

Women Aware, Inc.

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

December 31, 2016 and 2015

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

December 31, 2016 and 2015

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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, 2016 and 2015, 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, 2016 and 2015, 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 15 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 16 and 17 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 March 20, 2017, 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.

PKF O'Connor Davies, LLP

March 22, 2017

Women Aware, Inc.

Statements of Financial Position

	December 31,	
	2016	2015
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 1,046,993	\$ 946,169
Investments	146,932	-
Grants receivable	139,291	87,489
Prepaid expenses and other	33,846	46,224
Total Current Assets	1,367,062	1,079,882
Land, buildings and equipment, net of accumulated depreciation	1,582,432	1,695,254
	\$ 2,949,494	\$ 2,775,136
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 74,046	\$ 79,947
Current portion of mortgage payable	37,758	68,717
Other liabilities	75,958	16,685
Total Current Liabilities	187,762	165,349
Mortgage Payable	875,868	913,392
Total Liabilities	1,063,630	1,078,741
Net Assets		
Unrestricted	1,746,573	1,608,906
Temporarily restricted	139,291	87,489
Total Net Assets	1,885,864	1,696,395
	\$ 2,949,494	\$ 2,775,136

See notes to financial statements

Women Aware, Inc.

Statements of Activities

	Year Ended December 31, 2016			Year Ended December 31, 2015		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
PUBLIC SUPPORT						
Contributions	\$ 70,076	\$ -	\$ 70,076	\$ 86,357	\$ -	\$ 86,357
Government grants and contracts	1,669,068	139,291	1,808,359	1,881,072	87,489	1,968,561
Other grants and contracts	160,607	-	160,607	219,317	-	219,317
Fundraising events, net	<u>12,252</u>	<u>-</u>	<u>12,252</u>	<u>40,319</u>	<u>-</u>	<u>40,319</u>
Total Public Support	1,912,003	139,291	2,051,294	2,227,065	87,489	2,314,554
REVENUE						
Program service revenue	22,825	-	22,825	28,625	-	28,625
Rental income	53,149	-	53,149	46,670	-	46,670
Investment income	3,410	-	3,410	4,484	-	4,484
Loss on disposal of asset	(31,771)	-	(31,771)	(35,755)	-	(35,755)
Miscellaneous income	51,436	-	51,436	168,641	-	168,641
Net assets released from restrictions	<u>87,489</u>	<u>(87,489)</u>	<u>-</u>	<u>158,024</u>	<u>(158,024)</u>	<u>-</u>
Total Public Support and Revenue	<u>2,098,541</u>	<u>51,802</u>	<u>2,150,343</u>	<u>2,597,754</u>	<u>(70,535)</u>	<u>2,527,219</u>
EXPENSES						
Program services	1,530,129	-	1,530,129	1,872,102	-	1,872,102
Supporting services						
Management and general	322,564	-	322,564	364,760	-	364,760
Development and fundraising	<u>108,181</u>	<u>-</u>	<u>108,181</u>	<u>86,665</u>	<u>-</u>	<u>86,665</u>
Total Expenses	<u>1,960,874</u>	<u>-</u>	<u>1,960,874</u>	<u>2,323,527</u>	<u>-</u>	<u>2,323,527</u>
Change in Net Assets	137,667	51,802	189,469	274,227	(70,535)	203,692
NET ASSETS						
Beginning of year	<u>1,608,906</u>	<u>87,489</u>	<u>1,696,395</u>	<u>1,334,679</u>	<u>158,024</u>	<u>1,492,703</u>
End of year	<u>\$ 1,746,573</u>	<u>\$ 139,291</u>	<u>\$ 1,885,864</u>	<u>\$ 1,608,906</u>	<u>\$ 87,489</u>	<u>\$ 1,696,395</u>

See notes to financial statements

Women Aware, Inc.

Statement of Functional Expenses
Year Ended December 31, 2016

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

See notes to financial statements

Women Aware, Inc.

