

The YWCA of Eastern Union County, Inc.
Financial Statements and Supplementary Information
For the Year Ended December 31, 2019
(with comparative totals for 2018)



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Independent Auditor's Report

To the Board of Directors
The YWCA of Eastern Union County, Inc.
Elizabeth, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements of the YWCA of Eastern Union County, Inc. (a non-profit organization), which comprise the statement of financial position as of December 31, 2019 and the related statements of activities, functional expenses, and cash flows for the year 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 auditor's judgment, including the assessment of the risks of material misstatements 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 the YWCA of Eastern Union County, Inc., as of December 31, 2019, 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.

Report on Summarized Comparative Information

We have previously audited the YWCA of Eastern Union County's Inc.'s 2018 financial statements, and our report dated May 23, 2019, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal and state awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the State of New Jersey Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, No. 15-08-OMB, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 8, 2020, on our consideration of the YWCA of Eastern Union County, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the YWCA of Eastern Union County, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering YWCA of Eastern Union County, Inc.'s internal control over financial reporting and compliance.

zbt CPA & Consulting, LLC

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Certified Public Accounting & Consulting, LLC
Clark, New Jersey
September 8, 2020

YWCA of Eastern Union County, Inc.
Statement of Financial Position
December 31, 2019
(with comparative totals for 2018)

	<u>2019</u>	<u>2018</u>
Assets		
Cash and Cash Equivalents	\$ 1,201,937	\$ 625,042
Grants and Contracts Receivable	646,037	428,156
Prepaid Expenses	17,491	7,454
Investments at Market	594,665	598,675
Property and Equipment - Net of Depreciation	842,639	1,111,391
Other Assets	<u>32,844</u>	<u>32,778</u>
TOTAL ASSETS	\$ <u>3,335,613</u>	\$ <u>2,803,496</u>
Liabilities and Net Assets		
LIABILITIES:		
Accounts Payable and Accrued Liabilities	\$ 85,413	\$ 25,888
Deferred Revenue	-	61,000
Accrued Payroll	<u>65,331</u>	<u>47,760</u>
TOTAL LIABILITIES	<u>150,744</u>	<u>134,648</u>
NET ASSETS WITHOUT DONOR RESTRICTIONS:		
Undesignated	2,611,280	2,539,331
Designated by the Board for capital fund	<u>500,000</u>	<u>-</u>
	3,111,280	2,539,331
NET ASSETS WITH DONOR RESTRICTIONS:		
Program expenses	<u>73,589</u>	<u>129,517</u>
TOTAL NET ASSETS	<u>3,184,869</u>	<u>2,668,848</u>
TOTAL LIABILITIES AND NET ASSETS	\$ <u>3,335,613</u>	\$ <u>2,803,496</u>

YWCA of Eastern Union County, Inc.
Statement of Activities and Net Assets
for the Year Ended December 31, 2019
(with comparative totals for 2018)

SUPPORT AND REVENUE:	Without Donor Restrictions	With Donor Restrictions	2019	2018
Government Grants and Contracts	\$ 2,356,605	\$ -	\$ 2,356,605	\$ 2,336,677
Donations, Contributions and In-Kind	658,276	-	658,276	569,936
Program Service Fees	82,347	-	82,347	58,705
Proceeds from Casualty Loss	258,104	-	258,104	-
Other Income	71,382	-	71,382	-
Special Events, Net of Expenses	132,633	-	132,633	123,590
Investment Income	105,511	-	105,511	(40,609)
	<u>\$ 3,664,858</u>	<u>\$ -</u>	<u>\$ 3,664,858</u>	<u>\$ 3,048,299</u>
Net Assets Released for Restrictions	55,928	(55,928)	-	-
Total Support and Revenue	<u>\$ 3,720,786</u>	<u>\$ -</u>	<u>\$ 3,664,858</u>	<u>\$ 3,048,299</u>
EXPENSES:				
Program Services	\$ 2,914,877	\$ -	\$ 2,914,877	\$ 2,760,251
Management and General	41,370	-	41,370	42,009
Fundraising	192,590	-	192,590	175,907
	<u>3,148,837</u>	<u>-</u>	<u>3,148,837</u>	<u>2,978,167</u>
Increase (Decrease) in Net Assets	571,949	(55,928)	516,021	70,132
Net Assets - Beginning of Year	2,539,331	129,517	2,598,716	2,598,716
Net Assets - End of Year	<u>\$ 3,111,280</u>	<u>\$ 73,589</u>	<u>\$ 3,114,737</u>	<u>\$ 2,668,848</u>

