

Women Aware, Inc.

Financial Statements and
Uniform Guidance Schedules
and New Jersey OMB Circular Letter 15-08
Together With Independent Auditors' Report

December 31, 2017 and 2016

Women Aware, Inc.
Financial Statements and Uniform Guidance Schedules and
New Jersey OMB Circular Letter 15-08 Together with Independent Auditors' Reports

December 31, 2017 and 2016

<u>TABLE OF CONTENTS</u>	<u>PAGE</u>
Independent Auditors' Report	1-2
FINANCIAL STATEMENTS	
Statements of Financial Position	3
Statements of Activities	4
Statement of Functional Expenses	5-6
Statements of Cash Flows	7
Notes to Financial Statements	8-15
SUPPLEMENTARY SCHEDULES	
Supplementary Schedule of Public Support and Revenues	16
Schedule of Expenditures of Federal Awards	17
Schedule of Expenditures of State Financial Assistance	18
Notes to Schedule of Expenditures of Federal Awards and State Financial Assistance	19
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>	20-21
Report on Compliance for Each Major State Program and Report on Internal Control Over Compliance Required by the New Jersey OMB Circular Letter 15-08 for State Financial Assistance	22-23
Schedule of Findings and Questioned Costs	24



Independent Auditors' Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of Women Aware, Inc. (the "Organization"), which comprise the statements of financial position as of December 31, 2017 and 2016, 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, 2017 and 2016, 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.

Report on Supplementary Information

Our audits were 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 16 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 17 and 18 as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey OMB Circular Letter 15-08, *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 May 15, 2018 on our consideration of Women Aware, 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 Women Aware 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 Women Aware, Inc.'s internal control over financial reporting and compliance.

PKF O'Connor Davies, LLP

May 15, 2018

Women Aware, Inc.

Statements of Financial Position

	December 31,	
	<u>2017</u>	<u>2016</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 1,146,024	\$ 1,046,993
Investments	310,831	146,932
Grants receivable, net of allowance for doubtful accounts of \$41,159 and \$0	103,803	139,291
Prepaid expenses and other	<u>30,158</u>	<u>33,846</u>
Total Current Assets	1,590,816	1,367,062
Land, buildings and equipment, net of accumulated depreciation	<u>1,466,646</u>	<u>1,582,432</u>
	<u>\$ 3,057,462</u>	<u>\$ 2,949,494</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 127,369	\$ 74,046
Current portion of mortgage payable	38,197	68,717
Other liabilities	<u>66,458</u>	<u>75,958</u>
Total Current Liabilities	232,024	218,721
Mortgage payable, net of current portion	<u>836,592</u>	<u>844,909</u>
Total Liabilities	<u>1,068,616</u>	<u>1,063,630</u>
Net Assets		
Unrestricted	1,885,043	1,746,573
Temporarily restricted	<u>103,803</u>	<u>139,291</u>
Total Net Assets	<u>1,988,846</u>	<u>1,885,864</u>
	<u>\$ 3,057,462</u>	<u>\$ 2,949,494</u>

See notes to financial statements

Women Aware, Inc.

