

Women Aware, Inc.

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

June 30, 2023

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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.

Report on the Audit of the Financial Statements

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, 2023, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Women Aware, Inc. as of June 30, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("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 19 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 20 and 21 as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and New Jersey OMB Circular Letter 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 10, 2024 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
January 10, 2024

Women Aware, Inc.

Statement of Financial Position
June 30, 2023

ASSETS

Current Assets

Cash and cash equivalents	\$ 1,152,744
Investments	957,312
Grants receivable, net of allowance for doubtful accounts of \$15,900	312,966
Prepaid expenses and other	<u>83,890</u>
Total Current Assets	2,506,912

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

1,431,350
\$ 3,938,262

LIABILITIES AND NET ASSETS

Current Liabilities

Accounts payable and accrued expenses	\$ 194,959
Current portion of mortgages payable	73,773
Other liabilities	<u>468,577</u>
Total Current Liabilities	737,309

Mortgages payable, net of current portion

634,354
1,371,663

Total Liabilities

Net Assets

Without donor restrictions	2,253,633
With donor restrictions	<u>312,966</u>
Total Net Assets	<u>2,566,599</u>

\$ 3,938,262

Women Aware, Inc.

Statement of Activities
Year Ended June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT			
Contributions	\$ 78,943	\$ -	\$ 78,943
Government grants and contracts	2,501,493	312,966	2,814,459
Other grants and contracts	224,465	-	224,465
Fundraising events, net of cost of direct benefits to donors	100,871	-	100,871
Total Public Support	2,905,772	312,966	3,218,738
REVENUE AND RECLASSIFICATIONS			
Program service revenue	1,700	-	1,700
Rental income	47,963	-	47,963
Investment return	57,749	-	57,749
Donations in-kind	78,548	-	78,548
Miscellaneous income	3,239	-	3,239
Net assets released from restrictions	299,800	(299,800)	-
Total Public Support, Revenue and Reclassifications	3,394,771	13,166	3,407,937
EXPENSES			
Program services	3,097,715	-	3,097,715
Supporting Services			
Management and general	162,342	-	162,342
Development and fundraising	107,505	-	107,505
Total Expenses	3,367,562	-	3,367,562
Change in Net Assets	27,209	13,166	40,375
NET ASSETS			
Beginning of year	2,226,424	299,800	2,526,224
End of year	\$ 2,253,633	\$ 312,966	\$ 2,566,599

Women Aware, Inc.

Statement of Functional Expenses
Year Ended June 30, 2023

	Program Services	Supporting Services			Total Expenses
		Management and General	Development and Fundraising	Total Supporting Services	
Salaries	\$ 1,700,548	\$ 46,244	\$ 58,479	\$ 104,723	\$ 1,805,271
Employee health and retirement benefits	227,881	6,098	7,709	13,807	241,688
Payroll taxes	158,859	4,241	5,460	9,701	168,560
Total Salaries and Related Expenses	2,087,288	56,583	71,648	128,231	2,215,519
Professional fees	307,693	94,647	8,491	103,138	410,831
Facility costs	169,786	1,426	2,144	3,570	173,356
Operation costs	110,079	2,192	7,745	9,937	120,016
Interest expense	2,821	-	-	-	2,821
Insurance	43,754	1,356	1,637	2,993	46,747
Conference and meetings	18,346	724	1,258	1,982	20,328
Program supplies	116,875	-	-	-	116,875
Vehicle expense	4,726	-	-	-	4,726
Travel expense	32,454	144	376	520	32,974
Client assistance	73,723	-	100	100	73,823
Miscellaneous expense	20,357	4,776	15,528	20,304	40,661
Total Expenses Before Depreciation and Amortization	2,987,902	161,848	108,927	270,775	3,258,677
Depreciation and amortization	109,813	494	637	1,131	110,944
Total Expenses	3,097,715	162,342	109,564	271,906	3,369,621
Cost of direct benefits to donors	-	-	(2,059)	(2,059)	(2,059)
Total Expenses by Function	<u>\$ 3,097,715</u>	<u>\$ 162,342</u>	<u>\$ 107,505</u>	<u>\$ 269,847</u>	<u>\$ 3,367,562</u>

Women Aware, Inc.

