

Women Aware, Inc.

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

December 31, 2014 and 2013

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

December 31, 2014 and 2013

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Independent Auditors' Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of Women Aware, Inc. (the "Organization"), which comprise the statements of financial position as of December 31, 2014 and 2013, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Women Aware, Inc. as of December 31, 2014 and 2013, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Supplementary Schedule of Public Support and Revenues on page 16 is presented for purposes of additional analysis and is not a required part of the financial statements. The Schedules of Expenditures of Federal Awards and State Financial Assistance on pages 17 and 18 as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and New Jersey OMB Circular Letter 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 19, 2015, on our consideration of Women Aware, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Women Aware, Inc.'s internal control over financial reporting and compliance.

O'Connor Davies, LLP

Paramus, NJ
May 19, 2015

Women Aware, Inc.

Statements of Financial Position

	December 31,	
	<u>2014</u>	<u>2013</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 617,817	\$ 315,960
Investments	-	225,306
Grants receivable	158,024	177,428
Pledges receivable	-	208
Prepaid expenses and other	<u>63,920</u>	<u>52,524</u>
Total Current Assets	839,761	771,426
Land, buildings and equipment, net of accumulated depreciation	<u>1,848,615</u>	<u>1,538,177</u>
	<u>\$ 2,688,376</u>	<u>\$ 2,309,603</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 105,928	\$ 99,990
Current portion of mortgage payable	53,226	39,573
Other liabilities	<u>71,471</u>	<u>53,575</u>
Total Current Liabilities	230,625	193,138
Mortgage Payable	<u>965,048</u>	<u>820,012</u>
Total Liabilities	<u>1,195,673</u>	<u>1,013,150</u>
Net Assets		
Unrestricted	1,334,679	1,119,025
Temporarily restricted	<u>158,024</u>	<u>177,428</u>
Total Net Assets	<u>1,492,703</u>	<u>1,296,453</u>
	<u>\$ 2,688,376</u>	<u>\$ 2,309,603</u>

See notes to financial statements

Women Aware, Inc.

Statements of Activities

	Year Ended December 31, 2014			Year Ended December 31, 2013		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
PUBLIC SUPPORT						
Contributions	\$ 93,245	\$ -	\$ 93,245	\$ 66,437	\$ -	\$ 66,437
Government grants and contracts	1,812,999	158,024	1,971,023	1,641,516	177,428	1,818,944
Other grants and contracts	204,666	-	204,666	214,909	-	214,909
Fundraising events, net	20,317	-	20,317	21,815	-	21,815
Total Public Support	<u>2,131,227</u>	<u>158,024</u>	<u>2,289,251</u>	<u>1,944,677</u>	<u>177,428</u>	<u>2,122,105</u>
REVENUE						
Program service revenue	24,500	-	24,500	35,500	-	35,500
Rental income	39,536	-	39,536	-	-	-
Investment income	2,284	-	2,284	18,260	-	18,260
Miscellaneous income	66,617	-	66,617	89,689	-	89,689
Net assets released from restrictions	177,428	(177,428)	-	112,926	(112,926)	-
Total Public Support and Revenue	<u>2,441,592</u>	<u>(19,404)</u>	<u>2,422,188</u>	<u>2,201,052</u>	<u>64,502</u>	<u>2,265,554</u>
EXPENSES						
Program services	1,692,653	-	1,692,653	1,618,706	-	1,618,706
Supporting services						
Management and general	479,761	-	479,761	471,689	-	471,689
Development and fundraising	53,524	-	53,524	3,297	-	3,297
Total Expenses	<u>2,225,938</u>	<u>-</u>	<u>2,225,938</u>	<u>2,093,692</u>	<u>-</u>	<u>2,093,692</u>
Change in Net Assets	215,654	(19,404)	196,250	107,360	64,502	171,862
NET ASSETS						
Beginning of year	<u>1,119,025</u>	<u>177,428</u>	<u>1,296,453</u>	<u>1,011,665</u>	<u>112,926</u>	<u>1,124,591</u>
End of year	<u>\$ 1,334,679</u>	<u>\$ 158,024</u>	<u>\$ 1,492,703</u>	<u>\$ 1,119,025</u>	<u>\$ 177,428</u>	<u>\$ 1,296,453</u>

See notes to financial statements

Women Aware, Inc.