Statements of Activities

	Year Ended December 31, 2017			Year Ended December 31, 2016		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
PUBLIC SUPPORT						
Contributions	\$ 60,471	\$ -	\$ 60,471	\$ 70,076	\$ -	\$ 70,076
Government grants and contracts	1,804,855	103,803	1,908,658	1,669,068	139,291	1,808,359
Other grants and contracts	209,353	-	209,353	160,607	-	160,607
Fundraising events, net	<u>37,935</u>	<u>-</u>	<u>37,935</u>	<u>12,252</u>	<u>-</u>	<u>12,252</u>
Total Public Support	2,112,614	103,803	2,216,417	1,912,003	139,291	2,051,294
REVENUE						
Program service revenue	16,250	-	16,250	22,825	-	22,825
Rental income	30,443	-	30,443	53,149	-	53,149
Investment income	25,286	-	25,286	3,410	-	3,410
Loss on disposal of asset	(6,581)	-	(6,581)	(31,771)	-	(31,771)
Miscellaneous income	59,593	-	59,593	51,436	-	51,436
Net assets released from restrictions	<u>139,291</u>	<u>(139,291)</u>	<u>-</u>	<u>87,489</u>	<u>(87,489)</u>	<u>-</u>
Total Public Support and Revenue	2,376,896	(35,488)	2,341,408	2,098,541	51,802	2,150,343
EXPENSES						
Program services	1,699,925	-	1,699,925	1,530,129	-	1,530,129
Supporting services						
Management and general	403,622	-	403,622	322,564	-	322,564
Development and fundraising	<u>134,879</u>	<u>-</u>	<u>134,879</u>	<u>108,181</u>	<u>-</u>	<u>108,181</u>
Total Expenses	2,238,426	-	2,238,426	1,960,874	-	1,960,874
Change in Net Assets	138,470	(35,488)	102,982	137,667	51,802	189,469
NET ASSETS						
Beginning of year	<u>1,746,573</u>	<u>139,291</u>	<u>1,885,864</u>	<u>1,608,906</u>	<u>87,489</u>	<u>1,696,395</u>
End of year	<u>\$ 1,885,043</u>	<u>\$ 103,803</u>	<u>\$ 1,988,846</u>	<u>\$ 1,746,573</u>	<u>\$ 139,291</u>	<u>\$ 1,885,864</u>

See notes to financial statements

Women Aware, Inc.

Statement of Functional Expenses
Year Ended December 31, 2017

	Program Services	Supporting Services			Total Expenses
		Management and General	Development and Fundraising	Total Supporting Services	
Salaries	\$ 1,037,154	\$ 119,894	\$ 86,648	\$ 206,542	\$ 1,243,696
Employee health and retirement benefits	120,732	23,463	5,843	29,306	150,038
Payroll taxes	<u>103,608</u>	<u>11,227</u>	<u>7,293</u>	<u>18,520</u>	<u>122,128</u>
Total Salaries and Related Expenses	1,261,494	154,584	99,784	254,368	1,515,862
Professional fees	29,181	92,933	3,117	96,050	125,231
Facility costs	126,983	38,536	27,752	66,288	193,271
Operation costs	76,320	42,358	-	42,358	118,678
Interest expense	10,449	-	-	-	10,449
Insurance	45,115	9,856	1,547	11,403	56,518
Conference and meetings	1,522	15,110	1,363	16,473	17,995
Program supplies	28,021	3,227	190	3,417	31,438
Vehicle expense	3,350	-	-	-	3,350
Travel expense	4,943	5,320	183	5,503	10,446
Client assistance	30,489	-	-	-	30,489
Miscellaneous expense	<u>797</u>	<u>6,554</u>	<u>943</u>	<u>7,497</u>	<u>8,294</u>
Total Expenses before Depreciation	1,618,664	368,478	134,879	503,357	2,122,021
Depreciation	<u>81,261</u>	<u>35,144</u>	<u>-</u>	<u>35,144</u>	<u>116,405</u>
Total Expenses	<u>\$ 1,699,925</u>	<u>\$ 403,622</u>	<u>\$ 134,879</u>	<u>\$ 538,501</u>	<u>\$ 2,238,426</u>

See notes to financial statements

Women Aware, Inc.

Statement of Functional Expenses
Year Ended December 31, 2016

	Program Services	Supporting Services			Total Expenses
		Management and General	Development and Fundraising	Total Supporting Services	
Salaries	\$ 956,758	\$ 112,708	\$ 66,173	\$ 178,881	\$ 1,135,639
Employee health and retirement benefits	117,257	10,388	5,227	15,615	132,872
Payroll taxes	95,182	12,164	6,709	18,873	114,055
Total Salaries and Related Expenses	1,169,197	135,260	78,109	213,369	1,382,566
Professional fees	33,754	55,929	12,455	68,384	102,138
Facility costs	99,719	25,739	-	25,739	125,458
Operation costs	43,070	30,428	15,458	45,886	88,956
Interest expense	14,239	-	-	-	14,239
Insurance	46,194	16,841	1,623	18,464	64,658
Conference and meetings	327	11,279	250	11,529	11,856
Program supplies	26,765	1,832	-	1,832	28,597
Vehicle expense	1,106	-	-	-	1,106
Travel expense	5,516	5,421	88	5,509	11,025
Client assistance	21,988	-	-	-	21,988
Miscellaneous expense	4,239	3,261	198	3,459	7,698
Total Expenses before Depreciation	1,466,114	285,990	108,181	394,171	1,860,285
Depreciation	64,015	36,574	-	36,574	100,589
Total Expenses	<u>\$ 1,530,129</u>	<u>\$ 322,564</u>	<u>\$ 108,181</u>	<u>\$ 430,745</u>	<u>\$ 1,960,874</u>

See notes to financial statements

Women Aware, Inc.

