

Women Aware, Inc.

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

December 31, 2021 and 2020

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New Jersey OMB Circular Letter 15-08 Schedules
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Independent Auditors' Report

Board of Directors
Women Aware, Inc.

Opinion

We have audited the accompanying financial statements of Women Aware, Inc. (the "Organization"), which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

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, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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.

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 the Organization'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 GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

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 20 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 21 and 22 as required by Title 2 *U.S. Code of Federal Regulations* (“CFR”) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”) and New Jersey OMB Circular Letter 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, respectively, 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 audits 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 September 16, 2022 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

Woodcliff Lake, NJ
September 16, 2022

Women Aware, Inc.

Statements of Financial Position

	December 31,	
	2021	2020
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 1,064,497	\$ 976,175
Investments	941,381	797,672
Grants receivable, net of allowance for doubtful accounts of \$26,834 and \$9,553	397,202	207,015
Prepaid expenses and other	90,499	72,830
Total Current Assets	2,493,579	2,053,692
Land, buildings and equipment, net of accumulated depreciation	1,463,291	1,449,170
	\$ 3,956,870	\$ 3,502,862
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 62,779	\$ 53,085
Current portion of mortgages payable	48,436	39,603
Other liabilities	408,351	270,400
Total Current Liabilities	519,566	363,088
Mortgages payable, net of current portion	702,430	733,254
Total Liabilities	1,221,996	1,096,342
Net Assets		
Without donor restrictions	2,337,672	2,199,505
With donor restrictions	397,202	207,015
Total Net Assets	2,734,874	2,406,520
	\$ 3,956,870	\$ 3,502,862

See notes to financial statements

Women Aware, Inc.

Statements of Activities

	Year Ended December 31, 2021			Year Ended December 31, 2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT						
Contributions	\$ 132,302	\$ -	\$ 132,302	\$ 116,132	\$ -	\$ 116,132
Government grants and contracts	2,427,170	397,202	2,824,372	1,938,830	207,015	2,145,845
Other grants and contracts	353,746	-	353,746	200,969	-	200,969
Fundraising events	76,515	-	76,515	64,302	-	64,302
Total Public Support	<u>2,989,733</u>	<u>397,202</u>	<u>3,386,935</u>	<u>2,320,233</u>	<u>207,015</u>	<u>2,527,248</u>
REVENUE AND RECLASSIFICATIONS						
Program service revenue	750	-	750	2,520	-	2,520
Rental income	59,814	-	59,814	57,997	-	57,997
Investment return	44,686	-	44,686	48,685	-	48,685
Miscellaneous income	70,381	-	70,381	52,115	-	52,115
Paycheck Protection Program	-	-	-	275,662	-	275,662
Net assets released from restrictions	<u>207,015</u>	<u>(207,015)</u>	<u>-</u>	<u>149,073</u>	<u>(149,073)</u>	<u>-</u>
Total Public Support, Revenue and Reclassifications	<u>3,372,379</u>	<u>190,187</u>	<u>3,562,566</u>	<u>2,906,285</u>	<u>57,942</u>	<u>2,964,227</u>
EXPENSES						
Program services	2,970,572	-	2,970,572	2,432,259	-	2,432,259
Supporting services						
Management and general	149,673	-	149,673	162,194	-	162,194
Development and fundraising	<u>113,967</u>	<u>-</u>	<u>113,967</u>	<u>125,645</u>	<u>-</u>	<u>125,645</u>
Total Expenses	<u>3,234,212</u>	<u>-</u>	<u>3,234,212</u>	<u>2,720,098</u>	<u>-</u>	<u>2,720,098</u>
Change in Net Assets	138,167	190,187	328,354	186,187	57,942	244,129
NET ASSETS						
Beginning of year	<u>2,199,505</u>	<u>207,015</u>	<u>2,406,520</u>	<u>2,013,318</u>	<u>149,073</u>	<u>2,162,391</u>
End of year	<u>\$ 2,337,672</u>	<u>\$ 397,202</u>	<u>\$ 2,734,874</u>	<u>\$ 2,199,505</u>	<u>\$ 207,015</u>	<u>\$ 2,406,520</u>

See notes to financial statements

Women Aware, Inc.