Statement of Cash Flows
Year Ended June 30, 2023

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ 40,375
Adjustments to reconcile change in net assets to net cash from operating activities	
Depreciation and amortization	110,944
Mortgage forgiveness of principal	(86,229)
Realized gain on investments	14,924
Unrealized (gain) loss on investments	(38,068)
Changes in operating assets and liabilities	
Grants receivable	(13,166)
Prepaid expenses and other	13,789
Accounts payable and accrued expenses	1,254
Other liabilities	<u>163,651</u>
Net Cash from Operating Activities	<u>207,474</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of property, equipment, vehicles and software	(26,208)
Purchases of investments	(562,058)
Proceeds from sale of investments	<u>528,082</u>
Net Cash from Investing Activities	<u>(60,184)</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Repayment of mortgage payable	<u>(9,424)</u>
Net Change in Cash and Cash Equivalents	137,866

CASH AND CASH EQUIVALENTS

Beginning of year	<u>1,014,878</u>
End of year	<u>\$ 1,152,744</u>

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Noncash financing activities	
Mortgage forgiveness of principal	\$ 86,229
Mortgage forgiveness of interest	2,821

Women Aware, Inc.

Notes to Financial Statements
June 30, 2023

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, 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, 2023

2. Summary of Significant Accounting Policies (continued)

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, Vehicles and Software

Land, buildings, equipment, vehicles and software 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, vehicles and software in excess of \$5,000. Depreciation and amortization 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, 2023

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 2023.

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 create or enhance nonfinancial assets or 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.

Women Aware, Inc.

Notes to Financial Statements
June 30, 2023

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

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities 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 years prior to 2020.

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 January 10, 2024.

3. Liquidity and Availability of Financial Assets

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 at June 30, 2023:

Cash and cash equivalents	\$ 1,152,744
Investments	957,312
Grants receivable	<u>312,966</u>
Financial assets available to meet general expenditures within the year	<u>\$ 2,423,022</u>

Women Aware, Inc.

Notes to Financial Statements June 30, 2023

4. Land, Buildings, Equipment, Vehicles and Software

Land, buildings, equipment, vehicles and software consists of the following at June 30, 2023:

		<u>Depreciable Life</u>
Land	\$ 217,253	
Buildings and improvements	1,841,056	10-40 years
Furniture and equipment	530,431	3-10 years
Vehicles	34,803	5 years
Software	<u>17,188</u>	3 years
	2,640,731	
Accumulated depreciation and amortization	<u>(1,209,381)</u>	
	<u>\$ 1,431,350</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, 2023:

	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>
Money market funds	\$ 43,244
Domestic equities	294,873
Fixed income securities	<u>619,195</u>
	<u>\$ 957,312</u>

The following schedule summarizes the investment return and its classification in the statement of activities for the year ended June 30, 2023:

Interest and dividends, net	\$ 34,605
Realized loss on sale of investments	(14,924)
Unrealized gain on investments	<u>38,068</u>
	<u>\$ 57,749</u>

Women Aware, Inc.

Notes to Financial Statements
June 30, 2023

6. Mortgages Payable

Mortgages payable are comprised of the following at June 30, 2023:

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.

\$ 575,614

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 at November 2013), was used to calculate interest expense. The note reduction and calculated interest are treated as grant revenue. The mortgage is secured by the building.

11,461

Women Aware, Inc.

Notes to Financial Statements
June 30, 2023

6. Mortgages Payable (continued)

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 was 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 at June 2015), was used to calculate interest expense. The note reduction and calculated interest are treated as grant revenue. The mortgage is secured by the building.

\$ 33,956

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 was June 30, 2021, and on each successive anniversary for three years thereafter, 33% of the original principal will be forgiven by 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 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 at December 2020) was used to calculate interest expense. The note reduction and calculated interest are treated as grant revenue. The mortgage is secured by the building.

12,542

Women Aware, Inc.

Notes to Financial Statements
June 30, 2023

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 "NJDCA") 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 was 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 year 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 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 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 at June 2022) was used to calculate interest expense. The note reduction and calculated interest are treated as grant revenue. The mortgage is secured by the building.

\$ 44,400

Women Aware, Inc.

Notes to Financial Statements
June 30, 2023

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 year 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 was June 30, 2022, and on each successive anniversary for three years thereafter, 33% of the original principal will be forgiven by 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 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 at June 2022) was used to calculate interest expense. The note reduction and calculated interest are treated as grant revenue. The mortgage is secured by the building.

	<u>\$ 30,154</u>
Total	708,127
Current portion	<u>(73,773)</u>
Mortgages Payable, net	<u><u>\$ 634,354</u></u>

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

2024	\$	73,773
2025		58,740
2026		-
2027		-
2028		-
Thereafter		<u>575,614</u>
	<u>\$</u>	<u><u>708,127</u></u>

Women Aware, Inc.

Notes to Financial Statements June 30, 2023

6. **Mortgages Payable (continued)**

At June 30, 2023, mortgages that are to be forgiven amount to \$132,513. Interest expense recognized for the year ended June 30, 2023 totaled \$2,821.