Statements of Cash Flows

	Year Ended December 31,	
	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 102,982	\$ 189,469
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation	116,405	100,589
Loss on disposal of asset	6,581	31,771
Mortgage forgiveness	(37,758)	(68,483)
Unrealized (gain) loss on investments	(16,730)	477
Changes in operating assets and liabilities		
Grants receivable	35,488	(51,802)
Prepaid expenses and other	3,688	12,378
Accounts payable and accrued expenses	53,323	(5,901)
Other liabilities	(9,500)	59,273
Net Cash from Operating Activities	254,479	267,771
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(7,200)	(19,538)
Purchases of investments	(147,169)	(153,197)
Proceeds from sale of investments	-	5,788
Net Cash from Investing Activities	(154,369)	(166,947)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of mortgage payable	(1,079)	-
Net Change in Cash and Cash Equivalents	99,031	100,824
CASH AND CASH EQUIVALENTS		
Beginning of year	1,046,993	946,169
End of year	\$ 1,146,024	\$ 1,046,993
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Noncash financing activities		
Mortgage forgiveness of interest	\$ 10,449	\$ 14,239

See notes to financial statements

Women Aware, Inc.

Notes to Financial Statements
December 31, 2017 and 2016

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 not-for-profit 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. The Organization had no permanently restricted net assets during 2017 or 2016.

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 specifically known troubled accounts.

Investment Valuation and Income Recognition

Investments are carried at fair value. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis and 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.

Women Aware, Inc.

Notes to Financial Statements
December 31, 2017 and 2016

2. Summary of Significant Accounting Policies (continued)

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 \$5,000. 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.

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 and functional expenses. 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 were any.

Reclassification

Certain reclassifications have been made to the 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 2014.

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 May 15, 2018.

Women Aware, Inc.

Notes to Financial Statements
December 31, 2017 and 2016

3. Land, Buildings, and Equipment

At December 31, land, buildings and equipment consists of the following:

	<u>2017</u>	<u>2016</u>	<u>Depreciable Life</u>
Land and land improvements	\$ 217,253	\$ 217,253	
Buildings and improvements	1,666,224	1,666,224	10-40 years
Furniture and equipment	<u>316,629</u>	<u>322,304</u>	3-10 years
	2,200,106	2,205,781	
Accumulated depreciation	<u>(733,460)</u>	<u>(623,349)</u>	
	<u>\$ 1,466,646</u>	<u>\$ 1,582,432</u>	

4. Investments

The following are major categories of investments at December 31, grouped by the fair value hierarchy, for those investments subject to categorization within such hierarchy:

	<u>2017</u>		
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Total
Equities			
Domestic equities	\$ 91,470	\$ -	\$ 91,470
International equities	<u>20,231</u>	<u>-</u>	<u>20,231</u>
Total Equities	111,701	-	111,701
Fixed income securities	<u>-</u>	<u>199,130</u>	<u>199,130</u>
Total Investments	<u>\$ 111,701</u>	<u>\$ 199,130</u>	310,831
Cash and cash equivalents			<u>11,109</u>
Total			<u>\$ 321,940</u>

Women Aware, Inc.

Notes to Financial Statements
December 31, 2017 and 2016

4. Investments (continued)

	2016		
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Total
Equities			
Domestic equities	\$ 43,214	\$ -	\$ 43,214
International equities	9,091	-	9,091
Total Equities	52,305	-	52,305
Fixed income securities	-	94,627	94,627
Total Investments	\$ 52,305	\$ 94,627	146,932
Cash and cash equivalents			153,130
Total			\$ 300,062

Investment income in the statement of activities for the years ended December 31, 2017 and 2016 is as follows:

	2017	2016
Interest and dividends, net	\$ 8,556	\$ 3,887
Unrealized gain (loss) on investments	16,730	(477)
	\$ 25,286	\$ 3,410

Women Aware, Inc.