Statement of Functional Expenses
Year Ended December 31, 2014

	Program Services			Supporting Services			Total Expenses
	Residential	Non Residential	Total Program Services	Management and General	Development and Fundraising	Total Supporting Services	
Salaries	\$ 425,222	\$ 636,995	\$ 1,062,217	\$ 170,437	\$ 35,446	\$ 205,883	\$ 1,268,100
Employee health and retirement benefits	51,733	75,207	126,940	12,032	541	12,573	139,513
Payroll taxes	44,464	65,838	110,302	17,280	2,711	19,991	130,293
Total Salaries and Related Expenses	521,419	778,040	1,299,459	199,749	38,698	238,447	1,537,906
Professional fees	18,533	16,156	34,689	140,034	4,700	144,734	179,423
Facility costs	64,958	22,883	87,841	38,573	1,295	39,868	127,709
Operation costs	13,764	11,255	25,019	34,392	2,685	37,077	62,096
Interest expense	11,359	-	11,359	292	-	292	11,651
Insurance	26,429	22,469	48,898	17,532	594	18,126	67,024
Conference and meetings	318	1,274	1,592	16,068	2,306	18,374	19,966
Program supplies	14,816	7,242	22,058	1,295	-	1,295	23,353
Vehicle expense	1,172	-	1,172	-	-	-	1,172
Travel expense	215	2,140	2,355	1,221	-	1,221	3,576
Client assistance	71,874	17,397	89,271	-	-	-	89,271
Miscellaneous expense	924	395	1,319	6,449	3,246	9,695	11,014
Total Expenses before Depreciation	745,781	879,251	1,625,032	455,605	53,524	509,129	2,134,161
Depreciation	62,537	5,084	67,621	24,156	-	24,156	91,777
Total Expenses	\$ 808,318	\$ 884,335	\$ 1,692,653	\$ 479,761	\$ 53,524	\$ 533,285	\$ 2,225,938

Women Aware, Inc.

Statement of Functional Expenses
Year Ended December 31, 2013

	Program Services			Supporting Services			Total Expenses
	Residential	Non Residential	Total Program Services	Management and General	Development and Fundraising	Total Supporting Services	
Salaries	\$ 401,414	\$ 625,155	\$ 1,026,569	\$ 195,992	\$ -	\$ 195,992	\$ 1,222,561
Employee health and retirement benefits	44,617	56,752	101,369	21,215	-	21,215	122,584
Payroll taxes	45,664	69,105	114,769	21,743	-	21,743	136,512
Total Salaries and Related Expenses	491,695	751,012	1,242,707	238,950	-	238,950	1,481,657
Professional fees	15,868	12,025	27,893	125,265	-	125,265	153,158
Facility costs	31,938	23,262	55,200	22,622	647	23,269	78,469
Operation costs	13,551	9,762	23,313	33,818	-	33,818	57,131
Interest expense	9,163	-	9,163	-	-	-	9,163
Insurance	16,048	20,951	36,999	14,317	-	14,317	51,316
Conference and meetings	128	2,585	2,713	5,303	-	5,303	8,016
Program supplies	27,189	14,773	41,962	653	-	653	42,615
Vehicle expense	492	-	492	-	-	-	492
Travel expense	321	10,570	10,891	398	-	398	11,289
Bad debts	-	-	-	-	2,650	2,650	2,650
Client assistance	64,882	51,433	116,315	-	-	-	116,315
Miscellaneous expense	3,525	786	4,311	7,956	-	7,956	12,267
Total Expenses before Depreciation	674,800	897,159	1,571,959	449,282	3,297	452,579	2,024,538
Depreciation	42,167	4,580	46,747	22,407	-	22,407	69,154
Total Expenses	\$ 716,967	\$ 901,739	\$ 1,618,706	\$ 471,689	\$ 3,297	\$ 474,986	\$ 2,093,692

Women Aware, Inc.