Statement of Functional Expenses
Year Ended December 31, 2015

	Program Services	Supporting Services			Total Expenses
		Management and General	Development and Fundraising	Total Supporting Services	
Salaries	\$ 1,099,304	\$ 102,509	\$ 48,638	\$ 151,147	\$ 1,250,451
Employee health and retirement benefits	131,120	18,771	2,097	20,868	151,988
Payroll taxes	<u>111,536</u>	<u>11,015</u>	<u>4,474</u>	<u>15,489</u>	<u>127,025</u>
Total Salaries and Related Expenses	1,341,960	132,295	55,209	187,504	1,529,464
Professional fees	68,466	86,288	11,994	98,282	166,748
Facility costs	112,238	28,833	4,808	33,641	145,879
Operation costs	27,143	32,834	12,772	45,606	72,749
Interest expense	12,468	-	-	-	12,468
Insurance	58,947	21,521	1,037	22,558	81,505
Conference and meetings	4,106	14,057	422	14,479	18,585
Program supplies	31,641	1,461	-	1,461	33,102
Vehicle expense	2,895	-	-	-	2,895
Travel expense	3,377	5,613	142	5,755	9,132
Client assistance	125,831	-	-	-	125,831
Miscellaneous expense	<u>6,815</u>	<u>2,426</u>	<u>281</u>	<u>2,707</u>	<u>9,522</u>
Total Expenses before Depreciation	1,795,887	325,328	86,665	411,993	2,207,880
Depreciation	<u>76,215</u>	<u>39,432</u>	<u>-</u>	<u>39,432</u>	<u>115,647</u>
Total Expenses	<u>\$ 1,872,102</u>	<u>\$ 364,760</u>	<u>\$ 86,665</u>	<u>\$ 451,425</u>	<u>\$ 2,323,527</u>

See notes to financial statements

Women Aware, Inc.

Statements of Cash Flows

	Year Ended December 31,	
	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 189,469	\$ 203,692
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation	100,589	115,647
Loss on disposal of asset	31,771	35,755
Mortgage forgiveness	(68,483)	(53,226)
Realized loss on investments	160	-
Unrealized loss on investments	477	-
Changes in operating assets and liabilities		
Grants receivable	(51,802)	70,535
Prepaid expenses and other	12,378	17,696
Accounts payable and accrued expenses	(5,901)	(25,981)
Other liabilities	59,273	(54,786)
Net Cash from Operating Activities	267,931	309,332
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(19,538)	-
Proceeds from sale of property and equipment	-	1,959
Purchases of investments	(153,357)	-
Proceeds from sale of investments	5,788	-
Net Cash from Investing Activities	(167,107)	1,959
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from loan	-	17,061
Net Change in Cash and Cash Equivalents	100,824	328,352
CASH AND CASH EQUIVALENTS		
Beginning of year	946,169	617,817
End of year	\$ 1,046,993	\$ 946,169
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Noncash financing activities		
Mortgage forgiveness of principal and interest	\$ 82,722	\$ 65,694

See notes to financial statements

Women Aware, Inc.

Notes to Financial Statements
December 31, 2016 and 2015

1. Organizational Status

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

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

2. Summary of Significant Accounting Policies

Use of Estimates

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

Financial Statement Presentation

The Organization reports information regarding its financial position and activities according to three classes of net assets based on the presence or absence of donor restrictions, as follows: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The Organization had no permanently restricted net assets during 2016 or 2015.

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. Management believes all receivables are fully collectible, therefore, no allowance for doubtful accounts is recognized as of December 31, 2016 and 2015.

Investment Valuation and Income Recognition

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

Women Aware, Inc.

Notes to Financial Statements
December 31, 2016 and 2015

2. Summary of Significant Accounting Policies (continued)

Land, Buildings and Equipment

Land, buildings, and equipment are stated at cost or, if acquired by gift, at the fair value at the date of the gift. The Organization follows the practice of capitalizing all expenditures for land, buildings and equipment in excess of \$5,000. Depreciation is provided using the straight-line method over the estimated useful lives of the respective assets which range from 3 to 40 years.

Revenue Recognition

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

Functional Allocation of Expenses

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

Donated Goods and Services

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

Reclassification

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

Accounting for Uncertainty in Income Taxes

The Organization recognizes the effect of income tax positions only when they are more likely than not to be sustained. Management has determined that the Organization had no uncertain tax positions that require financial statement recognition or disclosure. The Organization is no longer subject to examination by the applicable taxing jurisdictions for periods prior to 2013.

Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is March 22, 2017.

Women Aware, Inc.

