

**Women Aware, Inc.**

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

June 30, 2022

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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 statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses and cash flows for the six months 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 June 30, 2022, and the changes in its net assets and its cash flows for the six months then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("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 audit. 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 the financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about 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 audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Supplementary Schedule of Public Support and Revenues on page 20 and Supplementary Schedule of Federal Awards on page 21 are presented for purposes of additional analysis and are not a required part of the financial statements. The Schedule of Expenditures of State Financial Assistance on page 22 as required by New Jersey OMB Circular Letter 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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 March 1, 2023 on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 the Organization'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 the Organization's internal control over financial reporting and compliance.

*PKF O'Connor Davies, LLP*

Woodcliff Lake, NJ  
March 1, 2023

**Women Aware, Inc.**

Statement of Financial Position

June 30, 2022

**ASSETS**

Current Assets

|  |               |
|--|---------------|
| Cash and cash equivalents  | \$ 1,014,878  |
| Investments  | 900,192       |
| Grants receivable, net of allowance for doubtful<br>accounts of \$15,900 | 299,800       |
| Prepaid expenses and other   | <u>97,679</u> |
| Total Current Assets   | 2,312,549     |

Land, buildings, equipment and vehicles, net of  
accumulated depreciation

|                     |
|---------------------|
| <u>1,516,086</u>    |
| <u>\$ 3,828,635</u> |

**LIABILITIES AND NET ASSETS**

Liabilities

|                                       |                |
|---------------------------------------|----------------|
| Accounts payable and accrued expenses | \$ 193,705     |
| Current portion of mortgages payable  | 86,229         |
| Other liabilities                     | <u>304,926</u> |
| Total Current Liabilities             | 584,860        |

Mortgages payable, net of current portion

|                  |
|------------------|
| <u>717,551</u>   |
| <u>1,302,411</u> |

Total Liabilities

Net Assets

|                            |                  |
|----------------------------|------------------|
| Without donor restrictions | 2,226,424        |
| With donor restrictions    | <u>299,800</u>   |
| Total Net Assets           | <u>2,526,224</u> |

|                     |
|---------------------|
| <u>\$ 3,828,635</u> |
|---------------------|

**Women Aware, Inc.**

Statement of Activities

|   | Six Months Ended June 30, 2022 |                            |              |
|---|--------------------------------|----------------------------|--------------|
|   | Without Donor<br>Restrictions  | With Donor<br>Restrictions | Total        |
| <b>PUBLIC SUPPORT</b>                               |                                |                            |              |
| Contributions                                       | \$ 64,112                      | \$ -                       | \$ 64,112    |
| Government grants and contracts                     | 1,017,521                      | 299,800                    | 1,317,321    |
| Other grants and contracts                          | 133,614                        | -                          | 133,614      |
| Fundraising events                                  | 14,875                         | -                          | 14,875       |
| Total Public Support                                | 1,230,122                      | 299,800                    | 1,529,922    |
| <b>REVENUE AND RECLASSIFICATIONS</b>                |                                |                            |              |
| Program service revenue                             | 1,000                          | -                          | 1,000        |
| Rental income                                       | 34,535                         | -                          | 34,535       |
| Investment return                                   | (140,571)                      | -                          | (140,571)    |
| Donations in-kind                                   | 29,635                         | -                          | 29,635       |
| Miscellaneous income                                | 4,050                          | -                          | 4,050        |
| Net assets released from restrictions               | 397,202                        | (397,202)                  | -            |
| Total Public Support, Revenue and Reclassifications | 1,555,973                      | (97,402)                   | 1,458,571    |
| <b>EXPENSES</b>                                     |                                |                            |              |
| Program services                                    | 1,510,248                      | -                          | 1,510,248    |
| Supporting Services                                 |                                |                            |              |
| Management and general                              | 94,990                         | -                          | 94,990       |
| Development and fundraising                         | 61,983                         | -                          | 61,983       |
| Total Expenses                                      | 1,667,221                      | -                          | 1,667,221    |
| Change in Net Assets                                | (111,248)                      | (97,402)                   | (208,650)    |
| <b>NET ASSETS</b>                                   |                                |                            |              |
| Beginning of period                                 | 2,337,672                      | 397,202                    | 2,734,874    |
| End of period                                       | \$ 2,226,424                   | \$ 299,800                 | \$ 2,526,224 |