Statements of Cash Flows

	Year Ended December 31,	
	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 196,250	\$ 171,862
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation	91,777	69,154
Unrealized gain on investments	-	(11,093)
Loss (gain) on sale of investments	9,533	(4,822)
Bad debt expense	-	2,650
Changes in operating assets and liabilities		
Grants receivable	19,404	(64,502)
Pledges receivable	208	500
Prepaid expenses and other	(11,396)	(17,491)
Accounts payable and accrued expenses	5,938	8,338
Other liabilities	17,896	24,408
Net Cash from Operating Activities	329,610	179,004
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property and equipment	(402,215)	(451,443)
Purchases of investments	(28,220)	(101,435)
Proceeds from sale of investments	243,993	99,308
Net Cash from Investing Activities	(186,442)	(453,570)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from loan	198,262	390,858
Payments on mortgage payable	(39,573)	(24,557)
Net Cash from Financing Activities	158,689	366,301
Net Change in Cash and Cash Equivalents	301,857	91,735
CASH AND CASH EQUIVALENTS		
Beginning of year	315,960	224,225
End of year	\$ 617,817	\$ 315,960

See notes to financial statements

Women Aware, Inc.

Notes to Financial Statements
December 31, 2014 and 2013

1. Organizational Status

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

As a not-for-profit organization, Women Aware, Inc. is exempt from income tax under Section 501(c)(3) of the United States Internal Revenue Code.

2. Summary of Significant Accounting Policies

Use of Estimates

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

Financial Statement Presentation

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

Cash and Cash Equivalents

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

Allowance for Uncollectible Receivables

An allowance for uncollectible receivables is estimated based on a combination of write-off history, aging analysis and any specific know troubled accounts. Management believes all receivables are fully collectible, therefore, no allowance for doubtful accounts is recognized as of December 31, 2014 and 2013.

Fair Value of Financial Instruments

The Organization follows U.S. GAAP guidance on fair value measurements which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

Women Aware, Inc.

Notes to Financial Statements
December 31, 2014 and 2013

2. Summary of Significant Accounting Policies (continued)

Fair Value of Financial Instruments (continued)

The value by input level of the Organization's investments are included in Note 4 to the financial statements.

Investments Valuation and Income Recognition

Investments are valued at fair value.

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

Land, Buildings and Equipment

Land, buildings, and equipment are stated at cost or, if acquired by gift, at the fair value at the date of the gift. The Organization follows the practice of capitalizing all expenditures for land, buildings and equipment in excess of \$2,500 in 2014 and \$1,000 in 2013. Depreciation is provided using the straight-line method over the estimated useful lives of the respective assets which range from 3 to 40 years.

Revenue Recognition

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

Functional Allocation of Expenses

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

Donated Goods and Services

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

Women Aware, Inc.

Notes to Financial Statements
December 31, 2014 and 2013

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

Reclassification

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

Accounting for Uncertainty in Income Taxes

The Organization recognizes the effect of income tax positions only when they are more likely than not to be sustained. Management has determined that the Organization had no uncertain tax positions that require financial statement recognition or disclosure. The Organization is no longer subject to examination by the applicable taxing jurisdictions for periods prior to 2011.

Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is May 19, 2015.