Statement of Functional Expenses
Year Ended December 31, 2021

	Program Services	Supporting Services			Total Expenses
		Management and General	Development and Fundraising	Total Supporting Services	
Salaries	\$ 1,414,245	\$ 47,884	\$ 59,044	\$ 106,928	\$ 1,521,173
Employee health and retirement benefits	189,643	8,195	8,047	16,242	205,885
Payroll taxes	<u>134,002</u>	<u>5,039</u>	<u>5,637</u>	<u>10,676</u>	<u>144,678</u>
Total Salaries and Related Expenses	1,737,890	61,118	72,728	133,846	1,871,736
Professional fees	280,551	76,300	18,997	95,297	375,848
Facility costs	157,878	1,112	1,191	2,303	160,181
Operation costs	118,347	2,498	9,203	11,701	130,048
Interest expense	5,426	-	-	-	5,426
Insurance	40,289	1,144	1,605	2,749	43,038
Conference and meetings	20,548	1,898	485	2,383	22,931
Program supplies	429,847	-	-	-	429,847
Vehicle expense	5,967	-	-	-	5,967
Travel expense	21,655	1,879	355	2,234	23,889
Client assistance	42,319	-	-	-	42,319
Miscellaneous expense	<u>18,252</u>	<u>3,069</u>	<u>8,623</u>	<u>11,692</u>	<u>29,944</u>
Total Expenses before Depreciation	2,878,969	149,018	113,187	262,205	3,141,174
Depreciation	<u>91,603</u>	<u>655</u>	<u>780</u>	<u>1,435</u>	<u>93,038</u>
Total Expenses	<u>\$ 2,970,572</u>	<u>\$ 149,673</u>	<u>\$ 113,967</u>	<u>\$ 263,640</u>	<u>\$ 3,234,212</u>

See notes to financial statements

Women Aware, Inc.

Statement of Functional Expenses
Year Ended December 31, 2020

	Program Services	Supporting Services			Total Expenses
		Management and General	Development and Fundraising	Total Supporting Services	
Salaries	\$ 1,298,509	\$ 58,358	\$ 68,583	\$ 126,941	\$ 1,425,450
Employee health and retirement benefits	177,984	8,302	10,240	18,542	196,526
Payroll taxes	124,384	5,719	5,679	11,398	135,782
Total Salaries and Related Expenses	1,600,877	72,379	84,502	156,881	1,757,758
Professional fees	255,616	80,247	14,812	95,059	350,675
Facility costs	216,067	1,030	1,152	2,182	218,249
Operation costs	82,173	4,122	13,297	17,419	99,592
Interest expense	6,704	341	-	341	7,045
Insurance	29,064	1,371	1,591	2,962	32,026
Conference and meetings	6,128	130	690	820	6,948
Program supplies	96,314	-	5,674	5,674	101,988
Vehicle expense	3,824	-	-	-	3,824
Travel expense	12,823	353	269	622	13,445
Client assistance	31,081	-	-	-	31,081
Loss on disposal of assets	3,837	-	-	-	3,837
Miscellaneous expense	10,932	760	1,946	2,706	13,638
Total Expenses before Depreciation	2,355,440	160,733	123,933	284,666	2,640,106
Depreciation	76,819	1,461	1,712	3,173	79,992
Total Expenses	<u>\$ 2,432,259</u>	<u>\$ 162,194</u>	<u>\$ 125,645</u>	<u>\$ 287,839</u>	<u>\$ 2,720,098</u>

See notes to financial statements

Women Aware, Inc.