**Women Aware, Inc.**

Statement of Functional Expenses

|   | Six Months Ended June 30, 2022 |                           |                                |                              |                     |
|---|--------------------------------|---------------------------|--------------------------------|------------------------------|---------------------|
|   | Supporting Services            |                           |                                |                              |                     |
|   | Program<br>Services            | Management<br>and General | Development<br>and Fundraising | Total Supporting<br>Services | Total<br>Expenses   |
| Salaries                                | \$ 775,307                     | \$ 34,217                 | \$ 35,192                      | \$ 69,409                    | \$ 844,716          |
| Employee health and retirement benefits | 114,227                        | 7,575                     | 5,369                          | 12,944                       | 127,171             |
| Payroll taxes                           | 79,713                         | 3,562                     | 3,649                          | 7,211                        | 86,924              |
| Total Salaries and Related Expenses     | 969,247                        | 45,354                    | 44,210                         | 89,564                       | 1,058,811           |
| Professional fees                       | 135,664                        | 38,427                    | 4,650                          | 43,077                       | 178,741             |
| Facility costs                          | 117,239                        | 1,162                     | 3,242                          | 4,404                        | 121,643             |
| Operation costs                         | 65,125                         | 2,361                     | 3,651                          | 6,012                        | 71,137              |
| Interest expense                        | 4,132                          | -                         | -                              | -                            | 4,132               |
| Insurance                               | 14,585                         | 679                       | 727                            | 1,406                        | 15,991              |
| Conference and meetings                 | 11,927                         | 770                       | 612                            | 1,382                        | 13,309              |
| Program supplies                        | 52,748                         | -                         | -                              | -                            | 52,748              |
| Vehicle expense                         | 5,302                          | -                         | -                              | -                            | 5,302               |
| Travel expense                          | 22,167                         | 208                       | 236                            | 444                          | 22,611              |
| Client assistance                       | 49,027                         | -                         | -                              | -                            | 49,027              |
| Miscellaneous expense                   | 13,511                         | 5,616                     | 4,233                          | 9,849                        | 23,360              |
| Total Expenses before Depreciation      | 1,460,674                      | 94,577                    | 61,561                         | 156,138                      | 1,616,812           |
| Depreciation                            | 49,574                         | 413                       | 422                            | 835                          | 50,409              |
| Total Expenses                          | <u>\$ 1,510,248</u>            | <u>\$ 94,990</u>          | <u>\$ 61,983</u>               | <u>\$ 156,973</u>            | <u>\$ 1,667,221</u> |



**Women Aware, Inc.**

Statement of Cash Flows

Six Months Ended June 30, 2022

**CASH FLOWS FROM OPERATING ACTIVITIES**

|   |                  |
|---|------------------|
| Change in net assets  | \$ (208,650)     |
| Adjustments to reconcile change in net assets to net cash from operating activities |                  |
| Depreciation  | 50,409           |
| Mortgage forgiveness of principal   | (44,227)         |
| Unrealized loss on investments  | 144,314          |
| Changes in operating assets and liabilities   |                  |
| Grants receivable   | 97,402           |
| Prepaid expenses and other  | (7,180)          |
| Accounts payable and accrued expenses   | 130,926          |
| Other liabilities   | <u>(103,425)</u> |
| Net Cash from Operating Activities  | <u>59,569</u>    |

**CASH FLOWS FROM INVESTING ACTIVITIES**

|  |                  |
|--|------------------|
| Purchase of property, equipment and vehicles | (103,204)        |
| Purchases of investments                     | <u>(103,125)</u> |
| Net Cash from Investing Activities           | <u>(206,329)</u> |

**CASH FLOWS FROM FINANCING ACTIVITIES**

|   |               |
|---|---------------|
| Proceeds from mortgages payable         | <u>97,141</u> |
| Net Change in Cash and Cash Equivalents | (49,619)      |

**CASH AND CASH EQUIVALENTS**

|                     |                     |
|---------------------|---------------------|
| Beginning of period | <u>1,064,497</u>    |
| End of period       | <u>\$ 1,014,878</u> |

**SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION**

|                                   |           |
|-----------------------------------|-----------|
| Noncash financing activities      |           |
| Mortgage forgiveness of principal | \$ 44,227 |
| Mortgage forgiveness of interest  | 4,132     |

## **Women Aware, Inc.**

Notes to Financial Statements  
June 30, 2022

### **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.

#### ***Change in Year End***

During 2022, the Board of Directors approved a change in the Organization's year end from December 31 to June 30. This change to the fiscal year reporting cycle will begin July 1, 2022. As a result of the change, the Organization has a six-month transition period that is shown in these financial statements.