3. Land, Buildings, Equipment and Depreciation

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

	<u>2014</u>	<u>2013</u>	<u>Life</u>
Land and land improvements	\$ 217,253	\$ 217,253	
Buildings and improvements	2,015,767	1,240,530	10-40 years
Furniture and equipment	429,605	387,917	3-10 years
Construction in progress	<u>69,588</u>	<u>484,298</u>	
	2,732,213	2,329,998	
Accumulated depreciation	<u>(883,598)</u>	<u>(791,821)</u>	
	<u>\$ 1,848,615</u>	<u>\$ 1,538,177</u>	

Women Aware, Inc.

Notes to Financial Statements
December 31, 2014 and 2013

4. Investments

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

	2014			2013		
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Total
Equities						
Domestic equities	\$ -	\$ -	\$ -	\$ 37,026	\$ -	\$ 37,026
International equities	-	-	-	12,558	-	12,558
Total Equities	-	-	-	49,584	-	49,584
Fixed income securities	-	-	-	-	160,306	160,306
Real estate securities	-	-	-	-	8,598	8,598
Securitized reserves	-	-	-	-	6,387	6,387
Total Investments	\$ -	\$ -	\$ -	\$ 49,584	\$ 175,291	224,875
Cash and cash equivalents			-			431
Total			\$ -			\$ 225,306

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

	2014	2013
Interest and dividends, net	\$ 11,817	\$ 2,345
Realized gain (loss) on sale of investments	(9,533)	4,822
Unrealized gain (loss) on investments	-	11,093
	<u>\$ 2,284</u>	<u>\$ 18,260</u>

As a result of a board directive to improve the liquidity of its net assets, the Organization liquidated its position in the Curian asset management account in March 2014. The net proceeds were deposited into the Organization's money market account.

Women Aware, Inc.

Notes to Financial Statements
December 31, 2014 and 2013

5. Mortgage Payable

Mortgage payable is comprised of the following at December 31:

	<u>2014</u>	<u>2013</u>
<p>In January 1996, the Organization entered into an agreement with the State of New Jersey Department of Children and Families ("DCF") whereby the Organization received a deed and a mortgage commitment in the amount of \$325,000 to a property with a building to maintain a shelter facility for DCF clients for twenty years. As part of the agreement, the annual mortgage payments are a reduction from the DCF's annual funding to the Organization. Since the mortgage commitment had no stated interest rate, a rate of 8.25% (prime rate as of January 1996) was used to calculate interest expense. The note reduction is treated as grant revenue in the statement of activities.</p>	\$ 59,926	\$ 86,509
<p>In February 2011, the Organization purchased property and a building for \$325,000. This property was secured by a mortgage through the Organization's bank. The mortgage had a fixed rate of 6.5% for five years with a monthly payment of \$1,832 and a balloon payment due March 1, 2016. In September 2012, the mortgage was paid off with proceeds from a new mortgage note from the Special Needs Housing Trust Fund in the amount up to \$594,161 for the construction and permanent financing of a supportive housing project (the "Project") from New Jersey Housing and Mortgage Finance Agency ("HMFA"). According to the Project agreement with HMFA, the Organization will own, maintain and operate this property and building and construct and/or rehabilitate the building to provide permanent supportive housing for victims of domestic violence. The new mortgage note, which matures September 24, 2042, includes a 0% interest rate and an annual principal repayment to be determined at the close of each year. Principal repayment is calculated as 25% of the Project's available cash flows after the payment of operating expenses and the funding of all escrows. To the extent that principal payments are not covered by the Project's cash flow, the payment of principal shall be deferred until the end of the mortgage term. Management believes the operating expenses and services to be provided under this Project will most likely exceed the rental income to be collected, thus all principal payments will be deferred to the end of the thirty year term. Since the mortgage commitment has no stated interest rate, prime rate, which is currently 3.25%, will be used to calculate interest expense.</p>	594,161	545,142

Women Aware, Inc.