Notes to Financial Statements
December 31, 2016 and 2015

3. Land, Buildings, and Equipment

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

	<u>2016</u>	<u>2015</u>	<u>Depreciable Life</u>
Land and land improvements	\$ 217,253	\$ 217,253	
Buildings and improvements	1,666,224	1,688,545	10-40 years
Furniture and equipment	<u>322,304</u>	<u>324,020</u>	3-10 years
	2,205,781	2,229,818	
Accumulated depreciation	<u>(623,349)</u>	<u>(534,564)</u>	
	<u>\$ 1,582,432</u>	<u>\$ 1,695,254</u>	

4. Investments

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

	<u>2016</u>		<u>Total</u>
	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	
Equities			
Domestic equities	\$ 40,094	\$ -	\$ 40,094
International equities	<u>9,091</u>	<u>-</u>	<u>9,091</u>
Total Equities	49,185	-	49,185
Fixed income securities	-	94,627	94,627
Real estate securities	<u>3,120</u>	<u>-</u>	<u>3,120</u>
Total Investments	<u>\$ 52,305</u>	<u>\$ 94,627</u>	146,932
Cash and cash equivalents			<u>153,130</u>
Total			<u>\$ 300,062</u>

There were no investments held at December 31, 2015.

Women Aware, Inc.

Notes to Financial Statements
December 31, 2016 and 2015

5. Mortgage Payable

Mortgage payable is comprised of the following at December 31:

	2016	2015
<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>	\$	- \$ 31,150
<p>In February 2011, the Organization purchased property and a building for \$325,000. In September 2012, the mortgage was paid off with proceeds from a new mortgage note from the Special Needs Housing Trust Fund in the amount of \$594,161 for the construction and permanent financing of a supportive housing project (the "Project") from New Jersey Housing and Mortgage Finance Agency ("HMFA"). According to the Project agreement with HMFA, the Organization will own, maintain and operate this property and building and construct and/or rehabilitate the building to provide permanent supportive housing for victims of domestic violence. The new mortgage note, which matures September 24, 2042, 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.</p>	594,161	594,161

Women Aware, Inc.

Notes to Financial Statements
December 31, 2016 and 2015

5. Mortgage Payable (continued)

	2016	2015
<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, a rate of 3.25% (prime rate as of March 2013) was used to calculate interest expense. The note reduction is treated as grant revenue in the statement of activities.</p>	\$ 90,930	\$ 103,920

<p>In January 2013, the Organization entered into a mortgage note for \$114,601 with the City of New Brunswick for building renovations. According to the agreement, the mortgage balance will not be amortized, nor will a monthly payment against the principal balance be due as there is a forgiveness of the loan if certain conditions are met. On the anniversary of the issuance of the certificate of occupancy, which is November 13, 2013, for the shelter, and on each successive anniversary for ten years thereafter, 10% of the original principal balance will be forgiven by the City of New Brunswick. The mortgage balance will be due and payable to the City of New Brunswick if the project is sold, transferred or if HOME-assisted units are rented to non-income qualified tenants during the term of the note or any other event pursuant to the HOME contract. The note reduction will be treated as grant revenue in the statement of activities. Since the mortgage commitment has no stated interest rate, a rate of 3.25% (prime rate as of November 2013), will be used to calculate interest expense.</p>	91,681	103,141
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Women Aware, Inc.

Notes to Financial Statements
December 31, 2016 and 2015

5. Mortgage Payable (continued)

	2016	2015
<p>In January 2014, the Organization entered into a mortgage note for \$149,737 with the New Jersey Department of Community Affairs for renovations to its emergency shelter facility. According to the agreement, the mortgage balance will not be amortized, nor will a monthly payment against the principal balance be due as there is a forgiveness of the loan if certain conditions are met. On the anniversary of the issuance of the certificate of occupancy, which is June 3, 2015, for the shelter, and on each successive anniversary for ten years thereafter, 10% of the original principal balance will be forgiven by the New Jersey Department of Community Affairs. The mortgage balance will be due and payable to the New Jersey Department of Community Affairs if the project is sold, transferred or if units are rented to non-income qualified tenants during the term of the note or any other event pursuant to the contract. The note reduction will be treated as grant revenue in the statement of activities. Since the mortgage commitment has no stated interest rate, a rate of 3.25% (prime rate as of June 2015), was used to calculate interest expense. The note reduction is treated as grant revenue in the statement of activities.</p>		
Total	\$ 136,854	\$ 149,737
Current portion	913,626	982,109
	(37,758)	(68,717)
Mortgage Payable	\$ 875,868	\$ 913,392

Future maturities of the mortgage payable are as follows:

2017	\$ 37,758
2018	38,197
2019	38,650
2020	39,119
2021	39,603
Thereafter	720,299
	\$ 913,626

As of December 31, 2016, mortgages that are to be forgiven amount to \$319,465. Interest expense recognized for the years ended December 31, 2016 and 2015 was \$14,239 and \$12,468.