### **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.

## Women Aware, Inc.

Notes to Financial Statements  
June 30, 2022

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

#### ***Recently Adopted Accounting Principles***

In September 2020, the FASB issued Accounting Standards Update (ASU) No. 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The standard requires nonprofit entities to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash or other financial assets. The standard also increases the disclosure requirements around contributed nonfinancial assets, including disaggregating by category the types of contributed nonfinancial assets a nonprofit entity has received. Adoption of this standard did not have a material impact on the financial statements.

#### ***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.

#### ***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.

#### ***Investments***

**Valuation:** Investments are carried at fair value.

**Investment Income:** 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, Equipment and Vehicles***

Land, buildings, equipment and vehicles 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, equipment and vehicles 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.

## **Women Aware, Inc.**

Notes to Financial Statements  
June 30, 2022

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

#### ***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 2022.

#### ***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.

## Women Aware, Inc.

Notes to Financial Statements  
June 30, 2022

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

#### ***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 2019.

#### ***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 March 1, 2023.

### 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.

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following as of June 30, 2022:

|   |                            |
|---|----------------------------|
| Cash and cash equivalents   | \$ 1,014,878               |
| Investments   | 900,192                    |
| Grant receivables due in one year or less, net                          | <u>299,800</u>             |
| Financial assets available to meet general expenditures within the year | <u><u>\$ 2,214,870</u></u> |

## Women Aware, Inc.

### Notes to Financial Statements June 30, 2022

#### 4. Land, Buildings, Equipment and Vehicles

Land, buildings, equipment and vehicles consists of the following at June 30, 2022:

|                            |                     | <u>Depreciable<br/>Life</u> |
|----------------------------|---------------------|-----------------------------|
| Land                       | \$ 217,253          |                             |
| Buildings and improvements | 1,841,056           | 10-40 years                 |
| Furniture and equipment    | 521,411             | 3-10 years                  |
| Vehicles                   | <u>34,803</u>       | 5 years                     |
|                            | 2,614,523           |                             |
| Accumulated depreciation   | <u>(1,098,437)</u>  |                             |
|                            | <u>\$ 1,516,086</u> |                             |

#### 5. Investments

The following are major categories of investments measured at fair value on a recurring basis, grouped by the fair value hierarchy at June 30, 2022:

|                         | <u>Quoted Prices<br/>in Active<br/>Markets for<br/>Identical Assets<br/>(Level 1)</u> |
|-------------------------|---|
| Money market funds      | <u>\$ 46,439</u>  |
| Equities                |   |
| Domestic equities       | 213,652   |
| International equities  | <u>24,025</u>   |
| Total Equities          | 237,677   |
| Fixed income securities | <u>616,076</u>  |
| Total Investments       | <u>\$ 900,192</u>   |

The following schedule summarizes the investment return and its classification in the statement of activities for the six months ended June 30, 2022:

|                                |                     |
|--------------------------------|---------------------|
| Interest and dividends, net    | \$ 3,743            |
| Unrealized loss on investments | <u>(144,314)</u>    |
|                                | <u>\$ (140,571)</u> |

## Women Aware, Inc.

### Notes to Financial Statements June 30, 2022

#### 6. Mortgages Payable

Mortgages payable are comprised of the following at June 30, 2022:

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.

\$ 585,038

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.

12,990

**Women Aware, Inc.**

Notes to Financial Statements  
June 30, 2022

**6. Mortgages Payable (continued)**

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.

\$ 22,921

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.

50,125



**Women Aware, Inc.**

Notes to Financial Statements  
June 30, 2022

**6. Mortgages Payable (continued)**

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 "NJDCA") 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 2020 and completed in 2021. As of and for the year ended 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 NJDCA 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 NJDCA 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.