YWCA of Eastern Union County, Inc.
Supplementary Schedule of Functional Expenses
for the Year Ended December 31, 2019
(with comparative totals for 2018)

	Residential, Outreach & FJC Programs	Management and General	Fund Raising	2019 Total	2018 Total
<u>SALARIES, WAGES, AND EMPLOYEE BENEFITS</u>					
Salaries and Wages	1,738,922	16,557	128,283	1,883,762	1,831,429
Payroll Taxes	164,936	1,434	11,620	177,990	173,842
Health Benefits	189,944	850	12,048	202,842	184,581
Pension and Workers Compensation Insurance	54,994	406	4,497	59,897	54,363
	<u>\$ 2,148,796</u>	<u>\$ 19,247</u>	<u>\$ 156,448</u>	<u>\$ 2,324,491</u>	<u>\$ 2,244,215</u>
Professional and Consulting	<u>\$ 90,820</u>	<u>\$ 12,667</u>	<u>\$ 6,834</u>	<u>\$ 110,321</u>	<u>\$ 48,734</u>
<u>FACILITY COST</u>					
Occupancy Rent and Supportive Housing Units	207,041	-	-	207,041	202,231
Occupancy-Utilities	47,314	-	-	47,314	54,081
Occupancy Services and Supplies	16,250	-	-	16,250	16,929
Insurance General Liability	29,435	-	-	29,435	28,169
Repairs and Maintenance	57,680	1,200	1,200	60,080	44,131
Equipment Rental	4,873	-	-	4,873	5,346
	<u>\$ 362,593</u>	<u>\$ 1,200</u>	<u>\$ 1,200</u>	<u>\$ 364,993</u>	<u>\$ 350,887</u>
<u>OPERATING COST</u>					
Telephone and Answering Service	17,149	-	-	17,149	17,653
Advertising and Printing	6,043	105	10,065	16,213	16,213
Training and Developmental Fees	3,810	59	953	4,822	5,563
Investment, Bank and Interest Fees	2,885	67	1087	4,039	3,557
Dues and Subscriptions	21,194	1,921	2,047	25,162	21,802
Vehicle Expense	7,316	-	-	7,316	5,028
Donated and Inkind Services	115,345	-	-	115,345	74,208
Insurance	12,208	4,044	-	16,252	15,843
Travel Cost	14,116	252	1,892	16,260	18,483
	<u>\$ 200,066</u>	<u>\$ 6,448</u>	<u>\$ 16,044</u>	<u>\$ 222,558</u>	<u>\$ 178,350</u>
<u>MATERIAL AND SUPPLIES</u>					
Office Supplies and Equipment	18,309	266	4,119	22,694	28,051
Food	646	1,536	6,563	8,745	10,781
Supplies (Program)	4,117	6	1,382	5,505	11,997
Supplies Inkind	150	-	-	150	1,550
Client Assistance Food	2,033	-	-	2,033	1,563
Client Assistance Gift	3,090	-	-	3,090	435
Client Assistance	15,765	-	-	15,765	18,300
	<u>\$ 44,110</u>	<u>\$ 1,808</u>	<u>\$ 12,064</u>	<u>\$ 57,982</u>	<u>\$ 72,677</u>
Depreciation and Amortization	<u>\$ 68,492</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 68,492</u>	<u>\$ 83,304</u>
	<u>\$ 2,914,877</u>	<u>\$ 41,370</u>	<u>\$ 192,590</u>	<u>\$ 3,148,837</u>	<u>\$ 2,978,167</u>