Notes to Financial Statements
December 31, 2017 and 2016

5. Mortgage Payable

Mortgage payable is comprised of the following at December 31:

	<u>2017</u>	<u>2016</u>
<p>In February 2011, the Organization purchased property and a building for \$325,000. 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 of \$594,161 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 and is secured by the building, 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, which has been included in "thereafter" of the future maturities of the mortgage payable on page 14.</p>	\$ 593,082	\$ 594,161

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 was recorded as grant revenue in the statement of activities. Renovations began in late 2012 and were completed in 2013. According to 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, a rate of 3.25% (prime rate as of March 2013) was used to calculate interest expense. The note reduction is treated as grant revenue in the statement of activities. The mortgage is secured by the building.

77,940	90,930
--------	--------

Women Aware, Inc.

Notes to Financial Statements
December 31, 2017 and 2016

5. Mortgage Payable (continued)

	2017	2016
<p>In January 2013, the Organization entered into a mortgage note for \$114,601 with the City of New Brunswick for building renovations. According to 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 of the issuance of the certificate of occupancy, which is November 13, 2013, for the shelter, and on each successive anniversary for ten years thereafter, 10% of the original principal balance will be forgiven by the City of New Brunswick. The mortgage balance will be due and payable to the City of New Brunswick if the project is sold, transferred or if HOME-assisted units are rented to non-income qualified tenants during the term of the note or any other event pursuant to the HOME contract. The note reduction will be treated as grant revenue in the statement of activities. Since the mortgage commitment has no stated interest rate, a rate of 3.25% (prime rate as of November 2013), will be used to calculate interest expense. The mortgage is secured by the building.</p>	\$ 80,221	\$ 91,681
<p>In January 2014, the Organization entered into a mortgage note for \$149,737 with the New Jersey Department of Community Affairs for renovations to its emergency shelter facility. According to 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 of the issuance of the certificate of occupancy, which is June 3, 2015, for the shelter, and on each successive anniversary for ten years thereafter, 10% of the original principal balance will be forgiven by the New Jersey Department of Community Affairs. The mortgage balance will be due and payable to the New Jersey Department of Community Affairs if the project is sold, transferred or if units are rented to non-income qualified tenants during the term of the note or any other event pursuant to the contract. The note reduction will be treated as grant revenue in the statement of activities. Since the mortgage commitment has no stated interest rate, a rate of 3.25% (prime rate as of June 2015), was used to calculate interest expense. The note reduction is treated as grant revenue in the statement of activities. The mortgage is secured by the building.</p>	123,546	136,854
Total	874,789	913,626
Current portion	(38,197)	(68,717)
Mortgage Payable, net	\$ 836,592	\$ 844,909

Women Aware, Inc.

Notes to Financial Statements
December 31, 2017 and 2016

5. Mortgage Payable (continued)

Future maturities of the mortgage payable for the next five years and thereafter are as follows at December 31:

2018	\$ 38,197
2019	38,650
2020	39,119
2021	39,603
2022	40,103
Thereafter	<u>679,117</u>
	<u>\$ 874,789</u>

As of December 31, 2017, mortgages that are to be forgiven amount to \$281,707. Interest expense recognized for the years ended December 31, 2017 and 2016 was \$10,449 and \$14,239.

6. 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 the maximum rate allowed by the Internal Revenue Code from their compensation. The Organization has a voluntary matching contribution to the plan, which is 100% of the first 3% of compensation and 50% of the next 3% of compensation. The Organization's prior Section 403(b) plan was frozen. The employer match on the 401(k) plan was \$30,320 and \$25,027 for the years ending December 31, 2017 and 2016.

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

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

	<u>2017</u>	<u>2016</u>
Program services	<u>\$ 103,803</u>	<u>\$ 139,291</u>

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

	<u>2017</u>	<u>2016</u>
Program services	<u>\$ 139,291</u>	<u>\$ 87,489</u>

Women Aware, Inc.

Notes to Financial Statements
December 31, 2017 and 2016

8. Risk Concentrations

Demand Deposits

The Organization occasionally maintains deposits in excess of federally insured limits. At December 31, 2017, amounts exceeding federally insured limits are minimal.