\$ 20,875

**Women Aware, Inc.**

Notes to Financial Statements  
June 30, 2022

**6. Mortgages Payable (continued)**

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") 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 completed in 2022. As of and for the year ended December 31, 2021, \$14,690 of mortgage note and \$66,884 of the grant were recorded. As of and for the period ended June 30, 2022, an additional \$51,910 of mortgage note and an additional \$7,492 of the grant amount were recorded which completes both the mortgage note and grant award. 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, 2022 and on each successive anniversary for three years thereafter, 33% 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 4.75% (prime rate as of June 2022) 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.

\$ 66,600

**Women Aware, Inc.**

Notes to Financial Statements  
June 30, 2022

**6. Mortgages Payable (continued)**

In September 2020, the Organization entered into a grant agreement and mortgage note for \$48,746 with the New Jersey Department of Community Affairs Division of Housing (the "NJDCA") for renovations and operations costs to their emergency shelter facility. The portion of the award to be recorded as a mortgage note is \$45,231. The remaining award balance of \$3,515 will be recorded as grant revenue in the statement of activities. Renovations began in 2021 and completed in 2022. As of and for the year ended December 31, 2021, \$3,515 of the grant amount was recorded. As of and for the period ended June 30, 2022, \$45,231 of the mortgage note was recorded, which now completes the mortgage note and grant award. 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, 2022, and on each successive anniversary for three years thereafter, 33% of the original principal will be forgiven by the NJDCA 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 NJDCA 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 4.75% (prime rate as of June 2022) 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.

|                        |                          |
|------------------------|--------------------------|
|                        | <u>\$ 45,231</u>         |
| Total                  | 803,780                  |
| Current portion        | <u>(86,229)</u>          |
| Mortgages Payable, net | <u><u>\$ 717,551</u></u> |

Future maturities of the mortgages payable for the next five years and thereafter are as follows for the years ending June 30:

|            |           |                       |
|------------|-----------|-----------------------|
| 2023       | \$        | 86,229                |
| 2024       |           | 73,773                |
| 2025       |           | 58,740                |
| 2026       |           | -                     |
| 2027       |           | -                     |
| Thereafter |           | <u>585,038</u>        |
|            | <u>\$</u> | <u><u>803,780</u></u> |

## Women Aware, Inc.

### Notes to Financial Statements June 30, 2022

#### 6. Mortgages Payable (*continued*)

As of June 30, 2022, mortgages that are to be forgiven amount to \$218,742. Interest expense recognized for the six months ended June 30, 2022 totaled \$4,132.

#### 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 \$29,272 for the six months ended June 30, 2022.

#### 8. Net Assets

Net assets consists of the following at June 30, 2022:

Without Donor Restrictions:

|              |              |
|--------------|--------------|
| Undesignated | \$ 2,226,424 |
|--------------|--------------|

With Donor Restrictions:

|                   |                |
|-------------------|----------------|
| Time restrictions | <u>299,800</u> |
|-------------------|----------------|

|                  |                            |
|------------------|----------------------------|
| Total net assets | <u><u>\$ 2,526,224</u></u> |
|------------------|----------------------------|

Net assets were released from donor restrictions as follows:

Release of

|                   |                          |
|-------------------|--------------------------|
| Time restrictions | <u><u>\$ 397,202</u></u> |
|-------------------|--------------------------|

#### 9. Risk Concentrations

##### ***Demand Deposits***

Financial instruments that potentially subject the Organization to concentrations of credit and market risk consist principally of cash and cash equivalents on deposit with financial institutions, which from time to time may exceed the Federal Deposit Insurance Corporation ("FDIC") limit. The Organization does not believe that a significant risk of loss due to the failure of a financial institution presently exists. At June 30, 2022, \$15,203 of cash was maintained with an institution in excess of FDIC limits.

## Women Aware, Inc.

Notes to Financial Statements  
June 30, 2022

### 9. Risk Concentrations (*continued*)

#### *Investments*

The Organization maintains an investment portfolio which is managed through independent investment advisors who also serve as custodians.

#### *Major Grantors*

During the six months ended June 30, 2022, the Organization received approximately 62% 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.

### 10. Donated Goods and Services

The Organization recognized contributed nonfinancial assets within revenue, including contributed office space, household goods, and food supplies. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions.