YWCA of Eastern Union County, Inc.
Statement of Cash Flows
for the Year Ended December 31, 2019
(with comparative totals for 2018)

	<u>2019</u>	<u>2018</u>
Cash Flows From Operating Activities:		
Change in net assets	\$ 516,021	\$ 70,132
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation and amortization	68,492	83,304
Realized gain (loss) on sales on investments	65,710	554
Unrealized gain (loss) on investments	<u>23,511</u>	<u>(51,992)</u>
 (Increase)/Decrease in assets and liabilities:		
Grants and contracts receivable	217,881	48,234
Prepaid expenses	10,037	9,840
Deferred income	(61,000)	23,753
Other assets	66	(1,292)
Accounts payable and accrued liabilities	(59,525)	(13,238)
Accrued payroll and related	<u>(17,571)</u>	<u>44,059</u>
 Net cash used in operating activities	<u>763,622</u>	<u>213,354</u>
 Cash Flows From Investing Activities:		
Acquisition of property and equipment	21,583	(61,985)
Change in investments	<u>(208,310)</u>	<u>(104,958)</u>
 Net cash provided by investing activities	<u>(186,727)</u>	<u>(166,943)</u>
 Net increase (decrease) in cash and restricted cash	576,895	46,411
Cash and restricted cash - beginning of year	<u>625,042</u>	<u>578,631</u>
Cash and restricted cash - end of year	<u>\$ 1,201,937</u>	<u>\$ 625,042</u>
 Supplementary Information:		
Net cash paid for interest	\$ -	\$ -
Net cash paid for income taxes	\$ -	\$ -

NOTE 1: ORGANIZATION

The YWCA of Eastern Union County, Inc. (YWCA EUC) is a non-profit organization exempt from income tax under Section 501(c)(3) of the Internal Revenue Code. The YWCA EUC offers shelter for women and children, outreach services, a 24-hour hotline and child services for clients. Program emphasis is on victims of domestic violence.

A contract to operate a Family Justice Center was executed by Union County and the YWCA effective September 1, 2017, when it opened. The Center opened in September 2017. The FJC is funded by the Union County Board of Chosen Freeholders and is located in space donated by Union County within the Union County Family Courthouse. Staffing is provided by the YWCA per the contract with the County, as well as through partnerships with public and nonprofit agencies through an executed MOU. The contract is an annual contract renewable over 4.5 years.

The principal sources of support for the YWCA EUC programs are funds received from non-profits and foundations as well as state, local and federal governments in the form of grants and contracts.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting and Presentation

The financial statements are prepared on the accrual basis of accounting. Net assets are reported based on the presence or absence of donor-imposed restrictions, as follows:

- *Net Assets without Donor Restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing Board has designated, from net assets without donor restrictions, net assets for an operating reserve.
- *Net Assets with Donor Restrictions* – Net assets subject to donor- (or certain grantor) – imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are releases when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

YWCA EUC has elected to present contributions with donor restrictions that are fulfilled in the same period within the net assets without donor restrictions class.

Revenue and Support Recognition

Contributions, including sponsorships, are recognized as revenue in the earlier of the period promised or received. Grants are recognized as revenue in the period such promises or agreements are made. Grants and contributions received are considered to be available for use

The YWCA of Eastern Union County, Inc.
 Notes to Financial Statements
 December 31, 2019 with comparative totals for 2018

Revenue and Support Recognition (continued)

unless specifically restricted by the grantor or donor. Amounts received that are designated for a future period, or are restricted by the grantor or donor for specific purposes, are reported as restricted support. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Net assets with donor restrictions are reported as net assets without donor restrictions if the restrictions are met in the same period as received.

Revenue from program fees is recognized as revenue when the events or programs are held. Deferred revenue represents advance payments received that are applicable to future periods. All other revenues are recognized when earned.

The Organization also receives donated services from volunteers and officers to support fundraising and other efforts. The value of these donated services is not included in these financial statements as they do not meet the criteria for recognition under non-profit accounting standards. For donated services meeting the criteria, they have been recorded as revenue with a corresponding expense.

