

Women Aware, Inc.

Financial Statements and
OMB Circular A-133 and New Jersey OMB
Circular 04-04 Financial Report
Together With Independent Auditors' Report

December 31, 2012 and 2011

Women Aware, Inc.
Financial Statements and OMB Circular A-133 and New Jersey OMB
Circular 04-04 Financial Report

December 31, 2012 and 2011

<u>TABLE OF CONTENTS</u>	<u>PAGE</u>
Independent Auditors' Report	1-2
FINANCIAL STATEMENTS	
Statements of Financial Position	3
Statements of Activities	4
Statements of Cash Flows	5
Statements of Functional Expenses	6-7
Notes to Financial Statements	8-14
SUPPLEMENTARY SCHEDULES	
Supplementary Schedule of Public Support and Revenues	15
Schedule of Expenditures of Federal Awards	16
Schedule of Expenditures of State Financial Assistance	17
Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance	18
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>	19-20
Report on Compliance for Each Major Program; Report on Internal Control Over Compliance and Report on Schedule of Expenditures of Federal and State Awards Required by OMB Circular A-133 and New Jersey OMB Circular 04-04	21-22
Schedule of Findings and Questioned Costs	23

Independent Auditors' Report

Board of Directors Women Aware, Inc.

We have audited the accompanying statements of Women Aware, Inc. (the "Organization") which comprise the statements of financial position as of December 31, 2012 and 2011, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Women Aware, Inc. as of December 31, 2012 and 2011, 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.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Supplementary Schedule of Public Support and Revenues on page 15 is presented for purposes of additional analysis and is not a required part of the financial statements. The Schedules of Expenditures of Federal Awards and State Financial Assistance on pages 16 and 17 as required by Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and New Jersey OMB Circular 04-04, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, are presented for purposes of additional analysis and are 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 information 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 April 30, 2013 on our consideration of the Organization'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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

O'Connell Davies, LLP

Paramus, NJ
April 30, 2013

Women Aware, Inc.

Statements of Financial Position

	December 31,	
	<u>2012</u>	<u>2011</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 224,225	\$ 199,264
Investments	207,264	197,107
Grants receivable	112,926	128,969
Pledges receivable	3,358	7,942
Prepaid expenses and other	<u>35,033</u>	<u>11,568</u>
Total Current Assets	<u>582,806</u>	<u>544,850</u>
Land, buildings and equipment, net of accumulated depreciation	<u>1,155,888</u>	<u>992,330</u>
	<u>\$ 1,738,694</u>	<u>\$ 1,537,180</u>
LIABILITIES AND NET ASSETS		
Accounts payable and accrued expenses	\$ 91,652	\$ 151,515
Current portion of mortgage payable	24,557	29,309
Other liabilities	<u>29,167</u>	<u>26,250</u>
Total Current Liabilities	<u>145,376</u>	<u>207,074</u>
Mortgage Payable	<u>468,727</u>	<u>343,713</u>
Total Liabilities	<u>614,103</u>	<u>550,787</u>
Net Assets		
Unrestricted	1,011,665	857,424
Temporarily restricted	<u>112,926</u>	<u>128,969</u>
Total Net Assets	<u>1,124,591</u>	<u>986,393</u>
	<u>\$ 1,738,694</u>	<u>\$ 1,537,180</u>

See notes to financial statements

Women Aware, Inc.