Statements of Cash Flows

	Year Ended December 31,	
	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 328,354	\$ 244,129
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation	93,038	79,992
Loss on disposal of asset	-	3,837
Mortgage forgiveness of principal	(39,603)	(39,119)
Realized gain on investments	(8,215)	(33,427)
Unrealized gain on investments	(13,387)	(562)
Paycheck Protection Program loan	-	(275,662)
Changes in operating assets and liabilities		
Grants receivable	(190,187)	(57,942)
Prepaid expenses and other	(17,669)	(17,778)
Accounts payable and accrued expenses	9,694	35,792
Other liabilities	137,951	195,180
Net Cash from Operating Activities	299,976	134,440
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(107,159)	(118,368)
Purchases of investments	(317,515)	(660,922)
Proceeds from sale of investments	195,408	250,500
Net Cash from Investing Activities	(229,266)	(528,790)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from loan	20,086	19,604
Repayment of mortgage payable	(2,474)	(5,570)
Proceeds from Paycheck Protection Program loan	-	275,662
Net Cash from Financing Activities	17,612	289,696
Net Change in Cash and Cash Equivalents	88,322	(104,654)
CASH AND CASH EQUIVALENTS		
Beginning of year	976,175	1,080,829
End of year	\$ 1,064,497	\$ 976,175
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Noncash financing activities		
Mortgage forgiveness of principal	\$ 39,603	\$ 39,119
Mortgage forgiveness of interest	5,426	6,704

See notes to financial statements

Women Aware, Inc.

Notes to Financial Statements
December 31, 2021 and 2020

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

Basis of Presentation and Use of Estimates

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"), which requires the Organization to make estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingencies at the date of the financial statements and the reported amounts of revenues and expenses recognized during the reporting period. Actual results could differ from those estimates.

Net Asset Presentation

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

- *Without donor restrictions* – net assets not subject to donor-imposed stipulations, and therefore are expendable for operating purposes.
- *With donor restrictions* – net assets subject to donor-imposed stipulations that will be met by actions of the Organization and/or by the passage of time or net assets to be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on related investments for general or donor-specified purposes.

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 statements 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.

Women Aware, Inc.

Notes to Financial Statements
December 31, 2021 and 2020

2. Summary of Significant Accounting Policies (continued)

Fair Value Measurements

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. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

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.

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.

Impairment of Long-Lived Assets

U.S. GAAP guidance, *Accounting for the Impairment or Disposal of Long-lived Assets*, requires long-lived assets and certain identifiable intangible assets to be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of the long-lived assets is measured by a comparison of the carrying amount of the assets to future undiscounted net cash flows expected to be generated by the assets. If such assets are considered to be impaired, impairment would then be measured as the difference between the fair value of the asset and its carrying value to determine the amount of the impairment. The Organization generally determines fair value by using the undiscounted cash flow method.

There were no impairment losses recorded in 2021 and 2020.

Women Aware, Inc.

Notes to Financial Statements
December 31, 2021 and 2020

2. Summary of Significant Accounting Policies (continued)

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 revenue without donor restrictions when the expenses related to the grants are incurred in accordance with contractual terms. Advances received from grants in excess of expenditures incurred for grants in progress are reported as deferred revenue.

Contributions received are recorded as with or without donor restrictions, depending on the existence or nature of any donor restrictions. All contributions are considered to be available for general use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as with donor restrictions that increases that net asset class.

Donated Goods and Services

Donated goods and services are recorded at their estimated fair 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.

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. Total salaries and related expenses are allocated based on a time and cost study of where efforts are made. All other expenses have been allocated among the program and supporting services based upon the function benefited.

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 2018.

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 September 16, 2022.

Women Aware, Inc.

Notes to Financial Statements
December 31, 2021 and 2020

3. Liquidity and Availability

The Organization monitors the availability of resources to meet its operating needs and contractual commitments, while also striving to maximize the investment of its available funds. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing mission related activities, as well as services undertaken to support these activities, to be general expenditures.