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 6.0% of compensation to the plan. The employer match on the 401(k) plan was \$56,464 for the year ended June 30, 2023.

8. **Net Assets**

Net assets consist of the following at June 30, 2023:

Without Donor Restrictions:

Undesignated	\$ 2,253,633
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With Donor Restrictions:

Time restrictions	<u>312,966</u>
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Total net assets	<u>\$ 2,566,599</u>
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Net assets were released from donor restrictions as follows:

Release of Time Restrictions	<u>\$ 299,800</u>
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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. Deposits held at financial institutions insured by the Federal Deposit Insurance Corporation ("FDIC") are insured up to \$250,000. At times, cash balances may exceed the FDIC limit. At June 30, 2023, the Organization's uninsured cash and cash equivalents balances on deposit totaled \$351,733.

Investments

The Organization maintains an investment portfolio which is managed through independent investment advisors who also serve as custodians. Investment holdings at financial institutions insured by the Securities Investor Protection Corporation ("SIPC") are insured up to \$500,000. At times uninsured investment holding balances may exceed the SIPC limit. At June 30, 2023, the Organization's uninsured investment holdings totaled approximately \$457,312.

Women Aware, Inc.

Notes to Financial Statements
June 30, 2023

9. Risk Concentrations (continued)

Major Grantors

During the year ended June 30, 2023, the Organization received approximately 52% 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 County of Middlesex to support the Family Justice Center. 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. 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 year ended June 30, 2023 consisted of the following:

Office space	\$ 36,766
Household goods	30,454
Food supplies	<u>11,328</u>
	<u>\$ 78,548</u>

These expenses are included in professional fees, program supplies and client assistance under the program services function on the statements of activities and functional expenses.

* * * * *

SUPPLEMENTARY SCHEDULE

The Supplementary Schedule of Public Support and Revenue contained on page 19 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 June 30, 2023

Contributions	<u>\$ 78,943</u>
Federal Grants	
Emergency Food and Shelter Program (FEMA)	82,500
Violence Against Women Formula Grants (VAWA)	100,375
Victims of Crime Act Grant (VAG)	358,386
Department of Children and Families - Family Violence Prevention and Services Act - Federal Share	62,509
Education for Homeless Children and Youth	36,000
Office on Violence Against Women Grant (OVW-ICJR)	232,395
American Rescue Plan Grant (ARP-HCY I)	7,500
HUD Emergency Solutions Grant COVID-19 (ESG-CV)	47,128
Total Federal Grants	<u>926,793</u>
State Grants	
Department of Children and Families - Domestic Violence Lead Agency Core	676,324
Department of Children and Families - Domestic Violence Victim's Fund	15,197
Department of Children and Families - Peace: A Learned Solution	475,158
Department of Children and Families - Domestic Violence Liaison	168,000
Title IVA - State Share	244,321
Mortgage forgiveness	89,050
Total State Grants	<u>1,668,050</u>
County Grants	
Middlesex County Department of Community Services for the Commissioners	161,996
Middlesex County Department of Community Services-Social Services for the Homeless Grant (SSH)	57,620
Total County Grants	<u>219,616</u>
Total Government Grants and Contracts	<u>2,814,459</u>
Foundations and Trusts	
Karma Foundation	10,000
Miscellaneous	8,469
Robert Wood Johnson Foundation	121,753
TJX Foundation	10,954
Investors Bank	500
Mary Kay Ash Foundation	20,000
Nora Roberts Foundation	3,000
Bristol Myers Squibb	12,289
Merck Foundation	25,000
Magyar Bank Foundation	2,500
Johnson and Johnson Community Fund	5,000
PNC Bank	5,000
Total Foundations and Trusts	<u>224,465</u>
Fundraising Events	
Other	100,871
Total Fundraising Events	<u>100,871</u>
Program Service Revenue	
Training fees	1,700
Total Program Service Revenue	<u>1,700</u>
Other Revenues	
Rental income	47,963
Investment return	57,749
Donations in-kind	78,548
Miscellaneous income	3,239
Total Other Revenues	<u>187,499</u>
Total Public Support and Revenue	<u>\$ 3,407,937</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 June 30, 2023