Contributed office space recognized represents donated office space from the City of New Brunswick to support the Legal Advocacy program. The office space is reported at the estimated fair value in the financial statements which is based on comparable office rental rates in the area for similar space.

Contributed household goods and food supplies were used in Peace: A Learned Solution (“PALS”) and Safe House programs, respectively. In valuing the household goods and food supplies, the Organization estimated the fair value on the basis of estimates of wholesale values that would-be received for selling similar products in the United States.

Donations in-kind for the six months ended June 30, 2022 consisted of the following:

|                 |                  |
|-----------------|------------------|
| Office space    | \$ 18,383        |
| Household goods | 3,631            |
| Food supplies   | <u>7,621</u>     |
|                 | <u>\$ 29,635</u> |

## **Women Aware, Inc.**

Notes to Financial Statements  
June 30, 2022

### **11. Risks and Uncertainties**

The Organization's operations have been affected by the ongoing outbreak of the coronavirus disease ("COVID-19"). 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 changes in net assets, financial position, operations, and cash flows.

The global and domestic economic uncertainty has resulted in significant volatility in financial markets. This volatility has affected, and may continue to affect, the value of the Organization's net assets. The effect of economic and market conditions subsequent to June 30, 2022 are not reflected in these financial statements and future effects on the Organization cannot be predicted.

\* \* \* \* \*

## **SUPPLEMENTARY SCHEDULES**

The Supplementary Schedule of Public Support and Revenue and Supplementary Schedule of Expenditures of Federal Awards contained on pages 21 and 22 are 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

Six Months Ended June 30, 2022

|   |                     |
|---|---------------------|
| <b>Contributions</b>  | <u>\$ 64,112</u>    |
| <b>Federal Grants</b>   |                     |
| Violence Against Women Formula Grants (VAWA)  | 59,207              |
| Victims of Crime Act Grant (VAG)  | 150,540             |
| Department of Children and Families - Family Violence Prevention and Services Act - Federal Share | 69,308              |
| Education for Homeless Children and Youth   | 20,354              |
| Department of Community Affairs - Federal Share   | 7,492               |
| HUD Emergency Solutions Grant COVID-19 (ESG-CV)   | <u>40,479</u>       |
| Total Federal Grants  | <u>347,380</u>      |
| <b>State Grants</b>   |                     |
| Department of Children and Families - Domestic Violence Lead Agency                               | 286,807             |
| Department of Children and Families - Domestic Violence   | 15,197              |
| Department of Children and Families - Peace: A Learned Solution                                   | 273,995             |
| Department of Children and Families - Domestic Violence Liaison                                   | 109,304             |
| Title IVA - State Share   | 128,177             |
| Mortgage forgiveness  | <u>48,359</u>       |
| Total State Grants  | <u>861,839</u>      |
| <b>County Grants</b>  |                     |
| Middlesex County Department of Community Services for the Commissioners                           | 79,996              |
| Middlesex County Department of Community Services-Social Services for the Homeless Grant (SSH)    | <u>28,106</u>       |
| Total County Grants   | <u>108,102</u>      |
| Total Government Grants and Contracts   | <u>1,317,321</u>    |
| <b>Foundations and Trusts</b>   |                     |
| IOLTA   | 11,500              |
| Miscellaneous   | 7,523               |
| Robert Wood Johnson Foundation  | 38,549              |
| TJX Foundation  | 8,331               |
| Bristol Myers Squibb  | 7,711               |
| Merck Foundation  | 25,000              |
| Rutgers Health Foundation   | 25,000              |
| Big Lots  | 5,000               |
| PNC Bank  | <u>5,000</u>        |
| Total Foundations and Trusts  | <u>133,614</u>      |
| <b>Fundraising Events</b>   |                     |
| Other   | <u>14,875</u>       |
| Total Fundraising Events  | <u>14,875</u>       |
| <b>Program Service Revenue</b>  |                     |
| Training fees   | <u>1,000</u>        |
| Total Program Service Revenue   | <u>1,000</u>        |
| <b>Other Revenues</b>   |                     |
| Rental income   | 34,535              |
| Investment return   | (140,571)           |
| Donations in-kind   | 29,635              |
| Miscellaneous income  | <u>4,050</u>        |
| Total Other Revenues  | <u>(72,351)</u>     |
| Total Public Support and Revenue  | <u>\$ 1,458,571</u> |