As of December 31, 2021 and 2020, the following financial assets could be made available within one year of the statement of financial position date to meet general expenditures:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 1,064,497	\$ 976,175
Investments	941,381	797,672
Grant receivables due in one year or less, net	<u>397,202</u>	<u>207,015</u>
Financial assets available to meet general expenditures within the year	<u>\$ 2,403,080</u>	<u>\$ 1,980,862</u>

4. Land, Buildings, and Equipment

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

	<u>2021</u>	<u>2020</u>	<u>Depreciable Life</u>
Land and land improvements	\$ 217,253	\$ 217,253	
Buildings and improvements	1,790,777	1,782,837	10-40 years
Furniture and equipment	446,902	401,510	3-10 years
Vehicles	34,803	-	5 years
Construction in progress	<u>21,584</u>	<u>2,560</u>	
	2,511,319	2,404,160	
Accumulated depreciation	<u>(1,048,028)</u>	<u>(954,990)</u>	
	<u>\$ 1,463,291</u>	<u>\$ 1,449,170</u>	

Women Aware, Inc.

Notes to Financial Statements
December 31, 2021 and 2020

5. 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:

	2021		Total
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	
Money market funds	\$ 15,303	\$ -	\$ 15,303
Equities			
Domestic equities	275,200	-	275,200
International equities	30,220	-	30,220
Total Equities	305,420	-	305,420
Fixed income securities	620,658	-	620,658
Total Investments	\$ 941,381	\$ -	\$ 941,381

	2020		Total
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	
Money market funds	\$ 210,711	\$ -	\$ 210,711
Equities			
Domestic equities	144,606	-	144,606
International equities	26,645	-	26,645
Total Equities	171,251	-	171,251
Fixed income securities	415,710	-	415,710
Total Investments	\$ 797,672	\$ -	\$ 797,672

Investment return in the statements of activities for the years ended December 31, 2021 and 2020 is as follows:

	2021	2020
Interest and dividends, net	\$ 23,084	\$ 14,696
Realized gain on sale of investments	8,215	33,427
Unrealized gain on investments	13,387	562
	\$ 44,686	\$ 48,685

Women Aware, Inc.

Notes to Financial Statements
December 31, 2021 and 2020

6. Mortgages Payable

Mortgages payable is comprised of the following at December 31:

	2021	2020
<p>In February 2011, the Organization purchased property and a building for \$325,000. In September 2012, the mortgage was paid 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 ("NJHMFA"). According to the Project agreement with NJHMFA, 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 mortgages payable.</p>	\$ 585,038	\$ 587,512
<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 "NJDC") 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. 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 NJDC 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 NJDC upon default, cessation of the use of the property as an emergency shelter facility or termination or sale of the property. 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 and calculated interest will be treated as grant revenue. The mortgage is secured by the building.</p>	25,980	38,970

Women Aware, Inc.

Notes to Financial Statements
December 31, 2021 and 2020

6. Mortgages Payable (continued)

	2021	2020
<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. 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 note reduction and calculated interest will be treated as grant revenue. The mortgage is secured by the building.</p>	\$ 34,381	\$ 45,841
<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. 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 and calculated interest is treated as grant revenue. The mortgage is secured by the building.</p>	65,777	80,930

Women Aware, Inc.

Notes to Financial Statements
December 31, 2021 and 2020

6. Mortgages Payable (continued)

	2021	2020
<p>In July 2019, the Organization entered into a grant agreement and mortgage note for \$47,530 with the New Jersey Department of Community Affairs Division of Housing (the "NJDC A") for renovations and operations costs to their emergency shelter facility. The portion of the award to be recorded as a mortgage is \$25,000. The remaining award balance of \$22,530 will be recorded as grant revenue in the statement of activities. Renovations began in late 2020 and completed in 2021. As of December 31, 2021, \$25,000 of the mortgage note and \$22,530 of the grant amount was recorded. 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 June 30, 2021, and on each successive anniversary for three years thereafter, 33% of the original principal will be forgiven by the NJDC A 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 NJDC A upon default, cessation of the use of the property as an emergency shelter facility or termination or sale of the property. Since the mortgage commitment has no stated interest rate, a rate of 3.25% (prime rate as of December 2020) will be used to calculate interest expense. The note reduction and calculated interest will be treated as grant revenue. The mortgage is secured by the building.</p>	\$ 25,000	\$ 19,604