Notes to Financial Statements
December 31, 2014 and 2013

5. Mortgage Payable (continued)

	2014	2013
<p>In January 2012, the Organization entered into a grant agreement and mortgage note for \$159,000 with the New Jersey Department of Community Affairs Division of Housing (the "DCA") for renovations to their emergency shelter facility. The portion of the award to be recorded as a mortgage is \$129,900. The remaining balance of \$29,100 was recorded as grant revenue in the statement of activities. Renovations began in late 2012 and were completed in 2013. According to the agreement, the mortgage balance will not be amortized, nor will a monthly payment against the principal balance be due as there is a forgiveness of the loan if certain conditions are met. On the anniversary date of the issuance of the certificate of occupancy, which is March 1, 2013, for the shelter facility, and on each successive anniversary for ten years thereafter, 10% of the original principal will be forgiven by the DCA upon submission of a certification that the property is being utilized as an emergency shelter facility. The mortgage balance will be due and payable to the DCA upon default, cessation of the use of the property as an emergency shelter facility or termination or sale of the property. The note reduction will be treated as grant revenue in the statement of activities. Since the mortgage commitment has no stated interest rate, prime rate, which is currently 3.25%, will be used to calculate interest expense.</p>	116,910	129,900
<p>In January 2013, the Organization entered into a mortgage note for \$114,601 with the City of New Brunswick for building renovations. According to the agreement, the mortgage balance will not be amortized, nor will a monthly payment against the principal balance be due as there is a forgiveness of the loan if certain conditions are met. On the anniversary of the issuance of the certificate of occupancy, which is November 13, 2013, for the shelter, and on each successive anniversary for ten years thereafter, 10% of the original principal balance will be forgiven by the City of New Brunswick. The mortgage balance will be due and payable to the City of New Brunswick if the project is sold, transferred or if HOME-assisted units are rented to non-income qualified tenants during the term of the note or any other event pursuant to the HOME contract. The note reduction will be treated as grant revenue in the statement of activities. Since the mortgage commitment has no stated interest rate, prime rate, which is currently 3.25%, will be used to calculate interest expense.</p>	114,601	98,034

Women Aware, Inc.

Notes to Financial Statements
December 31, 2014 and 2013

5. Mortgage Payable (continued)

	2014	2013
<p>In January 2014, the Organization entered into a mortgage note for \$132,676 with the New Jersey Department of Community Affairs for shelter 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 was not yet issued as of December 31, 2014, for the shelter, and on each successive anniversary for ten years thereafter, 10% of the original principal balance will be forgiven by the New Jersey Department of Community Affairs. The mortgage balance will be due and payable to the New Jersey Department of Community Affairs if the project is sold, transferred or if units are rented to non-income qualified tenants during the term of the note or any other event pursuant to the contract. The note reduction will be treated as grant revenue in the statement of activities.</p>		
Total	132,676	-
Current portion	1,018,274	859,585
	(53,226)	(39,573)
Mortgage Payable	\$ 965,048	\$ 820,012

Future maturities of the mortgage payable are as follows:

2015	\$ 53,226
2016	55,600
2017	24,450
2018	24,450
2019	24,450
Thereafter	836,098
	\$1,018,274

As of December 31, 2014, mortgages that are to be forgiven amount to \$424,113. Interest expense recognized for the years ended December 31, 2014 and 2013 was \$11,651 and \$9,163.

Women Aware, Inc.

Notes to Financial Statements
December 31, 2014 and 2013

6. Retirement Plan

The Organization established a plan qualifying under Section 401(k) of the Internal Revenue Code, which covers substantially all employees. Eligible employees can defer up to the maximum rate allowed by the Internal Revenue Code from their compensation. The Organization has a voluntary matching contribution to the plan, which is 100% of the first 3% of compensation and 50% of the next 3% of compensation. The Organization's prior Section 403(b) plan was frozen. The employer match on the 401(k) plan was \$20,520 and \$22,766 for the years ending December 31, 2014 and 2013.