Women Aware, Inc.

Notes to Financial Statements
December 31, 2016 and 2015

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 \$25,027 and \$22,438 for the years ending December 31, 2016 and 2015.

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>2016</u>	<u>2015</u>
Program services	<u>\$139,291</u>	<u>\$ 87,489</u>

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

	<u>2016</u>	<u>2015</u>
Program services	<u>\$ 87,489</u>	<u>\$ 158,024</u>

8. Risk Concentrations

Demand Deposits

The Organization occasionally maintains deposits in excess of federally insured limits. At December 31, 2016, amounts exceeding federally insured limits are minimal.

Funding Concentration

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

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SUPPLEMENTARY SCHEDULES

The Supplementary Schedule of Public Support and Revenues contained on page 15 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,	
	2016	2015
Contributions	\$ 70,076	\$ 86,357
Federal Grants		
Emergency Food and Shelter Program (FEMA)	17,500	36,990
Violence Against Women Formula Grant (VAWA)	76,867	75,443
Victims of Crime Act Grant (VAG)	120,000	55,000
Child and Adult Care Food Program	25,085	18,946
Social Services for the Homeless (SSH) - Federal Share	11,610	11,610
Total Federal Grants	<u>251,062</u>	<u>197,989</u>
State Grants		
Department of Children and Families Domestic Violence Lead Agency Contract	1,184,695	1,321,833
Mortgage Forgiveness	82,722	65,694
Department of Children and Families - Facility Improvement Grant	19,191	-
Department of Children and Families - Victims of Domestic Violence and Superstorm Sandy Grants	-	66,934
Title IVA - State Share	166,357	214,401
Social Services for the Homeless - State Share	11,610	11,610
Total State Grants	<u>1,464,575</u>	<u>1,680,472</u>
County Grants		
Freeholders	92,722	90,100
Total County Grants	<u>92,722</u>	<u>90,100</u>
Total Government Grants	<u>1,808,359</u>	<u>1,968,561</u>
Foundations and Trusts		
Allstate Foundation	-	17,196
Verizon Foundation	-	15,000
Karma Foundation	-	5,000
Provident Bank Foundation	2,500	-
Capital One Bank	2,500	-
IOLTA	11,400	11,400
Robert Wood Johnson Foundation	55,227	63,842
United Way	81,457	95,233
Mary Bradoff Foundation	5,000	5,000
Metlife Foundation	-	1,250
NJ Coalition for Battered Women	2,523	4,396
FedEx	-	1,000
Total Foundations and Trusts	<u>160,607</u>	<u>219,317</u>
Fundraising Events		
Year-end Appeal	7,597	2,980
35th Anniversary Celebration	-	34,170
Other	4,755	4,299
Fundraising expenses	(100)	(1,130)
Total Fundraising Events	<u>12,252</u>	<u>40,319</u>
Program Service Revenue		
Family Violence Option	21,125	27,625
Training Fees	1,700	1,000
Total Program Service Revenue	<u>22,825</u>	<u>28,625</u>
Other Revenues		
Rental income	53,149	46,670
Investment income	3,410	4,484
Miscellaneous	32	14,052
Loss on disposal of asset	(31,771)	(35,755)
Donations in kind	51,404	154,589
Total Other Revenues	<u>76,224</u>	<u>184,040</u>
Total Public Support and Revenues	<u>\$ 2,150,343</u>	<u>\$ 2,527,219</u>

Women Aware, Inc.

Schedules of Expenditures of Federal Awards
and State Financial Assistance
Year Ended December 31, 2016

Women Aware, Inc.