Prior Year Summarized Financial Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31 of the prior year, from which the summarized information was derived.

Donated Material and Services

Donated services are reflected as contributions in the accompanying statements at their estimated values at the date of service. Donated services were utilized in the following areas:

	<u>2019</u>	<u>2018</u>
Gift Cards	\$ 3,090	\$ 435
Volunteer Services and Training	97,997	56,860
Program and Occupancy Supplies	150	1,550
Space	17,348	17,348
Food	<u>2,033</u>	<u>1,563</u>
	<u>\$ 120,618</u>	<u>\$ 77,756</u>

Grants and Contracts Receivable

Grants and contributions receivable represent unconditional amounts committed to YWCA EUC. All grants and contributions receivable are deemed to be fully collectible and are reflected at either net realizable value or at net present value based on projected cash flows. No discount was recorded on multi-year receivable during the years ended December 31, 2019 and 2018, due to immateriality. Management determines the allowance for doubtful accounts by identifying troubled accounts and by using historical experience. Based on these reviews, management did not deem the use of an allowance for uncollectible receivables to be necessary at December 31, 2019 and 2018.

The YWCA of Eastern Union County, Inc.
Notes to Financial Statements
December 31, 2019 with comparative totals for 2018

Income Taxes

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been recorded in the statements of activities and changes in net assets. The Organization, in accordance with accounting standards, has determined that there are no uncertain tax positions as of the date of this report, September 8, 2020.

Property and Equipment

Property and equipment are stated at cost or, if donated, at approximately fair market value. Expenditures for equipment whose cost is under \$500 have been charged to expense as period costs in the statement of activities. Depreciation is computed using the straight-line method over the estimated useful life of the related assets, which are as follows:

Equipment - 5 Years
Furniture – 7 Years
Building and Improvements – 10 to 30 years

Investments

Investments in equity securities with readily determinable values are recorded at fair value in the statement of financial position and any unrealized gain or loss on investments is recorded in the statements of activities and changes in net assets.

Cash and Cash Equivalents

For the purposes of the statement of cash flows, management considers cash in bank and liquid investments with maturities of three months or less to be cash equivalents. Cash equivalents consist of money market accounts maintained at a brokerage company. In June 2019 the Board designated \$500,000 as restricted for a capital fund.

Concentration of Credit Risk

Financial instruments, which potentially expose the Organization to concentrations of credit risk, consist principally of cash and short-term investments. The Organization's policy is to place its cash investments with high credit quality financial institutions. Cash investments consist of bank deposits and money market funds. The Organization holds its cash and equivalents with institutions insured by the FDIC. These funds are insured up to \$250,000. At times throughout the year, the account balances may exceed the FDIC limit.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles includes the use of estimates that affect the financial statements. Accordingly, actual results could differ from those estimates.

Expense Allocation

Expenses, such as salaries and fringe, as well as rent, are charged to programs on the basis of specific identification and periodic time and expense studies. Agency administration expenses include those not directly identifiable with any specific program and have been allocated in accordance with regulatory agency guidelines.

The YWCA of Eastern Union County, Inc.
Notes to Financial Statements
December 31, 2019 with comparative totals for 2018

Subsequent Events

The Organization has evaluated events occurring after the balance sheet through the date of September 8, 2020 which is the date the financial statements were available to be issued.

The Organization's Elizabeth, NJ location was destroyed by a fire in September 2019. At the board meeting in November 2019 the Board of Directors voted to demolish the existing building and rebuild on the existing footprint. A builder and architect were retained and a draft construction budget was developed and has continued to be refined as construction plans have continued. The CEO and Director of Finance met with municipal leadership to secure approval to utilize the YWCA transitional house as temporary shelter. They received the certificate of occupancy and shelter license on August 6, 2020. The building in Elizabeth, NJ was scheduled to be demolished and a tentative groundbreaking date has been set for mid-September, with full construction to follow. The Organization received insurance proceeds of \$566,533 for their casualty claim and reported a loss on disposal of \$308,429. The amounts are reported at net as proceeds from casualty loss on the Statement of Activities and Net Assets. The claim is under forensic accountant review, which is standard. The public adjuster sent a request in the amount of \$375,000.