Statements of Activities

	Year Ended December 31,			Year Ended December 31,		
	2012			2011		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
PUBLIC SUPPORT						
Contributions	\$ 119,516	\$ -	\$ 119,516	\$ 140,296	\$ -	\$ 140,296
Government grants and contracts	1,417,395	112,926	1,530,321	1,403,433	128,969	1,532,402
Other grants and contracts	229,522	-	229,522	227,813	-	227,813
Fundraising events, net	22,641	-	22,641	36,068	-	36,068
Total Public Support	<u>1,789,074</u>	<u>112,926</u>	<u>1,902,000</u>	<u>1,807,610</u>	<u>128,969</u>	<u>1,936,579</u>
REVENUE						
Program service revenue	38,697	-	38,697	46,675	-	46,675
Investment income	10,350	-	10,350	3,867	-	3,867
Miscellaneous income	41,010	-	41,010	3,776	-	3,776
Net assets released from restrictions	<u>128,969</u>	<u>(128,969)</u>	<u>-</u>	<u>239,772</u>	<u>(239,772)</u>	<u>-</u>
Total Support and Revenue	<u>2,008,100</u>	<u>(16,043)</u>	<u>1,992,057</u>	<u>2,101,700</u>	<u>(110,803)</u>	<u>1,990,897</u>
EXPENSES						
Program services	1,365,434	-	1,365,434	1,391,540	-	1,391,540
Supporting services						
Management and general	485,711	-	485,711	509,407	-	509,407
Fundraising	<u>2,714</u>	<u>-</u>	<u>2,714</u>	<u>3,243</u>	<u>-</u>	<u>3,243</u>
Total Expenses	<u>1,853,859</u>	<u>-</u>	<u>1,853,859</u>	<u>1,904,190</u>	<u>-</u>	<u>1,904,190</u>
Change in Net Assets	154,241	(16,043)	138,198	197,510	(110,803)	86,707
NET ASSETS						
Beginning of year	<u>857,424</u>	<u>128,969</u>	<u>986,393</u>	<u>659,914</u>	<u>239,772</u>	<u>899,686</u>
End of year	<u>\$ 1,011,665</u>	<u>\$ 112,926</u>	<u>\$ 1,124,591</u>	<u>\$ 857,424</u>	<u>\$ 128,969</u>	<u>\$ 986,393</u>

See notes to financial statements

Women Aware, Inc.

Statement of Functional Expenses
Year Ended December 31, 2012

	Program Services			Supporting Services			Total Expenses
	Residential	Non Residential	Total Program Services	Management and General	Development and Fundraising	Total Supporting Services	
Salaries	\$ 370,843	\$ 570,544	\$ 941,387	\$ 207,080	\$ -	\$ 207,080	\$ 1,148,467
Employee health and retirement benefits	37,144	60,830	97,974	21,646	-	21,646	119,620
Payroll taxes	43,828	62,661	106,489	31,909	-	31,909	138,398
Total Salaries and Related Expenses	451,815	694,035	1,145,850	260,635	-	260,635	1,406,485
Professional fees	13,204	14,943	28,147	94,437	-	94,437	122,584
Facility costs	21,668	6,355	28,023	19,839	-	19,839	47,862
Operation costs	4,969	6,764	11,733	43,697	1,114	44,811	56,544
Interest expense	11,035	-	11,035	-	-	-	11,035
Insurance	14,399	25,259	39,658	19,352	-	19,352	59,010
Conference and meetings	292	120	412	11,807	-	11,807	12,219
Program supplies	8,509	-	8,509	402	-	402	8,911
Vehicle expense	-	-	-	519	-	519	519
Travel expense	29	2,086	2,115	1,038	-	1,038	3,153
Subscriptions	-	246	246	32	-	32	278
Bad debts	-	-	-	-	1,600	1,600	1,600
Client assistance	16,590	30,370	46,960	-	-	-	46,960
Miscellaneous expense	353	451	804	6,167	-	6,167	6,971
Total Expenses before Depreciation	542,863	780,629	1,323,492	457,925	2,714	460,639	1,784,131
Depreciation	35,175	6,767	41,942	27,786	-	27,786	69,728
Total Expenses	<u>\$ 578,038</u>	<u>\$ 787,396</u>	<u>\$ 1,365,434</u>	<u>\$ 485,711</u>	<u>\$ 2,714</u>	<u>\$ 488,425</u>	<u>\$ 1,853,859</u>

Women Aware, Inc.