<p>In September 2021, the Organization entered into a grant agreement and mortgage note for \$140,976 with the New Jersey Department of Community Affairs Division of Housing (the "NJDC A") from the federal grant, U.S. Department of Housing and Urban Development, for renovations and operations costs to their emergency shelter facility. The portion of the award to be recorded as a mortgage is \$66,600. The remaining award balance of \$74,376 will be recorded as grant revenue in the statement of activities. Renovations began in late 2021 and will be completed in 2022. As of December 31, 2021, \$14,690 of the mortgage note and \$66,884 of the grant amount were recorded. 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 expected to be received in 2022, and on each successive anniversary for three years thereafter, 33% of the original principal will be forgiven by the NJDC A 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 NJDC A upon default, cessation of the use of the property as an emergency shelter facility or termination or sale of the property. Since the mortgage commitment has no stated interest rate, a rate of 3.25% (prime rate as of December 2021) will be used to calculate interest expense. The note reduction and calculated interest will be treated as grant revenue. The mortgage is secured by the building.</p>	14,690	-
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Women Aware, Inc.

Notes to Financial Statements
December 31, 2021 and 2020

6. Mortgages Payable (continued)

	<u>2021</u>	<u>2020</u>
Total	\$ 750,866	\$ 772,857
Current portion	<u>(48,436)</u>	<u>(39,603)</u>
Mortgages Payable, net	<u>\$ 702,430</u>	<u>\$ 733,254</u>

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

2022	\$ 48,436
2023	53,849
2024	41,394
2025	22,149
2026	-
Thereafter	<u>585,038</u>
	<u>\$ 750,866</u>

As of December 31, 2021, mortgages that are to be forgiven amount to \$151,138. Interest expense recognized for the years ended December 31, 2021 and 2020 was \$5,426 and \$7,045.

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 the maximum rate allowed by the Internal Revenue Code from their compensation. The Organization has a safe harbor matching contribution of 100% of the employee's 401(k) contribution up to 4.0% of compensation to the plan. The employer match on the 401(k) plan was \$42,315 and \$43,763 for the years ended December 31, 2021 and 2020.

Women Aware, Inc.

Notes to Financial Statements
December 31, 2021 and 2020

8. Net Assets

Net assets at December 31, 2021 and 2020 include:

	<u>2021</u>	<u>2020</u>
Without Donor Restrictions:		
Undesignated	\$ 2,337,672	\$ 2,199,505
With Donor Restrictions:		
Time restrictions	<u>397,202</u>	<u>207,015</u>
Total net assets	<u>\$ 2,734,874</u>	<u>\$ 2,406,520</u>

Net assets were released from donor restrictions as follows:

	<u>2021</u>	<u>2020</u>
Release of		
Time restrictions	<u>\$ 207,015</u>	<u>\$ 149,073</u>

9. Risk Concentrations

Demand Deposits

The Organization occasionally maintains deposits in excess of federally insured limits. At December 31, 2021 and 2020, amounts exceeding federally insured amounted to \$338,823 and \$104,363.

Investments

The Organization maintains a significant investment portfolio, as detailed in note 5. The Organization monitors the performance and risks associated with these investments and believe its credit risk is limited.

Funding Concentration

During the years ended December 31, 2021 and 2020, the Organization received approximately 58% and 54% of its funding from two grantors.

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.

Women Aware, Inc.