The Organization's operations may be affected by the recent and ongoing outbreak of the coronavirus disease 2019 (COVID-19) which was declared a pandemic by the World Health Organization in March 2020. The ultimate disruption which may be caused by the outbreak is uncertain; however, it may result in a material adverse impact on the Organization's financial position, operations and cash flows. Possible effects may include, but are not limited to, disruption to the Organization's contributors and revenue, absenteeism in the Organization's workforce, and the inability to host events that fund operations.

Affiliations

The Organization is affiliated with the National YWCA and remits annual dues of \$16,325 for the year end December 31, 2019 and \$15,072 for the year end December 31, 2018.

NOTE 3: PROPERTY AND EQUIPMENT

The following is a summary of property and equipment at cost, less accumulated depreciation at December 31:

	<u>2019</u>	<u>2018</u>
Land	\$ 140,700	\$ 140,700
Furniture and Fixtures	58,850	58,850
Computer Equipment	103,558	81,754
Equipment	103,641	102,381
Buildings	520,825	657,036
Building Improvements	332,838	1,636,408
Vehicles	<u>64,417</u>	<u>64,417</u>
Total Cost	1,324,829	2,741,546
Accumulated Depreciation	<u>(482,190)</u>	<u>(1,630,155)</u>
Net Book Value	<u>\$ 842,639</u>	<u>\$ 1,111,391</u>

Depreciation expense was \$68,492 and \$83,304 for the years ended December 31, 2019 and 2018, respectively.

The YWCA of Eastern Union County, Inc.
Notes to Financial Statements
December 31, 2019 with comparative totals for 2018

NOTE 4: 403(b) and RETIREMENT PLAN

The YWCA EUC maintain a 403(b) pension plan covering all eligible employees. The employees may contribute up to 15% of the employee's salary through a payroll deduction. The YWCA EUC provides a retirement plan through the YWCA Retirement Fund, Inc. Employees who work 1,000 hours or more for two consecutive years are eligible and are required to participate. The employer contributes to this plan 3% of the employee's salary. The employer contribution rate is set annually. Contributions from the YWCA EUC amounted to \$32,754 and \$27,407 for the years ended December 31, 2019 and 2018, respectively.

NOTE 5: INVESTMENTS

Investments are held at a financial institution and consist of Certificate of Deposit, Treasury Bill and ETFs. The Treasury Bill matured in September 2019. All investments are measured at fair value in the statements of financial position. The change in fair value is reflected as unrealized gains or losses in the Statement of Activities. Donated investments are valued at fair market value as well.

At December 31, investment values included:

	<u>2019</u>	<u>2018</u>
Fair Value	\$ 594,666	\$ 598,675
Cost	<u>(566,765)</u>	<u>(594,286)</u>
Unrealized Gain (Loss)	<u>\$ 27,901</u>	<u>\$ 4,389</u>

Fair values of assets measured on a recurring basis at December 31, 2019 are as follows:

	<u>Fair Value</u>	Quoted Prices in Active Markets for Identical Assets (Level 1)	Observable Measurement Criteria (Level 2)	Unobservable Measurement Criteria (Level 3)
12-month CD	\$102,150	\$102,150		
Exchange Traded Funds (ETFs)	<u>492,516</u>	<u>492,516</u>	-	-
Total	<u>\$594,666</u>	<u>\$594,666</u>	\$ -	\$ -

The one-year CD matured and was renewed May 2019 for one year at a rate of interest of 2.75%. In 2019, the YWCA EUC had realized gains of \$65,710. During 2018, the YWCA EUC had a realized gain of \$554. Investment income earned was \$16,432 and \$9,508 for December 31, 2019 and 2018, respectively. Investment fees were \$2,100 and \$2,251 for December 31, 2019 and 2018, respectively.

