/24-06/30/25
Continuum of Care Program	14.267	NJ0645D2F012201	165,754	474,950	11/01/23-10/31/24
Continuum of Care Program	14.267	NJ0645D2F012302	272,073	272,073	11/01/24-10/31/25
Total Continuum of Care Program			<u>453,628</u>	<u>762,824</u>	
State of New Jersey, County of Bergen, Department of Administration and Finance, Division of Community Development:					
Emergency Solutions Grant - Shelter Options	14.231	ESG-CFHS-03-24	50,000	50,000	07/01/24-06/30/25
Emergency Solutions Grant - HMIS Operations	14.231	ESG-CFHS-03A-24	4,750	4,750	07/01/24-06/30/25
Total Emergency Solutions Grants			<u>54,750</u>	<u>54,750</u>	
U.S. Department of Justice:					
Office of Violence Against Women - Transitional Housing	16.736	15JOVW-24-GG-02782-TRAN	48,485	48,485	10/01/24-09/30/27
Congressionally Recommended Awards	16.753	15POVC-22-GG-00672-BRND	76,754	287,383	07/01/22-02/28/25
State of New Jersey, Department of Law and Public Safety:					
Supportive Services for Victims of Domestic Violence	16.575	VAG-59-22	148,482	244,793	09/01/23-08/31/25
Supportive Services for Victims of Domestic Violence	16.575	VAG 58-22	130,164	207,770	09/01/23-08/31/25
Total Supportive Services for Victims of Domestic Violence			<u>278,646</u>	<u>452,563</u>	
U.S. Department of the Treasury:					
State of New Jersey, Department of Children and Families, Division of Prevention and Community Partnerships:					
Coronavirus State and Local Fiscal Recovery Funds	21.027	25NW0044	82,098	82,098	07/01/24-06/30/25
U.S. Department of Education:					
County of Bergen, Special Services School District:					
Education for Homeless Children and Youth	84.196	N/A	13,185	13,185	07/01/24-12/31/24
Education for Homeless Children and Youth	84.196	N/A	13,185	13,185	01/01/25-06/30/25
Total Education for Homeless Children and Youth			<u>26,370</u>	<u>26,370</u>	
U.S. Department of Health and Human Services:					
State of New Jersey, Department of Children and Families, Division of Prevention and Community Partnerships:					
COVID - ARP - Family Violence Prevention and Services ("FVPS") - Round 2	93.671	23ADBW	101,679	177,255	07/01/22-09/30/25
Family Violence Prevention and Services (FVPS)	93.671	25NW0016	109,319	109,319	07/01/24-06/30/25
Total Family Violence Prevention and Services			<u>210,998</u>	<u>286,574</u>	
Total Expenditures of Federal Awards			<u>1,231,729</u>	<u>2,001,047</u>	
State of New Jersey:					
Department of Children and Families, Division on Women:					
Sheltering	N/A	25NW0016	565,052	565,052	07/01/24-06/30/25
Sheltering Additional	N/A	25NW0018	84,855	84,855	07/01/24-06/30/25
Project CHILD	N/A	25NW0019	454,426	454,426	07/01/24-06/30/25
DV Liaison	N/A	25NW0017	179,760	179,760	07/01/24-06/30/25
DV Victims Fund	N/A	25NW0016	64,994	64,994	07/01/24-06/30/25
DV Direct Svc - Housing Navigator	N/A	25NW0044	100,000	100,000	07/01/24-06/30/25
Total Expenditures of State Awards			<u>1,449,087</u>	<u>1,449,087</u>	
Total Expenditures of Federal and State Awards			<u>\$ 2,680,816</u>	<u>\$ 3,450,134</u>	

See accompanying notes to the schedule of expenditures
of federal and state awards.

CENTER FOR HOPE AND SAFETY, INC.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended June 30, 2025

NOTE 1 - BASIS OF PRESENTATION:

The accompanying schedule of expenditures of federal and state awards (the "Schedule") includes the federal and state award activity of the Organization under programs of the federal and state government for the year ended June 30, 2025. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance") and New Jersey OMB Circular Letter 15-08. Because the Schedule presents only a selected portion of operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and New Jersey OMB Circular 15-08, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 - SUBRECIPIENTS:

During the year ended June 30, 2025, the Organization did not provide funds relating to their programs to subrecipients.

NOTE 4 - INDIRECT COST RATE:

The Organization did not elect to use the de minimis cost rate allowed under the Uniform Guidance.