Women Aware, Inc.
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2023

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Additional Award Identification	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Provided To Subrecipients	Total Federal Expenditures
U.S. Department of Justice					
Passed-Through N.J. State Department of Law and Public Safety					
Division of Criminal Justice					
Violence Against Women Formula Grants		16.588	VAWA-28-21	\$ -	\$ 46,656
Violence Against Women Formula Grants		16.588	VAWA-28-22	-	8,719
Violence Against Women Formula Grants		16.588	VAWA-68-21	-	45,000
				-	100,375
Passed-Through N.J. State Department of Law and Public Safety					
Division of Criminal Justice					
Crime Victim Assistance		16.575	VAG-119-20	-	195,740
Crime Victim Assistance		16.575	VAG-107-20	-	162,646
				-	358,386
Total U.S. Department of Justice Passed-Through the State of N.J.					
				-	458,761
Direct Program:					
Office on Violence Against Women (OVW)					
Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program					
		16.590		-	232,395
Total U.S. Department of Justice					
				-	691,156
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					
COVID-19 - Violence Shelter and Supportive Services	COVID-19	93.671	23UIMW FVPSA unavailable	-	22,725
		93.671		-	39,784
Total U.S. Department of Health and Human Services					
				-	62,509
U.S. Department of Homeland Security					
Passed-Through the United Way of Central Jersey					
Emergency Food and Shelter National Board Program					
COVID19 - Emergency Food and Shelter National Board Program	COVID-19	97.024	39-5994-00 003 ARPAR-5994-00 003	-	42,500
		97.024		-	40,000
Total U.S. Department of Homeland Security					
				-	82,500
U.S. Department of Education					
Passed-Through N.J. Department of Education					
Education for Homeless Children and Youth					
COVID-19 - Education Stabilization Fund	COVID-19	84.196	23-BR30-H02 ARP-HCY I	-	36,000
		84.425W		-	7,500
Total U.S. Department of Education					
				-	43,500
U.S. Department of Housing and Urban Development					
Passed-Through County of Middlesex, New Jersey					
COVID-19 - Emergency Solutions Grant Program					
COVID-19 - Emergency Solutions Grant Program	COVID-19	14.231	unavailable	-	47,128
Total U.S. Department of Housing and Urban Development					
				-	47,128
Total Expenditures of Federal Awards				\$ -	\$ 926,793

Women Aware, Inc.

Schedule of Expenditures of State Financial Assistance
Year Ended June 30, 2023

State of New Jersey Grantor/ Pass-through Grantor/Program or Project Title	Grant/Account or Other I.D. Number	Grant Period	Grant Amount	Provided To Subrecipients	Current Year State Expenditures	Expenditures to Date
N.J. State Department of Children and Families						
Division on Women						
Domestic Violence Lead Agency						
Domestic Violence Core	23UIMW	7/1/22 - 6/30/23	\$ 676,324	\$ -	\$ 676,324	\$ 676,324
Domestic Violence Victim's Fund	23UIMW	7/1/22 - 6/30/23	15,197	-	15,197	15,197
Peace: A Learned Solution	23UJMW	7/1/22 - 6/30/23	475,158	-	475,158	475,158
Domestic Violence Liaison	23UKMW	7/1/22 - 6/30/23	168,000	-	168,000	168,000
			<u>1,334,679</u>	-	<u>1,334,679</u>	<u>1,334,679</u>
N.J. State Department of Human Services						
Title IVA						
Passed-through Middlesex County Board of Social Services	42552	7/1/22 - 6/30/23	244,321	-	244,321	244,321
Total State Financial Assistance			<u>\$ 1,579,000</u>	<u>\$ -</u>	<u>\$ 1,579,000</u>	<u>\$ 1,579,000</u>

Women Aware, Inc.

Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance Year Ended June 30, 2023

1. Basis of Presentation

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance (the "Schedules") include the federal and state award activity of Women Aware, Inc. (the "Organization") under programs of the federal and state governments for the year ended June 30, 2023. The information in these Schedules are 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"). 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 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, 2023, 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 January 10, 2024.

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 were not 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
January 10, 2024

**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 (the "Organization") compliance with the types of compliance requirements described in the *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 June 30, 2023. 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 June 30, 2023.

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. 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 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 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 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 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 were not identified.

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

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

PKF O'Connor Davies, LLP

Woodcliff Lake, NJ
January 10, 2024

Women Aware, Inc.

Schedule of Findings and Questioned Costs
Year Ended June 30, 2023

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
16.590

Crime Victim Assistance
Grants to Encourage Arrest Policies and
Enforcement of Protection Orders Program

State:

23UIMW
23UIMW
23UJMW
23UKMW

Domestic Violence Lead Agency:
Domestic Violence Core
Domestic Violence Victim's Fund
Peace: A Learned Solution
Domestic Violence Liaison

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 June 30, 2023
(continued)

Section II – Financial Statement Findings

During our audit, we noted no material findings for the year ended June 30, 2023.

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