Notes to Financial Statements
December 31, 2021 and 2020

10. Paycheck Protection Program

On May 4, 2020, the Organization received loan proceeds in the amount of \$275,662 under the Paycheck Protection Program (the "PPP"). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (the "CARES Act"), provides for loans to qualifying entities for amounts up to 2.5 times the 2019 average monthly payroll expenses of the qualifying entity. The PPP loan bears an interest rate of 1% per annum. All or a portion of the PPP loan principal and accrued interest is forgivable as long as the borrower uses the loan proceeds for eligible purposes, as described in the CARES Act, over a period up to twenty-four weeks (the "Covered Period"). The amount of loan forgiveness could be reduced if the borrower terminates employees or reduces salaries below a certain threshold during the Covered Period and does not qualify for certain safe harbors. The unforgiven portion of the PPP loan, if any, is payable within two years from the date of the loan. Loan payments of principal and interest are deferred until the amount of loan forgiveness is determined by the United States Small Business Administration ("SBA"). If the Organization does not apply for forgiveness, payments begin approximately 16 months after the loan date.

The Organization has elected to report the PPP loan proceeds as a conditional grant under requirements contained in ASU 2018-08, *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*. Accordingly, the Organization recognized income as the conditions in the PPP were met. For the year ended December 31, 2020, the Organization recognized \$275,662 of the PPP loan proceeds as government grant income in the statement of activities. The Organization believes that it has met all of the conditions for forgiveness of the PPP loan at December 31, 2020 in anticipation of the PPP loan being forgiven. On March 15, 2021, the SBA forgave the Organization's PPP loan in its entirety.

11. Risks and Uncertainties

The Organization's operations and financial performance have been affected by the ongoing outbreak of the 2019 Coronavirus Disease ("COVID-19"). The State of New Jersey had implemented significant governmental measures to control the spread of COVID-19, including temporary closures of businesses, restrictions on travel and the movement of people and other material limitations on the conduct of business. Given the uncertainty around the extent and timing of the potential future spread or mitigation of COVID-19 and around the imposition or relaxation of protective measures, management cannot reasonably estimate the impact to the Organization's future results of operations, financial position and cash flows.

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SUPPLEMENTARY SCHEDULE

The Supplementary Schedule of Public Support and Revenue contained on page 20 is presented for purposes of additional analysis. Public support and other revenue 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,	
	2021	2020
	\$ 132,302	\$ 116,132
Contributions		
Federal Grants		
Emergency Food and Shelter Program (FEMA)	37,500	71,292
Violence Against Women Formula Grants (VAWA)	71,226	56,042
Victims of Crime Act Grant (VAG)	832,445	389,721
Department of Children and Families - Family Violence Prevention and Services Act - Federal Share	112,909	84,000
Education for Homeless Children and Youth	61,285	32,633
Department of Community Affairs - Federal Share	66,884	-
HUD Emergency Solutions Grant COVID-19 (ESG-CV)	129,521	-
Division of Family Development - Coronavirus Relief Fund	-	15,077
Total Federal Grants	<u>1,311,770</u>	<u>648,765</u>
State Grants		
Department of Children and Families Domestic Violence Lead Agency	528,210	476,177
Department of Children and Families - Domestic Violence	15,197	15,197
Department of Children and Families - Peace: A Learned Solution	438,742	465,158
Department of Children and Families - Domestic Violence Liaison	142,681	168,000
Department of Community Affairs - State Share	5,315	20,730
Title IVA - State Share	191,939	160,506
Mortgage forgiveness	45,029	45,823
Total State Grants	<u>1,367,113</u>	<u>1,351,591</u>
County Grants		
Middlesex County Department of Community Services for the Freeholders	116,490	116,490
Middlesex County Department of Community Services-Social Services for the Homeless Grant (SSH)	28,999	28,999
Total County Grants	<u>145,489</u>	<u>145,489</u>
Total Government Grants and Contracts	<u>2,824,372</u>	<u>2,145,845</u>
Foundations and Trusts		
IOLTA	11,500	11,500
Karma Foundation	10,000	15,000
Miscellaneous	-	38,750
Robert Wood Johnson Foundation	213,246	40,719
NJ Pandemic Relief Fund	25,000	-
TJX Foundation	10,000	10,000
Investors Bank	1,000	-
Mary Bradoff Foundation	5,000	2,000
Mary Kay Ash Foundation	20,000	-
Mass Mutual	10,000	-
Nora Roberts Foundation	3,000	3,000
Bristol Myers Squibb	10,000	10,000
Merck Foundation	-	30,000
Magyar Bank Foundation	2,500	-
Rutgers Health Foundation	25,000	20,000
Allergan Foundation	-	20,000
Big Lots	2,500	-
PNC Bank	5,000	-
Total Foundations and Trusts	<u>353,746</u>	<u>200,969</u>
Fundraising Events		
Other	76,515	64,302
Total Fundraising Events	<u>76,515</u>	<u>64,302</u>
Program Service Revenue		
Training fees	750	2,520
Total Program Service Revenue	<u>750</u>	<u>2,520</u>
Other Revenues		
Rental income	59,814	57,997
Investment return	44,686	48,685
Miscellaneous income	5,972	4,095
Donations in kind	64,409	48,020
Paycheck Protection Program	-	275,662
Total Other Revenues	<u>174,881</u>	<u>434,459</u>
Total Public Support and Revenue	<u>\$ 3,562,566</u>	<u>\$ 2,964,227</u>