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

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

	<u>2014</u>	<u>2013</u>
Program services	<u>\$158,024</u>	<u>\$ 177,428</u>

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

	<u>2014</u>	<u>2013</u>
Program services	<u>\$177,428</u>	<u>\$ 112,926</u>

8. Risk Concentrations

Demand Deposits

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

Funding Concentration

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

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SUPPLEMENTARY SCHEDULES

The Supplementary Schedule of Public Support and Revenues contained on page 16 is presented for analysis purposes only. Public support and other revenues have been arranged to facilitate the presentation of key operating ratios for Women Aware, Inc.

Women Aware, Inc.

Supplementary Schedule of Public Support and Revenues

	Year Ended	
	December 31,	
	2014	2013
Contributions	\$ 93,245	\$ 66,437
Federal Grants		
FEMA	35,745	35,745
VAWA	74,212	124,289
VAG	55,000	55,000
Child and Adult Care Food Program	31,322	33,155
Emergency Shelter Grants Program	-	9,410
Total Federal Grants	196,279	257,599
State Grants		
DCF Contract	1,266,863	1,206,520
DCF Mortgage Forgiveness	50,932	33,720
DCF Victims of Domestic Violence and Superstorm Sandy Grants	151,046	-
Total State Grants	1,468,841	1,240,240
County Grants		
Freeholders	72,450	72,450
SSH	12,943	16,337
Title IVA	220,511	232,318
Total County Grants	305,904	321,105
Foundations and Trusts		
Homeless Trust Fund	-	1,795
Karma Foundation	5,000	5,000
Provident Bank Foundation	3,500	-
IOLTA	-	14,880
Robert Wood Johnson Foundation	61,138	50,002
United Way	115,082	116,906
Mary Bradoff Foundation	5,000	-
Mary Kay Ash Foundation	-	20,000
NJ Coalition for Battered Women	5,046	6,326
FedEx	9,900	-
Total Foundations and Trusts	204,666	214,909
Fundraising Events		
Mother's Day Appeal	1,485	-
A Night of Celebration	19,275	6,255
DV Awareness Month Appeal	2,435	5,075
Other	1,235	14,406
Fundraising expenses	(4,114)	(3,921)
Total Fundraising Events	20,316	21,815
Program Service Revenue		
Family Violence Option	24,000	33,875
Training Fees	500	1,625
Total Program Service Revenue	24,500	35,500
Other Revenues		
Rental income	39,536	-
Investment income	2,284	18,260
Donations in kind	66,617	89,689
Total Other Revenues	108,437	107,949
Total Public Support and Revenues	\$ 2,422,188	\$ 2,265,554

See independent auditors' report

Women Aware, Inc.

Schedule of Expenditures of Federal Awards
Year Ended December 31, 2014

Federal Grantor / Pass Through Grantor / Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Non - ARRA	ARRA	Federal Expenditures
U.S. Department of Justice					
Violence Against Women Formula Grants					
Passed Through NJ State Department of Law and Public Safety					
Division of Criminal Justice					
Senior Legal Advocate	16.588	12VAWA-20	\$ -	\$ 21,987	\$ 21,987
Senior Legal Advocate	16.588	13VAWA-23	-	21,631	21,631
Domestic Violence Response Team Coordinator	16.588	11VAWA-103	-	14,096	14,096
Domestic Violence Response Team Coordinator	16.588	12VAWA-83	-	16,498	16,498
Crime Victim Assistance					
Passed Through NJ State Department of Law and Public Safety					
Division of Criminal Justice					
Legal Advocacy Program	16.575	13VAG-11	-	55,000	55,000
Total U.S. Department of Justice			-	129,212	129,212
U.S. Department of Homeland Security					
Emergency Food and Shelter National Board Program					
Passed Through The County of Middlesex					
Emergency Food and Shelter Program	97.024	5994-00 003	35,745	-	35,745
U.S. Department of Agriculture					
Child and Adult Care Food Program					
Passed Through NJ State Department of Agriculture					
Division of Food and Nutrition Services					
Child and Adult Care Food Program	10.558	11-23-1180	31,322	-	31,322
Total Expenditures of Federal Awards			\$ 67,067	\$ 129,212	\$ 196,279

American Recovery and Reinvestment Act (ARRA)

Women Aware, Inc.