Statement of Functional Expenses
Year Ended December 31, 2011

	Program Services			Supporting Services			Total Expenses
	Residential	Non Residential	Total Program Services	Management and General	Development and Fundraising	Total Supporting Services	
Salaries	\$ 372,160	\$ 598,557	\$ 970,717	\$ 263,180	\$ -	\$ 263,180	\$ 1,233,897
Employee health and retirement benefits	32,629	59,462	92,091	28,660	-	28,660	120,751
Payroll taxes	43,141	63,458	106,599	27,855	-	27,855	134,454
Total Salaries and Related Expenses	447,930	721,477	1,169,407	319,695	-	319,695	1,489,102
Professional fees	8,359	26,805	35,164	74,988	-	74,988	110,152
Facility costs	35,793	16,293	52,086	21,567	-	21,567	73,653
Operation costs	12,042	13,778	25,820	35,026	1,293	36,319	62,139
Interest expense	12,763	-	12,763	-	-	-	12,763
Insurance	10,560	19,322	29,882	21,366	-	21,366	51,248
Conference and meetings	461	682	1,143	8,231	-	8,231	9,374
Program supplies	8,096	-	8,096	1,245	-	1,245	9,341
Vehicle expense	2,116	-	2,116	382	-	382	2,498
Travel expense	111	3,623	3,734	699	-	699	4,433
Subscriptions	-	331	331	534	-	534	865
Bad debts	-	-	-	-	1,950	1,950	1,950
Client assistance	1,729	3,305	5,034	4,630	-	4,630	9,664
Miscellaneous expense	743	305	1,048	6,070	-	6,070	7,118
Total Expenses before Depreciation	540,703	805,921	1,346,624	494,433	3,243	497,676	1,844,300
Depreciation	14,972	29,944	44,916	14,974	-	14,974	59,890
Total Expenses	\$ 555,675	\$ 835,865	\$ 1,391,540	\$ 509,407	\$ 3,243	\$ 512,650	\$ 1,904,190

Women Aware, Inc.

Statements of Cash Flows

	Year Ended December 31,	
	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 138,198	\$ 86,707
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation	69,728	59,890
Unrealized (gain) loss on investments	(6,511)	8,857
(Gain) on sale of investments	(2,110)	(11,435)
Changes in operating assets and liabilities		
Grants receivable	16,043	110,803
Pledges receivable	4,584	1,408
Prepaid expenses and other	(23,465)	22,521
Accounts payable and accrued expenses	(59,863)	47,414
Other liabilities	2,917	(63,293)
Net Cash from Operating Activities	139,521	262,872
 CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property and equipment	(233,286)	(420,258)
Purchases of investments	(57,763)	(210,508)
Proceeds from sale of investments	56,227	209,617
Net Cash from Investing Activities	(234,822)	(421,149)
 CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds on loan	382,218	243,750
Payments on mortgage payable	(261,956)	(25,437)
Net Cash from Financing Activities	120,262	218,313
Net Change in Cash and Cash Equivalents	24,961	60,036
 CASH AND CASH EQUIVALENTS		
Beginning of year	199,264	139,228
End of year	\$ 224,225	\$ 199,264

See notes to financial statements

Women Aware, Inc.

Notes to Financial Statements
December 31, 2012

1. Organizational Status

Women Aware, Inc. (the "Organization") is a not-for-profit organization incorporated in the State of New Jersey on April 24, 1981. Women Aware, Inc. provides protection services to adult women and children who have been physically or emotionally abused. The service is comprehensive in nature with the initial provision of safety, personal needs, counseling and numerous other related services.

As a nonprofit organization, Women Aware, Inc. is exempt from income tax under Section 501(c)(3) of the United States Internal Revenue Code.

2. Summary of Significant Accounting Policies

Use of Estimates

The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP"), which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Financial Statement Presentation

The Organization reports information regarding its financial position and activities according to three classes of net assets based on the presence or absence of donor restrictions, as follows: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Cash and Cash Equivalents

All highly liquid debt instruments with a maturity of three months or less at the time of purchase are considered to be cash equivalents for the purpose of the statement of cash flows.

Allowance for Uncollectible Receivables

An allowance for uncollectible receivables is estimated based on a combination of write-off history, aging analysis and any specific know troubled accounts. Management believes all receivables are fully collectible, therefore, no allowance for doubtful accounts is recognized as of December 31, 2012 and 2011.

Women Aware, Inc.

Notes to Financial Statements
December 31, 2012

2. Summary of Significant Accounting Policies (continued)

Fair Value of Financial Instruments

The Organization follows U.S. GAAP 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.

The value by input level of the Organization's investments are included in Note 5 to the financial statements.

Investments Valuation and Income Recognition

Following is a description of the valuation methodologies used for assets measured at fair value:

Equity Securities Valued at the closing price of the market in which the security is traded.

Fixed Income Securities Valued based upon broker quotations.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Realized and unrealized gains and losses are included in the determination of the change in net assets.