See independent auditors' report

**UNIFORM GUIDANCE AND
NEW JERSEY OMB CIRCULAR LETTER 15-08
SCHEDULES AND REPORTS**

Schedules of Expenditures of Federal Awards
and State Financial Assistance
Year Ended December 31, 2021

Women Aware, Inc.
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2021

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Additional Award Identification	Federal Assistance Listing 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-28-19	\$ -	\$ 25,424
Violence Against Women Formula Grants		16.588	VAWA-28-20	-	38,360
Violence Against Women Formula Grants		16.588	VAWA-57-20	-	7,442
Passed-Through NJ State Department of Law and Public Safety					
Division of Criminal Justice					
Crime Victim Assistance		16.575	VAG-162-18	-	247,630
Crime Victim Assistance		16.575	VAG-163-18	-	174,605
Crime Victim Assistance		16.575	VAG-107-20	-	17,840
COVID-19 - Crime Victim Assistance	COVID-19	16.575	VCH-11-19	-	392,370
Total U.S. Department of Justice				-	<u>903,671</u>
U.S. Department of Homeland Security					
Passed-Through The United Way of Central Jersey					
Emergency Food and Shelter National Board Program		97.024	38-5994-00 003	-	<u>37,500</u>
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	21AOMW	-	56,001
Family Violence Prevention and Services/Domestic					
Violence Shelter and Supportive Services		93.671	21AOMW	-	27,999
COVID-19 - Family Violence Prevention and Services/Domestic					
Violence Shelter and Supportive Services	COVID-19	93.671	21AOMW	-	28,909
Total U.S. Department of Health and Human Services				-	<u>112,909</u>
U.S. Department of Education					
Passed-Through N.J. Department of Education					
Education for Homeless Children and Youth		84.196	20-BR23-H02	-	40,662
Education for Homeless Children and Youth		84.196	21-BR25-H02	-	20,623
Total U.S. Department of Education				-	<u>61,285</u>
U.S. Department of Housing and Urban Development					
Passed-Through N.J. Department of Community Affairs					
COVID-19 - Emergency Solutions Grant Program	COVID-19	14.231	2020-02140-0414-04	-	66,884
Passed-Through County of Middlesex, New Jersey					
COVID-19 - Emergency Solutions Grant Program	COVID-19	14.231	unavailable	-	129,521
Total U.S. Department of Housing and Urban Development				-	<u>196,405</u>
Total Expenditures of Federal Awards				\$ -	<u>\$ 1,311,770</u>

Women Aware, Inc.