NOTE 6: REFUNDABLE ADVANCES PAYABLE TO STATE OF NEW JERSEY

Grants for the Project Protect: Shelter Program, consist of the following:

N.J. Department of Community Affairs (as pass-through agency for U.S. Department of Housing and Urban Development) for acquisition and renovations	\$ 388,460
N.J. Department of Community Affairs - for acquisition	<u>145,750</u>
	<u>\$ 534,210</u>

In 2007, the YWCA EUC acquired a residence to serve as an emergency shelter facility for women and children victims of domestic violence. The transitional house was renovated from January to November, 2010. As of November 16, 2010, NJ Department of Community Affairs (“NJ DCA”) granted permission to use the property as a transitional house, and the advance from the State of New Jersey was recognized as revenue. The N.J. Department of Community Affairs – Division of Housing holds a mortgage, dated May 31, 2007. The note provides that the outstanding balance will be due and payable to the N.J. Department of Community Affairs upon the sale, termination, or transfer of the Organization’s interest in the property, or upon the cessation of the use of the property as a shelter facility. The Organization must maintain the transitional house for a period of ten years from the date placed in service (November 16, 2010). The Organization had classified \$534,210 as donor restricted in net assets, and recognizes a release of \$53,421 of net assets each year until the 10-year period expires. Due to the fire at the Organization’s Elizabeth, NJ location, the NJ DCA approved the use to be changed back to an emergency shelter.

NOTE 7: CONTINGENT LIABILITY

As a condition to the State of New Jersey, Department of Human Services, Division of Youth and Family Services (now DCP&P) Capital Grants, the YWCA EUC has agreed to maintain a shelter as a facility for the Division’s clients until August, 2023. The restriction is evidenced by promissory notes. Should the YWCA EUC cease providing its facility to the Organization’s clients effective immediately, it would be obligated to pay a total of approximately \$9,168 back to the Division. The liability is decreased by \$1,207 each year.

NOTE 8: COMMITMENTS AND CONTINGENCIES

Pursuant to a Transitional Housing Program being funded by both private sources and government grants, beginning in 2006, the YWCA EUC entered into firm agreements to lease several apartments for program participants. The lease agreements in effect as of December 31, 2019 expire at various times throughout 2021 and the monthly average apartment rent was \$9,098 and \$8,935 for 2019 and 2018, respectively. Most of the leases are for one year. Rent expense pursuant to the program was \$109,170 and \$107,214 for the years ended December 31, 2019 and 2018, respectively. Security deposits pursuant to these leases were \$12,378 and \$12,312 as of December 31, 2019 and 2018, respectively. According to the program agreements, participating tenants shall contribute a participant fee to the YWCA EUC during the period of occupancy. Future minimum lease payments are as follows:

Year Ending 2020	\$ 96,020
2021	<u>10,325</u>
	<u>\$106,345</u>

A program and outreach office was leased April, 2010. The monthly rent for 2019 was \$8,148 and \$7,918 for 2018. The rent expense pursuant to the lease was \$97,771 and \$95,017 for the years ended December 31, 2019 and 2018, respectively.

NOTE 8: COMMITMENTS AND CONTINGENCIES (CONTINUED)

In June, 2013, the lease was extended from March, 2015 to March, 2020. In 2020 the lease was verbally extended for three months, and the Organization is in negotiations to extend one year with the possibility of two 6-month extensions. The base rent was \$5,964.67 per month. Future minimum lease payments through March 31, 2020 under all office leases in place at December 31, 2019 are as follows:

Period Ending March 2020	<u>\$ 17,894</u>
Total	<u>\$ 17,894</u>

In August 2017, the Organization entered into a 3-year lease agreement for three copier machines for a monthly payment of \$443 per month. Copier lease payments in 2019 were \$4,873. Future minimum lease payments through 2020 are as follows:

Period Ending August 2020	<u>\$ 3,190</u>
Total	<u>\$ 3,190</u>

In September 2020, the Organization entered into a new lease in the amount of \$484 per month for thirty-nine months.