Schedule of Expenditures of State Financial Assistance
Year Ended December 31, 2014

State of New Jersey Grantor/ Pass-through Grantor/Program or Project Title	Grant/Account or other I.D. number	Grant period	Grant amount	State Expenditures
N.J. State Department of Children and Families Division of Family an Community Partnerships Domestic Violence Lead Agency	14AOMP	1/1/14 - 12/31/14	\$ 1,266,863	\$ 1,266,863
FVPSA Co-Trauma Victims of Domestic Violence and Superstorm Sandy	14CAMZ	7/1/13 - 6/30/14	18,051	18,051
SSBG Co-Trauma Victims of Domestic Violence and Superstorm Sandy	14CMBZ	7/1/13 - 6/30/14	15,693	15,693
SSBG Co-Trauma Victims of Domestic Violence and Superstorm Sandy	14CCMZ	7/1/13 - 6/30/14	<u>117,302</u>	<u>117,302</u>
			<u>\$ 1,417,909</u>	<u>\$ 1,417,909</u>

Women Aware, Inc.

Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance Year Ended December 31, 2014 and 2013

A. Basis of Presentation

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance (the "Schedules") include the federal and state grant activity of Women Aware, Inc. (the "Organization") under programs of the federal and state governments for the year ended December 31, 2014. The information in these Schedules is presented in accordance with the requirements of Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey Office of Management and Budget Circular Letter 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the Schedules present only a selected portion of the operations of the Organization, they are not intended to and do not present the financial position, changes in net assets or cash flows of the Organization.

B. Summary of Significant Account Policies

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

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

Independent Auditors' Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Women Aware, Inc. (the "Organization"), which comprise the statements of financial position as of December 31, 2014 and 2013, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated May 19, 2015.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

O'Connor Davies, LLP

Paramus, New Jersey
May 19, 2015

**Report on Compliance For Each Major Program and Report on Internal Control Over
Compliance Required by OMB Circular A-133 and NJ OMB Circular Letter 04-04**

Independent Auditors' Report

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

Report on Compliance for Each Major Federal and State Program

We have audited Women Aware, Inc.'s compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement and New Jersey State Grant Compliance Supplement* that could have a direct and material effect on each of Women Aware, Inc.'s major federal and state programs for the year ended December 31, 2014. Women Aware, Inc.'s major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Women Aware, Inc.'s major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and New Jersey OMB Circular Letter 04-04 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about Women Aware, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of Women Aware, Inc.'s compliance.

Opinion on Each Major Federal and State Program

In our opinion, Women Aware, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended December 31, 2014.

Report on Internal Control over Compliance

Management of Women Aware, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Women Aware, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and New Jersey OMB Circular Letter 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Women Aware, Inc.'s internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal and 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 and 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 and state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and New Jersey OMB Circular Letter 04-04. Accordingly, this report is not suitable for any other purpose.

O'Connor Davies, LLP

Paramus, New Jersey
May 19, 2015

Women Aware, Inc.

Schedule of Findings and Questioned Costs
Year Ended December 31, 2014 and 2013

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? Yes No

State Financial Assistance

Internal control over major programs:

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

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

Any audit findings disclosed that are required to be reported in accordance with New Jersey OMB Circular Letter 04-04? Yes No

Identification of Major Programs:

<u>Grant/Contract Number</u>	<u>Name of State Program</u>
14AOMP	Domestic Violence Lead Agency

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

Auditee qualified as low-risk auditee? Yes No

Section II – Financial Statement Findings

During our audit we noted no material findings for the year ended December 31, 2014.

Section III – State Financial Assistance Findings and Questioned Costs

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