See independent auditors' report



**Women Aware, Inc.**

Supplementary Schedule of Expenditures of Federal Awards  
Six Months Ended June 30, 2022

| Federal Grantor / Pass-Through Grantor /<br>Program or Cluster Title | Additional<br>Award<br>Identification | Federal<br>Assistance<br>Listing<br>Number | Pass-Through<br>Entity Identifying<br>Number | Passed<br>Through To<br>Subrecipients | Total<br>Federal<br>Expenditures |
|--|---------------------------------------|--|--|---------------------------------------|----------------------------------|
| <b>U.S. Department of Justice</b>                                    |                                       |  |  |                                       |                                  |
| Passed-Through NJ State Department of Law and Public Safety          |                                       |  |  |                                       |                                  |
| Division of Criminal Justice   |                                       |  |  |                                       |                                  |
| Violence Against Women Formula Grants                                |                                       |  |  |                                       |                                  |
|  |                                       | 16.588                                     | VAWA-28-20                                   | \$ -                                  | \$ 14,972                        |
|  |                                       | 16.588                                     | VAWA-28-21                                   | -                                     | 6,677                            |
|  |                                       | 16.588                                     | VAWA-57-20                                   | -                                     | 37,558                           |
| Passed-Through NJ State Department of Law and Public Safety          |                                       |  |  |                                       |                                  |
| Division of Criminal Justice   |                                       |  |  |                                       |                                  |
| Crime Victim Assistance  |                                       |  |  |                                       |                                  |
|  |                                       | 16.575                                     | VAG-119-20                                   | -                                     | 46,983                           |
|  |                                       | 16.575                                     | VAG-107-20                                   | -                                     | 58,322                           |
|  | COVID-19                              | 16.575                                     | VCH-11-19                                    | -                                     | 45,235                           |
| Total U.S. Department of Justice                                     |                                       |  |  | -                                     | <u>209,747</u>                   |
| <b>U.S. Department of Health and Human Services</b>                  |                                       |  |  |                                       |                                  |
| Passed-Through N.J. State Department of Children and Families        |                                       |  |  |                                       |                                  |
| Family Violence Prevention and Services/Domestic                     |                                       |  |  |                                       |                                  |
| Violence Shelter and Supportive Services                             |                                       |  |  |                                       |                                  |
|  |                                       | 93.671                                     | 21AOMW                                       | -                                     | 68,183                           |
|  | COVID-19                              | 93.671                                     | unavailable                                  | -                                     | 1,125                            |
|  |                                       |  |  | -                                     | <u>69,308</u>                    |
| <b>U.S. Department of Education</b>                                  |                                       |  |  |                                       |                                  |
| Passed-Through N.J. Department of Education                          |                                       |  |  |                                       |                                  |
| Education for Homeless Children and Youth                            |                                       |  |  |                                       |                                  |
|  |                                       | 84.196                                     | 21-BR25-H02                                  | -                                     | 20,354                           |
| <b>U.S. Department of Housing and Urban Development</b>              |                                       |  |  |                                       |                                  |
| Passed-Through County of Middlesex, New Jersey                       |                                       |  |  |                                       |                                  |
| COVID-19 - Emergency Solutions Grant Program                         |                                       |  |  |                                       |                                  |
|  | COVID-19                              | 14.231                                     | unavailable                                  | -                                     | 40,479                           |
| Passed-Through N.J. Department of Community Affairs                  |                                       |  |  |                                       |                                  |
| COVID-19 - Emergency Solutions Grant Program                         |                                       |  |  |                                       |                                  |
|  | COVID-19                              | 14.231                                     | 2020-02140-0414-04                           | -                                     | 7,492                            |
| Total U.S. Department of Housing and Urban Development               |                                       |  |  | -                                     | <u>47,971</u>                    |
| Total Expenditures of Federal Awards                                 |                                       |  |  | \$ -                                  | \$ <u>347,380</u>                |

**Note** - Not-for-profit organizations that expend \$750,000 or more of federal funds are required to have an audit performed in accordance with the Single Audit, Subpart F of the Uniform Guidance. The Organization did not meet that threshold, but had an audit performed in accordance with *Government Auditing Standards* and New Jersey OMB Circular Letter 15-08 for State Financial Assistance. Please refer to pages 25-29 where the *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* and *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* are located.