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 16 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 Revenue

	Year Ended December 31,	
	2017	2016
Contributions	<u>\$ 60,471</u>	<u>\$ 70,076</u>
Federal Grants		
Emergency Food and Shelter Program (FEMA)	49,062	17,500
Violence Against Women Formula Grant (VAWA)	98,955	76,867
Victims of Crime Act Grant (VAG)	120,000	120,000
Child and Adult Care Food Program	17,722	25,085
Social Services for the Homeless (SSH) - Federal Share	-	11,610
Total Federal Grants	<u>285,739</u>	<u>251,062</u>
State Grants		
Department of Children and Families Domestic Violence Lead Agency Contract	1,194,899	1,184,695
Mortgage Forgiveness	48,207	82,722
Department of Children and Families - Facility Improvement Grant	-	19,191
Department of Community Affairs	58,361	-
Title IVA - State Share	186,237	166,357
Social Services for the Homeless - State Share	36,315	11,610
Total State Grants	<u>1,524,019</u>	<u>1,464,575</u>
County Grants		
Freeholders	98,900	92,722
Total Government Grants and Contracts	<u>1,908,658</u>	<u>1,808,359</u>
Foundations and Trusts		
Sharon Karmazin Family DAF	5,000	-
Provident Bank Foundation	-	2,500
Capital One Bank	-	2,500
IOLTA	11,400	11,400
Robert Wood Johnson Foundation	62,500	55,227
Johnson & Johnson Community Foundation	5,000	-
United Way	82,024	81,457
Mary Bradoff Foundation	5,000	5,000
NJ Coalition for Battered Women	1,429	2,523
Bristol Myers Squibb	5,000	-
Merck Foundation	12,500	-
Magyar Bank Foundation	2,000	-
TD Bank Charitable Foundation	7,500	-
TJX Foundation	5,000	-
PNC Bank	5,000	-
Total Foundations and Trusts	<u>209,353</u>	<u>160,607</u>
Fundraising Events		
Year-end Appeal	3,190	12,341
Other	43,449	6,110
Fundraising expenses	(8,704)	(6,199)
Total Fundraising Events	<u>37,935</u>	<u>12,252</u>
Program Service Revenue		
Family Violence Option	16,250	21,125
Training Fees	-	1,700
Total Program Service Revenue	<u>16,250</u>	<u>22,825</u>
Other Revenues		
Rental income	30,443	53,149
Investment income	25,286	3,410
Loss on disposal of asset	(6,581)	(31,771)
Donations in kind	59,593	51,436
Total Other Revenues	<u>108,741</u>	<u>76,224</u>
Total Public Support and Revenue	<u>\$ 2,341,408</u>	<u>\$ 2,150,343</u>

See independent auditors' report

Women Aware, Inc.

Schedules of Expenditures of Federal Awards
and State Financial Assistance
Year Ended December 31, 2017

Women Aware, Inc.

Schedule of Expenditures of Federal Awards
Year Ended December 31, 2017

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through To Subrecipients	Total Federal Expenditures
U.S. Department of Justice				
Passed-Through NJ State Department of Law and Public Safety				
Division of Criminal Justice				
Violence Against Women Formula Grants	16.588	VAWA-23-15	\$ -	\$ 24,543
Violence Against Women Formula Grants	16.588	VAWA-23-16	-	22,518
Violence Against Women Formula Grants	16.588	14VAWA-86	-	10,552
Violence Against Women Formula Grants	16.588	VAWA-33-16	-	41,342
Victims of Crime Act Grant				
Passed-Through NJ State Department of Law and Public Safety				
Division of Criminal Justice				
Crime Victim Assistance	16.575	VAG-93-15	-	120,000
Total U.S. Department of Justice			-	218,955
U.S. Department of Homeland Security				
Passed-Through The United Way of Central Jersey				
Emergency Food and Shelter National Board Program	97.024	33-5994-00 003	-	17,500
Emergency Food and Shelter National Board Program	97.024	34-5994-00 003	-	31,562
			-	49,062
U.S. Department of Agriculture				
Passed-Through NJ State Department of Agriculture				
Division of Food and Nutrition Services				
Child and Adult Care Food Program	10.558	16-23-1180	-	13,770
Child and Adult Care Food Program	10.558	17-23-1180	-	3,952
			-	17,722
U.S. Department of Health and Human Services				
Passed-Through N.J. State Department of Children and Families				
Family Violence Prevention and Services/Domestic				
Violence Shelter and Supportive Services	93.671	1630-026	-	84,000
U.S. Department of Housing and Urban Development				
Passed-Through N.J. State Department of Community Affairs				
Division of Housing and Community Resources				
Emergency Solutions Grant Program	14.231	2017-02149-0072-00	-	58,361
Total Expenditures of Federal Awards			\$ -	\$ 428,100

Women Aware, Inc.