Schedule of Expenditures of Federal Awards
Year Ended December 31, 2016

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Passed Through To Subrecipients	Total Federal Expenditures
U.S. Department of Justice				
Passed-Through NJ State Department of Law and Public Safety Division of Criminal Justice				
Violence Against Women Formula Grants	16.588	14VAWA-23	\$ -	\$ 22,500
Violence Against Women Formula Grants	16.588	VAWA-23-15	-	22,681
Violence Against Women Formula Grants	16.588	13VAWA-87	-	10,309
Violence Against Women Formula Grants	16.588	14VAWA-86	-	21,377
Victims of Crime Act Grant				
Passed-Through NJ State Department of Law and Public Safety Division of Criminal Justice				
Crime Victim Assistance	16.575	VAG-93-15	-	120,000
Total U.S. Department of Justice			-	196,867
U.S. Department of Homeland Security				
Passed-Through The United Way of Central Jersey Emergency Food and Shelter National Board Program	97.024	33-5994-00 003	-	17,500
U.S. Department of Agriculture				
Passed-Through NJ State Department of Agriculture Division of Food and Nutrition Services				
Child and Adult Care Food Program	10.558	16-23-1180	-	25,085
U.S. Department of Health and Human Services				
Passed-Through Middlesex County Temporary Assistance for Needy Families	93.558	S15006	-	11,610
Passed-Through N.J. State Department of Children and Families Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services	93.671	1630-026	-	84,000
			-	95,610
Total Expenditures of Federal Awards			\$ -	\$ 335,062

Women Aware, Inc.

Schedule of Expenditures of State Financial Assistance
Year Ended December 31, 2016

<u>State of New Jersey Grantor/ Pass-through Grantor/Program or Project Title</u>	<u>Grant/Account or other I.D. number</u>	<u>Grant period</u>	<u>Grant amount</u>	<u>Expenditures to Date</u>	<u>State Expenditures</u>
N.J. State Department of Children and Families					
Division on Women					
Domestic Violence Lead Agency	16AOMW	1/1/16 - 12/31/16	\$ 1,100,695	\$ 1,100,695	\$ 1,100,695
2016 Women's Shelter Grant - Facility Improvement					
Grant - Middlesex County	16AOMW	5/30/16 - 9/30/16	<u>19,191</u>	<u>19,191</u>	<u>19,191</u>
			<u>1,119,886</u>	<u>1,119,886</u>	<u>1,119,886</u>
N.J. State Department of Human Services					
Temporary Assistance for the Needy Program					
Passed-through Middlesex County	S15006	7/1/15 - 6/30/16	11,610	11,610	11,610
Title IVA					
Passed-through Middlesex County Board of Social Services	42552	1/1/16 - 12/31/16	<u>166,357</u>	<u>166,357</u>	<u>166,357</u>
			<u>177,967</u>	<u>177,967</u>	<u>177,967</u>
Total State Financial Assistance			<u>\$ 1,297,853</u>	<u>\$ 1,297,853</u>	<u>\$ 1,297,853</u>

Women Aware, Inc.

Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance Year Ended December 31, 2016 and 2015

A. 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 December 31, 2016. The information in these Schedules is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey OMB Circular Letter 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the Schedules present only a selected portion of the operations of the Organization, they are not intended to and do not present the financial position, changes in net assets or cash flows of the Organization.

B. Summary of Significant Accounting Policies

Expenditures reported on the Schedules are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and New Jersey OMB Circular Letter 15-08, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

C. Indirect Cost Rate

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



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

Independent Auditors' Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Women Aware, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2016, 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 March 20, 2017.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

PKF O'Connor Davies, LLP

March 22, 2017



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

Independent Auditors' Report

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

Report on Compliance for Each Major State Program

We have audited Women Aware, Inc.'s compliance with the types of compliance requirements described in the *New Jersey State Grant Compliance Supplement* that could have a direct and material effect on each of Women Aware, Inc.'s major state programs for the year ended December 31, 2016. Women Aware, Inc.'s major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with state statutes, regulations, and the terms and conditions of its state financial assistance applicable to its state programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Women Aware, Inc.'s major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the audit requirements of New Jersey OMB Circular Letter 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards and New Jersey OMB Circular Letter 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about Women Aware, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major State Program

In our opinion, Women Aware, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended December 31, 2016.

Report on Internal Control over Compliance

Management of Women Aware, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Women Aware, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the New Jersey OMB Circular Letter 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Women Aware, Inc.'s internal control over compliance.

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

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

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

PKF O'Connor Davies, LLP

March 22, 2017

Women Aware, Inc.

Schedule of Findings and Questioned Costs
Year Ended December 31, 2016 and 2015

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

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

___ Yes No

___ Yes None reported

Noncompliance material to financial statements noted?

___ Yes No

State Financial Assistance

Internal control over major state programs:

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

___ Yes No

___ Yes None reported

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

Unmodified

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

___ Yes No

Identification of Major State Programs:

Grant/Contract Number

16AOMW

Name of State Program

Domestic Violence Lead Agency

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

\$750,000

Auditee qualified as low-risk auditee?

Yes ___ No

Section II – Financial Statement Findings

During our audit we noted no material findings for the year ended December 31, 2016.

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.