Land, Buildings and Equipment

Land, buildings, and equipment are stated at cost or, if acquired by gift, at the fair value at the date of the gift. The Organization follows the practice of capitalizing all expenditures for land, buildings and equipment in excess of \$1,000. Depreciation is provided using the straight-line method over the estimated useful lives of the respective assets which range from 3 to 40 years.

Revenue Recognition

Revenue is derived principally from grants from government agencies, corporations, and foundations supporting the programs and services of the Organization. Grants are treated as exchange contracts and, accordingly, are reported as unrestricted revenue when the expenses related to the grants are incurred in accordance with contractual terms.

Women Aware, Inc.

Notes to Financial Statements
December 31, 2012

2. Summary of Significant Accounting Policies *(continued)*

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Donated Goods and Services

Donated goods and services are recorded at their estimated fair market value at the date of donation. Contributions of services are recognized when they are received, if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not donated. The compensation equivalent for donated services would be valued using management's estimates if there was any.

Reclassification

Certain reclassifications have been made to prior year's financial statements to conform to the current year presentation. These reclassifications had no effect on previously reported results of operations or net assets.

Accounting for Uncertainty in Income Taxes

The Organization recognizes the effect of income tax positions only when they are more likely than not to be sustained. Management has determined that the Organization had no uncertain tax positions that require financial statement recognition or disclosure. The Organization is no longer subject to examination by the applicable taxing jurisdictions for periods prior to 2009.

Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is April 30, 2013.

3. Pledges Receivable

The Organization held fund-raising campaigns to enable the Organization to support programs and special events of Women Aware. The Organization does not have any material pledges due in more than one year.

Women Aware, Inc.

Notes to Financial Statements
December 31, 2012

4. Land, Buildings, Equipment and Depreciation

At December 31, land, building and equipment consist of the following:

	<u>2012</u>	<u>2011</u>	<u>Life</u>
Land and land improvements	\$ 217,253	\$ 217,253	
Buildings and improvements	1,054,996	1,008,347	10-40 years
Furniture and equipment	354,777	344,782	5-10 years
Construction in progress	<u>251,530</u>	<u>74,888</u>	
	1,878,556	1,645,270	
Less accumulated depreciation	<u>722,668</u>	<u>652,940</u>	
	<u>\$ 1,155,888</u>	<u>\$ 992,330</u>	

5. Investments

The fair value of investments and cash equivalents and their fair value level hierarchy at December 31 are as follows:

	<u>2012</u>			<u>2011</u>		
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Total
Equities						
Domestic equities	\$ 32,367	\$ -	\$ 32,367	\$ 33,959	\$ -	\$ 33,959
International equities	<u>7,624</u>	<u>-</u>	<u>7,624</u>	<u>7,730</u>	<u>-</u>	<u>7,730</u>
Total Equities	39,991	-	39,991	41,689	-	41,689
Fixed income securities	<u>-</u>	<u>91,221</u>	<u>91,221</u>	<u>-</u>	<u>104,724</u>	<u>104,724</u>
Total Investments	<u>\$ 39,991</u>	<u>\$ 91,221</u>	131,212	<u>\$ 41,689</u>	<u>\$ 104,724</u>	146,413
Cash and cash equivalents			<u>76,052</u>			<u>50,694</u>
Total			<u>\$ 207,264</u>			<u>\$ 197,107</u>

The following schedule summarizes the investment return in the statement of activities:

	<u>2012</u>	<u>2011</u>
Interest and dividends, net	\$ 1,729	\$ 1,289
Realized gain (loss) on sale of investments	2,110	11,435
Unrealized gain (loss) on investments	<u>6,511</u>	<u>(8,857)</u>
	<u>\$ 10,350</u>	<u>\$ 3,867</u>

Women Aware, Inc.