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

Schedule of Expenditures of  
State Financial Assistance  
Six Months Ended June 30, 2022

Women Aware, Inc.

Schedule of Expenditures of State Financial Assistance  
Six Months Ended June 30, 2022

| <u>State of New Jersey Grantor/<br/>Pass-through Grantor/Program or Project Title</u> | <u>Grant/Account or<br/>Other I.D. Number</u> | <u>Grant<br/>Period</u> | <u>Grant<br/>Amount</u> | <u>Current Year<br/>State<br/>Expenditures</u> | <u>Expenditures<br/>to Date</u> |
|---|---|-------------------------|-------------------------|--|---------------------------------|
| <b>N.J. State Department of Children and Families</b>                                 |   |                         |                         |  |                                 |
| Division on Women   |   |                         |                         |  |                                 |
| Domestic Violence Lead Agency   | 21AOMW  | 1/1/21 - 6/30/22        | \$ 815,017              | \$ 286,807                                     | \$ 815,017                      |
| Domestic Violence   | 21AOMW  | 1/1/21 - 6/30/22        | 30,394                  | 15,197   | 30,394                          |
| Peace: A Learned Solution   | 21AOMW  | 1/1/21 - 6/30/22        | 712,737                 | 273,995  | 712,737                         |
| Domestic Violence Liaison   | 21AOMW  | 1/1/21 - 6/30/22        | <u>251,985</u>          | <u>109,304</u>                                 | <u>251,985</u>                  |
|   |   |                         | 1,810,133               | 685,303  | 1,810,133                       |
| <b>N.J. State Department of Human Services</b>  |   |                         |                         |  |                                 |
| Title IVA   |   |                         |                         |  |                                 |
| Passed-through Middlesex County Board of<br>Social Services                           | 42552   | 1/1/22 - 6/30/22        | <u>128,177</u>          | <u>128,177</u>                                 | <u>128,177</u>                  |
| Total State Financial Assistance  |   |                         | \$ <u>1,938,310</u>     | \$ <u>813,480</u>                              | \$ <u>1,938,310</u>             |

## **Women Aware, Inc.**

### Notes to Schedule of Expenditures of State Financial Assistance Six Months Ended June 30, 2022

#### **1. Basis of Presentation**

The accompanying Schedule of Expenditures of State Financial Assistance (the "Schedule") includes the state awards activity of Women Aware, Inc. (the "Organization") under programs of the state governments for the six months ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of New Jersey OMB Circular Letter 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* ("New Jersey OMB Circular Letter 15-08"). Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets or cash flows of the Organization.

#### **2. Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the 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 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 audit 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 June 30, 2022, and the related statements of activities, functional expenses and cash flows for the six months then ended, and the related notes to the financial statements, and have issued our report thereon dated March 1, 2023.

**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  
March 1, 2023

**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**

***Opinion on 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 six months ended June 30, 2022. 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.

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 six months ended June 30, 2022.

***Basis for Opinion on Each Major 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 audit contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of New Jersey OMB Circular Letter 15-08. Our responsibilities under those standards 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 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 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*, and the 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 state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards* and the 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 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 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 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 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  
March 1, 2023

**Women Aware, Inc.**

Schedule of Findings and Questioned Costs  
Six Months Ended June 30, 2022

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

**State Financial Assistance**

Internal control over major state programs:

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

\_\_\_ Yes  No  
\_\_\_ 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:

Assistance Listing Number/  
State Grant/Contract Number

Name of State Program

**State:**

21AOMW

Domestic Violence Lead Agency

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

\$750,000 (state programs)

Auditee qualified as low-risk auditee?

Yes \_\_\_ No

**Women Aware, Inc.**

Schedule of Findings and Questioned Costs  
Six Months Ended June 30, 2022  
*(continued)*

Section II – Financial Statement Findings

During our audit, we noted no material findings for six months ended June 30, 2022.

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 Schedule of Expenditures of State Financial Assistance are questioned or recommended to be disallowed.

**Women Aware, Inc.**

Summary Schedule of Prior Year Audit Findings  
Six Months Ended June 30, 2022

There were no findings in the prior year.