Schedule of Expenditures of State Financial Assistance
Year Ended December 31, 2021

<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>	<u>Expenditures to Date</u>
N.J. State Department of Children and Families					
Division on Women					
Domestic Violence Lead Agency	21AOMW	1/1/21 - 6/30/22	\$ 1,020,846	\$ 528,210	\$ 528,210
Domestic Violence	21AOMW	1/1/21 - 6/30/22	15,197	15,197	15,197
Peace: A Learned Solution	21AOMW	1/1/21 - 6/30/22	475,158	438,742	438,742
Domestic Violence Liaison	21AOMW	1/1/21 - 6/30/22	168,000	142,681	142,681
			<u>1,679,201</u>	<u>1,124,830</u>	<u>1,124,830</u>
N.J. State Department of Community Affairs					
Division of Housing and Community Resources					
Shelter Support 2020	2020-02149-0076-00	12/01/19-6/30/21	22,530	1,800	22,530
Shelter Support 2021	2021-02149-0055-00	11/1/20-6/30/22	48,746	3,515	3,515
			<u>71,276</u>	<u>5,315</u>	<u>26,045</u>
N.J. State Department of Human Services					
Title IVA					
Passed-through Middlesex County Board of Social Services	42552	1/1/21 - 12/31/21	191,939	191,939	191,939
Total State Financial Assistance			<u>\$ 1,942,416</u>	<u>\$ 1,322,084</u>	<u>\$ 1,342,814</u>

Women Aware, Inc.

Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance Year Ended December 31, 2021

1. 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, 2021. 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* and New Jersey OMB Circular Letter 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* ("Uniform Guidance and New Jersey OMB Circular Letter 15-08"), respectively. 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.

2. 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.

3. Indirect Cost Rate

The Organization has elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance and New Jersey OMB Circular Letter 15-08.



**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., which comprise the statement of financial position as of December 31, 2021, 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 September 16, 2022.

Report on 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) 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 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 or significant deficiencies may exist that have not been identified.

Report on 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 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.

PKF O'Connor Davies, LLP

Woodcliff Lake, NJ
September 16, 2022



**Report on Compliance for Each Major Federal and State Program and Report on
Internal Control Over Compliance Required by the Uniform Guidance and
New Jersey OMB Circular Letter 15-08**

Independent Auditors' Report

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

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited Women Aware, Inc.'s compliance with the types of compliance requirements described in the Office of Management and Budget ("OMB") *Compliance Supplement* and *New Jersey State Grant Compliance Supplement* that could have a direct and material effect on each of Women Aware, Inc.'s major federal and state programs for the year ended December 31, 2021. 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.

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 federal and state programs for the year ended December 31, 2021.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey OMB Circular Letter 15-08, respectively. Our responsibilities under those standards, the Uniform Guidance and the 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 the Organization and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of the Organization'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 the Organization'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 the Organization's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, 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 the Organization's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, 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 the Organization'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 the Organization'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 the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in Auditors' Responsibilities for the Audit of Compliance section above 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, 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 have not been 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.

PKF O'Connor Davies, LLP

Woodcliff Lake, NJ
September 16, 2022

Women Aware, Inc.

Schedule of Findings and Questioned Costs
Year Ended December 31, 2021

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?
- Significant deficiency(ies) identified?

____ Yes No
____ Yes None reported

Noncompliance material to financial statements noted?

____ Yes No

Federal Awards and State Financial Assistance

Internal control over major federal and state programs:

- Material weakness(es) identified?
- Significant deficiency(ies) identified?

____ Yes No
____ Yes None reported

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

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) or New Jersey OMB Circular Letter 15-08?

____ Yes No

Identification of major federal and state programs:

Assistance Listing Number/
State Grant/Contract Number

Name of Federal and State Program

Federal:

16.575

Crime Victim Assistance

State:

21AOMW

Domestic Violence Lead Agency

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

\$750,000 (federal and state programs)

Auditee qualified as low-risk auditee?

____ Yes No

Women Aware, Inc.

Schedule of Findings and Questioned Costs
Year Ended December 31, 2021
(continued)

Section II – Financial Statement Findings

During our audit, we noted no material findings for the year ended December 31, 2021.

Section III – Federal Awards and 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 Schedules of Expenditures of Federal Awards and State Financial Assistance are questioned or recommended to be disallowed.

Women Aware, Inc.

Summary Schedule of Prior Year Audit Findings
Year Ended December 31, 2021

There were no findings in the prior year.