Notes to Financial Statements
December 31, 2012

6. Mortgage Payable

Mortgage payable is comprised of the following at December 31:

	<u>2012</u>	<u>2011</u>
<p>In January 1996, the Organization entered into an agreement with the State of New Jersey Department of Children and Families (DCF) whereby the Organization received a deed and a mortgage commitment in the amount of \$325,000 to a property with a building to maintain a shelter facility for DCF clients for twenty years. As part of the agreement, the annual mortgage payments are a reduction from the DCF's annual funding to the Organization. Since the mortgage commitment had no stated interest rate, a rate of 8.25% (prime rate as of January 1996) was used to calculate interest expense. The note reduction is treated as grant revenue in the statement of activities.</p>	\$ 111,066	\$ 133,752
<p>In February 2011, the Organization purchased property and a building for \$325,000. This property was secured by a mortgage through the Organization's bank. The mortgage had a fixed rate of 6.5% for five years with a monthly payment of \$1,832 and a balloon payment due March 1, 2016. In September 2012, the mortgage was paid off with proceeds from a new mortgage note from the Special Needs Housing Trust Fund in the amount up to \$565,896 for the construction and permanent financing of a supportive housing project (the "Project") from New Jersey Housing and Mortgage Finance Agency ("HMFA"). According to the Project agreement with HMFA, the Organization will own, maintain and operate this property and building and construct and/or rehabilitate the building to provide permanent supportive housing for victims of domestic violence. The new mortgage note, which matures September 24, 2042, includes a 0% interest rate and an annual principal repayment to be determined at the close of each year. Principal repayment is calculated as 25% of the Project's available cash flows after the payment of operating expenses and the funding of all escrows. To the extent that principal payments are not covered by the Project's cash flow, the payment of principal shall be deferred until the end of the mortgage term. Management believes the operating expenses and services to be provided under this Project will most likely exceed the rental income to be collected, thus all principal payments will be deferred to the end of the thirty year term.</p>	372,123	239,270

Women Aware, Inc.

Notes to Financial Statements
December 31, 2012

6. Mortgage Payable (continued)

	2012	2011
<p>In January 2012, the Organization entered into a grant agreement and mortgage note for \$159,000 with the New Jersey Department of Community Affairs Division of Housing (the "DCA") for renovations to their emergency shelter facility. The portion of the award to be recorded as a mortgage is \$129,900. The remaining balance of \$29,100 will be recorded as grant revenue in the statement of activities. Renovations began in late 2012 and were completed in 2013. According the agreement, the mortgage balance will not be amortized, nor will a monthly payment against the principal balance be due as there is a forgiveness of the loan if certain conditions are met. On the anniversary date of the issuance of the certificate of occupancy, which is March 1, 2013, for the shelter facility, and on each successive anniversary for ten years thereafter, 10% of the original principal will be forgiven by the DCA upon submission of a certification that the property is being utilized as an emergency shelter facility. The mortgage balance will be due and payable to the DCA upon default, cessation of the use of the property as an emergency shelter facility or termination or sale of the property. The note reduction will be treated as grant revenue in the statement of activities. Since the mortgage commitment has no stated interest rate, prime rate, which is currently 3.25%, will be used to calculate interest expense.</p>	<p style="border-top: 1px solid black; border-bottom: 1px solid black;">10,095</p>	<p style="border-top: 1px solid black; border-bottom: 1px solid black;">-</p>
Total	493,284	373,022
Current portion	(24,557)	(29,309)
Mortgage payable	\$ 468,727	\$ 343,713

Future maturities of the mortgage payable are as follows:

2013	\$ 24,557
2014	36,678
2015	28,776
2016	31,150
2017	-
Thereafter	372,123
	\$ 493,284

Interest expense recognized for the years ended December 31, 2012 and 2011 was \$11,035 and \$12,763.

Women Aware, Inc.

Notes to Financial Statements
December 31, 2012

7. Retirement Plan

The Organization established a plan qualifying under Section 401(k) of the Internal Revenue Code, which covers substantially all employees. Eligible employees can defer up to 15% of their compensation. The Organization's prior Section 403(b) plan was frozen. The employer match on the 401(k) plan was \$24,989 and \$13,580 at December 31, 2012 and 2011.

8. Temporarily Restricted Net Assets and Net Assets Released From Restrictions

Temporarily restricted net assets were available for the following purpose at December 31,:

	<u>2012</u>	<u>2011</u>
Program services	<u>\$112,926</u>	<u>\$ 128,969</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose for the years ended December 31,:

	<u>2012</u>	<u>2011</u>
Program services	<u>\$128,969</u>	<u>\$ 239,772</u>

9. Risk Concentrations

Demand Deposits

The Organization occasionally maintains deposits in excess of federally insured limits.