Schedule of Expenditures of State Financial Assistance
Year Ended December 31, 2017

<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>Expenditures to Date</u>	<u>State Expenditures</u>
N.J. State Department of Children and Families					
Division on Women Domestic Violence Lead Agency	17AOMW	1/1/17 - 12/31/17	\$ 1,194,899	\$ 1,110,899	\$ 1,110,899
N.J. State Department of Human Services					
Temporary Assistance for the Needy Program Passed-through Middlesex County	S16006	7/1/16 - 12/31/17	36,315	36,315	36,315
Title IVA Passed-through Middlesex County Board of Social Services	42552	1/1/17 - 12/31/17	<u>186,237</u>	<u>186,237</u>	<u>186,237</u>
			<u>222,552</u>	<u>222,552</u>	<u>222,552</u>
Total State Financial Assistance			\$ <u>1,417,451</u>	\$ <u>1,333,451</u>	\$ <u>1,333,451</u>

Women Aware, Inc.

Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance Year Ended December 31, 2017

A. Basis of Presentation

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance (the "Schedules") include the federal and state awards activity of Women Aware, Inc. (the "Organization") under programs of the federal and state governments for the year ended December 31, 2017. The information in these Schedules 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* ("Uniform Guidance") and New Jersey OMB Circular Letter 15-08, *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, they are not intended to and do not present the financial position, changes in net assets or cash flows of the Organization.

B. Summary of Significant Accounting Policies

Expenditures reported on the Schedules 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 Letter 15-08, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

C. Indirect Cost Rate

The Organization has elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.



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

Independent 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. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2017, 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 May 15, 2018.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Women Aware, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Women Aware, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Women Aware, Inc.'s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

PKF O'Connor Davies, LLP

May 15, 2018



Report on Compliance for Each Major State Program and Report on Internal Control Over Compliance Required by the New Jersey OMB Circular Letter 15-08 for State Financial Assistance

Independent Auditors' Report

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

Report on Compliance for Each Major State Program

We have audited Women Aware, Inc.'s compliance with the types of compliance requirements described in the *New Jersey State Grant Compliance Supplement* that could have a direct and material effect on each of Women Aware, Inc.'s major state programs for the year ended December 31, 2017. Women Aware, Inc.'s major 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 state statutes, regulations, and the terms and conditions of its state financial assistance applicable to its state programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Women Aware, Inc.'s major 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 and the audit requirements of New Jersey OMB Circular Letter 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards and New Jersey OMB Circular Letter 15-08 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 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 state program. However, our audit does not provide a legal determination of Women Aware, Inc.'s compliance.

Opinion on Each Major State Program

In our opinion, Women Aware, 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 state programs for the year ended December 31, 2017.

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 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 state program and to test and report on internal control over compliance in accordance with the New Jersey OMB Circular Letter 15-08, 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 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 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 state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be 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 the New Jersey OMB Circular Letter 15-08. Accordingly, this report is not suitable for any other purpose.

PKF O'Connor Davies, LLP

May 15, 2018

Women Aware, Inc.

Schedule of Findings and Questioned Costs
Year Ended December 31, 2017

Section I - Summary of Auditors' Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with U.S. GAAP:

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 state programs:

- Material weakness(es) identified?

___ Yes No

- Significant deficiency(ies) identified?

___ Yes None reported

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

Unmodified

Any audit findings disclosed that are required to be reported in accordance with New Jersey OMB Circular Letter 15-08?

___ Yes No

Identification of Major State Programs:

Grant/Contract Number

17AOMW

Name of State Program

Domestic Violence Lead Agency

Dollar threshold used to distinguish between Type A and Type B programs:

\$750,000

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, 2017.

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.

Section IV – Prior Year Audit Findings

There were no prior year audit findings.