NOTE 5 - LOAN AND LOAN GUARANTEE PROGRAMS:

As of June 30, 2025, the Organization did not have any federal or state loan or loan guarantee programs.

CENTER FOR HOPE AND SAFETY, INC.

SCHEDULE OF EXPENDITURES OF COUNTY AWARDS
For the Year Ended June 30, 2025

Department	Grant Name	Grant Number	Grant Period From	Grant Period To	Total Grant Amount	Expenditures
Department of Human Services:	Domestic Violence Prevention	CHS-C24	01/01/24	12/31/24	\$ 94,449	\$ 44,712
	Domestic Violence Prevention	CHS-C25	01/01/25	12/31/25	94,449	33,878
					<u>188,898</u>	<u>78,590</u>
	Protective Services, County Match	24NW0016-NW0019	07/01/24	12/31/24	33,760	16,880
	Protective Services, County Match	24NW0016-NW0019	07/01/24	12/31/24	33,760	16,880
				<u>67,520</u>	<u>33,760</u>	
			Total		<u>\$ 256,418</u>	<u>\$ 112,350</u>

The accompanying notes are an integral part of these financial statements.

MALESARDI, QUACKENBUSH, SWIFT & COMPANY LLC

Certified Public Accountants
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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

Center for Hope and Safety, Inc.

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 financial statements of Center for Hope and Safety, Inc. (a Not-for-Profit Organization), which are comprised of the statement of financial position as of June 30, 2025, and the related statements of activities, 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 23, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Center for Hope and Safety, Inc.'s internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Center for Hope and Safety, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Center for Hope and Safety, 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Center for Hope and Safety, 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 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.

Malesardi, Quackenbush, Swift & Company LLC

Englewood, New Jersey
March 23, 2026

MALESARDI, QUACKENBUSH, SWIFT & COMPANY LLC

Certified Public Accountants
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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE AND
NEW JERSEY OMB CIRCULAR LETTER 15-08**

To the Board of Trustees of

Center for Hope and Safety, Inc.

Report on Compliance for Each Major Program

Opinion on Each Major Program

We have audited Center for Hope and Safety, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* and the New Jersey Office of Management and Budget *Compliance Supplement* that could have a direct and material effect on each of Center for Hope and Safety, Inc.'s major programs for the year ended June 30, 2025. Center for Hope and Safety, Inc.'s major programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Center for Hope and Safety, Inc. 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 programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Program

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* (the "Uniform Guidance"), and New Jersey OMB Circular Letter 15-08. Our responsibilities under those standards, the Uniform Guidance, and New Jersey OMB Circular Letter 15-08, are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Center for Hope and Safety, Inc. 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 program. Our audit does not provide a legal determination of Center for Hope and Safety, Inc.'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 Center for Hope and Safety, Inc.'s federal and state programs.

Auditors' 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 Center for Hope and Safety, Inc.'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 generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and New Jersey OMB Circular Letter 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 Center for Hope and Safety, Inc.'s compliance with the requirements of each major program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and New Jersey OMB Circular Letter 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 Center for Hope and Safety, Inc.'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 Center for Hope and Safety, Inc.'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 New Jersey OMB Circular Letter 15-08, but not for the purpose of expressing an opinion on the effectiveness of Center for Hope and Safety, Inc.'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 a 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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and New Jersey OMB Circular Letter 15-08. Accordingly, this report is not suitable for any other purpose.

Malesardi Quackebush Swift + Company LLC

Englewood, New Jersey
March 23, 2026

CENTER FOR HOPE AND SAFETY, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2025

I. Summary of Auditors' Results:

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

1. Material weakness(es) identified? _____ yes X no

2. Significant deficiencies identified? _____ yes X none reported

Noncompliance material to financial statements noted? _____ yes X no

Federal and State Awards

Internal control over major programs:

1. Material weakness(es) identified? _____ yes X no

2. Significant deficiencies identified? _____ yes X none reported

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a) and New Jersey OMB Circular Letter 15-08? _____ yes X no

Identification of Major Programs

<u>Assistance Listing Number</u>	<u>Name of Federal or State Program or Cluster</u>
N/A	State of New Jersey Department of Children and Families, Sheltering, Sheltering Additional, Project CHILD, DV Liaison, DV Victims Fund, DV Direct Svc.
14.267	Continuum of Care Program

Dollar threshold used to distinguish between type A and type B programs: \$ 750,000

Auditee qualified as low-risk auditee? X yes _____ no

II. Financial Statement Findings: None

III. Federal and State Award Findings and Questioned Costs: None