Funding Concentration

The Organization administers programs funded primarily by the New Jersey State Department of Children and Families (DCF). A significant reduction in this level of support would impact the Organization's programs and activities. The Organization does receive funding from other state agencies, contributions and service recipients.

* * * * *

SUPPLEMENTARY SCHEDULES

The Supplementary Schedule of Public Support and Revenues contained on page 15 is presented for analysis purposes only. Public support and other revenues have been arranged to facilitate the presentation of key operating ratios for Women Aware, Inc.

Women Aware, Inc.

Supplementary Schedule of Public Support and Revenues

	Year Ended December 31,	
	2012	2011
Contributions	\$ 119,516	\$ 140,296
Federal Grants		
FEMA	19,430	19,430
VAWA	105,290	167,550
Child and Adult Care Food Program	27,261	25,657
Emergency Shelter Grants Program	19,690	6,874
Total Federal Grants	<u>171,671</u>	<u>219,511</u>
State Grants		
DCF Contract	1,089,220	1,048,401
DCF Mortgage Forgiveness	33,720	33,720
DCF Facility Improvement Grant	24,760	-
Total State Grants	<u>1,147,700</u>	<u>1,082,121</u>
County Grants		
Freeholders	49,450	50,570
SSH	16,340	16,343
Title IVA	145,160	163,857
Total County Grants	<u>210,950</u>	<u>230,770</u>
Foundations and Trusts		
Homeless Trust Fund	44,033	-
Karma Foundation	5,000	-
IOLTA	14,880	-
Robert Wood Johnson Foundation	47,083	45,000
United Way	98,526	130,330
Mary Bradoff Foundation	5,000	5,000
Mary Kay Ash Foundation	-	20,000
NJ Coalition for Battered Women	-	22,846
FedEx	10,000	-
Other	5,000	4,637
Total Foundations and Trusts	<u>229,522</u>	<u>227,813</u>
Fundraising Events		
Valentine Day Appeal	-	2,016
Mother's Day Appeal	125	-
Father's Day Appeal	-	570
DV Awareness Month Appeal	3,200	4,703
Annual Breakfast	24,876	29,476
Other	6,553	5,861
Fundraising expenses	(12,113)	(6,558)
Total Fundraising Events	<u>22,641</u>	<u>36,068</u>
Program Service Revenue		
Family Violence Option	37,625	45,625
Training Fees	1,072	1,050
Total Program Service Revenue	<u>38,697</u>	<u>46,675</u>
Other Revenues		
Investment income	10,350	3,867
Donations in kind	37,010	3,776
Other income	4,000	-
Total Other Revenues	<u>51,360</u>	<u>7,643</u>
Total Public Support and Revenues	<u>\$ 1,992,057</u>	<u>\$ 1,990,897</u>

See independent auditors' report

Women Aware, Inc.

Schedule of Expenditures of Federal Awards
Year Ended December 31, 2012

Federal Grantor / Pass Through Grantor / Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Non - ARRA	ARRA	Federal Expenditures
U.S. Department of Justice					
Violence Against Women Formula Grants					
Passed Through NJ State Department of Law and Public Safety					
Division of Criminal Justice					
Violence Against Women Formula Grants					
Senior Legal Advocate	16.588	10-VAWA-119	\$ -	\$ 30,000	\$ 30,000
Senior Legal Advocate	16.588	09-VAWA-106	-	15,000	15,000
Jessica Gonzales Victim Assistance Grant	16.588	10-VAWA-32	-	19,571	19,571
Domestic Violence Response Team Coordinator	16.588	10-VAWA-108	-	31,368	31,368
Domestic Violence Response Team Coordinator	16.588	09-VAWA-84	-	9,351	9,351
Total U.S. Department of Justice			-	105,290	105,290
U.S. Department of Housing and Urban Development					
Emergency Solutions Grants Program					
Passed Through NJ State Department of Community Affairs					
Division of Housing and Community Resources					
Passed Through The County of Middlesex					
Safe House Rehab and Expansion	14.231	2011-02149-0342-00	19,690	-	19,690
U.S. Department of Homeland Security					
Emergency Food and Shelter National Board Program					
Passed Through The County of Middlesex					
Emergency Food and Shelter Program	97.024	599400-003	19,430	-	19,430
U.S. Department of Agriculture					
Child and Adult Care Food Program					
Passed Through NJ State Department of Agriculture					
Division of Food and Nutrition Services					
Child and Adult Care Food Program	10.558	11-23-1180	27,261	-	27,261
Total Expenditures of Federal Awards			\$ 66,381	\$ 105,290	\$ 171,671

American Recovery and Reinvestment Act (ARRA)

Women Aware, Inc.

Schedule of Expenditures of State Financial Assistance
Year Ended December 31, 2012

<u>State of New Jersey Grantor/ Pass-through Grantor/Program or Project Title</u>	<u>Grant/Account or other I.D. number</u>	<u>Grant period</u>	<u>Grant amount</u>	<u>State Expenditures</u>
N.J. State Department of Children and Families Abused Women's Services	12AOMP	1/1/12 - 12/31/12	\$ 1,089,220	\$ 1,089,220
N.J. State Department of Children and Families 2012 Facility Improvement Funding	<i>unknown</i>	7/1/12 - 12/31/12	<u>24,765</u>	<u>24,760</u>
Total State Financial Assistance			<u>\$ 1,113,985</u>	<u>\$ 1,113,980</u>

See independent auditors' report and notes to schedule of expenditures of Federal awards and State financial assistance

Women Aware, Inc.

Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance Year Ended December 31, 2012

A. Basis of Presentation

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance (the "Schedules") includes the federal and state grant activity of Women Aware, Inc. (the "Organization") under programs of the federal and state governments for the year ended December 31, 2012. The information in these Schedules is presented in accordance with the requirements of Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey Office of Management and Budget Circular Letter 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the Schedules present only a selected portion of the 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.

B. Summary of Significant Account Policies

Expenditures reported on the Schedules are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-122, *Cost Principles for Non-profit Organizations*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

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

Independent Auditors' Report

**Board of Directors
Women Aware, 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 Women Aware, Inc. (the "Organization") which comprise the statement of financial position as of December 31, 2012, 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 April 30, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization'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 the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 Women Aware, Inc.'s financial statements are free of 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 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.

O'Connor Davies, LLP

Paramus, New Jersey
April 30, 2013

**Report on Compliance For Each Major Program; Report on Internal Control Over
Compliance and Report on the Schedule of Expenditures of Federal and State Awards
Required by OMB Circular A-133 and NJ OMB Circular Letter 04-04**

Independent Auditors' Report

**Board of Directors
Women Aware, Inc.**

Report on Compliance for Each Major Federal and State Program

We have audited Women Aware, Inc.'s compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and New Jersey State Grant Compliance Supplement that are applicable to each of its major federal and state programs for the year ended December 31, 2012. Women Aware, Inc.'s major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Women Aware, Inc.'s major federal and state 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; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey OMB Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, OMB Circular A-133 and New Jersey OMB Circular 04-04 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 and state program occurred. An audit includes examining, on a test basis, evidence about Women Aware, 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 and state program. However, our audit does not provide a legal determination of Women Aware, Inc.'s compliance.

Opinion on Each Major Federal and State Program

In our opinion, Women Aware, Inc. complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended December 31, 2012.

Report on Internal Control Over Compliance

Management of Women Aware, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Women Aware, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state 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 and state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and New Jersey OMB Circular 04-04, 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 Women Aware, Inc.'s internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal 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 material weaknesses or significant deficiencies. 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 OMB Circular A-133 and New Jersey OMB Circular 04-04. Accordingly, this report is not suitable for any other purpose.

O'Connell Davies, LLP

Paramus, New Jersey
April 30, 2013

Women Aware, Inc.

Schedule of Findings and Questioned Costs
Year Ended December 31, 2012

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified? Yes None reported

Noncompliance material to financial statements noted? Yes No

State Financial Assistance

Internal control over major programs:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified? Yes 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 New Jersey OMB Circular 04-04? Yes No

Identification of Major Programs:

<u>Grant/Contract Number</u>	<u>Name of State Program</u>
12AOMP	Abused Women's Services

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee? Yes No

Section II – Financial Statement Findings

During our audit we noted no material findings for the year ended December 31, 2012.

Section III – State Financial Assistance Findings and Questioned Costs

During our audit we noted no material instances of noncompliance and none of the costs reported in the State assisted programs are questioned or recommended to be disallowed.