The YWCA was a "contingent" beneficiary to the Estate of Joseph K. Whyman who passed away on June 6, 1966. He was the sole beneficiary of several pieces of property in vicinity. In his Last Will and Testament, Joseph set forth that a specific property would be given/bequeathed to the Central Baptist Church of Elizabeth, NJ. The actual church building is next to the YWCA property. His Will contained a "restriction" on the use of that particular property by the Church stating that it "...shall be used only as a church, parish, or rectory, and not for any other purpose, and never to be sold, and always kept in the Baptist denomination." The ownership of the property was transferred by Deed to the Central Baptist Church after Joseph's death. It appears that they have not maintained the property nor really used it as part of their parish as required by the restriction for many years. The YWCA and nine other charities/non-profits are named in the Will as the beneficiaries of any his "remainder" Estate. The property was sold in 2019 and the proceeds of the settlement were received November 21, 2019 in the amount of \$ 71,381.93.

Line of Credit

The Organization renewed a line of credit with a bank in September 2019. The total amount available under this line was \$250,000. Interest on this line is 5%. As of December 31, 2019, and 2018, there were no amounts outstanding relating to this line of credit. The line of credit will renew in September 2020.

The YWCA of Eastern Union County, Inc.
Notes to Financial Statements
December 31, 2019 with comparative totals for 2018

NOTE 9: DEPENDENCY FOR FUNDING

The Organization receives most of its support in the forms of grants from the State of New Jersey, private foundations, and individuals. The continued operations of the Organization are contingent upon continued support from these sources. Government funding sources received in 2019 and 2018 were 61% and 76%, respectively, of total revenue. Contributions from individuals, private foundations and other program services received in 2019 and 2018 were 39% and 24%, respectively, of total revenue. 23% of government funds was derived from the NJ Division of Criminal Justice.

NOTE 10: DONOR RESTRICTED NET ASSETS

Donor restricted net assets are comprised of the following as of December 31:

	<u>2019</u>	<u>2018</u>
State of New Jersey/DCA	\$53,421	\$106,842
State of New Jersey/DCF	9,168	10,375
Celia Intili	5,000	-
The Westfield Foundation	6,000	-
The Hyde & Watson Foundation	-	7,500
Union Foundation	-	4,800
	<u>\$73,589</u>	<u>\$129,517</u>

NOTE 11: LIQUIDITY, AVAILABILITY, AND RESERVES MANAGEMENT

YWCA EUC has \$1,869,050 of financial assets available within one year of the statement of financial position date. The grants and contributions receivable are subject to purpose and time restrictions, but will be collected with one year. As part of this liquidity management, YWCA EUC invests cash in excess of daily requirements in readily available investments.

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:

Cash and cash equivalents	\$ 1,201,937
Grants and contributions receivable, current portion	646,037
Investments appropriated for current use	<u>594,665</u>
Total financial assets	<u>\$ 2,442,639</u>
Less amounts not available to be used within one year:	
Board-designated funds for capital project	\$ 500,000
Net assets with donor restrictions	<u>73,589</u>
	<u>\$ 573,589</u>
Financial assets available to meet general	
Expenditures over the next twelve months	<u>\$1,869,050</u>

The Organization has a policy to structure its financial assets to be available as its expenditures, liabilities, and other obligations come due. In addition, the Organization has a \$250,000 line of credit available to meet cash flow needs. In the event the need arises to utilize the board-designated funds for liquidity purposes, the reserves could be drawn upon through board resolution as well.

NOTE 12: SPECIAL EVENTS AND FUNDRAISING EXPENSES

As of December 31, 2019, and 2018, the gross proceeds for special events was \$186,906 and \$190,444, respectively; and expenses directly related were \$54,273 and \$66,854, respectively.

NOTE 13: RECENTLY ISSUED ACCOUNTING PRONOUNCEMENT

Revenue Recognition

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update No. 2014-09 "Revenue from Contracts with Customers (Topic 606)", which supersedes all existing revenue recognition requirements, including most industry-specific guidance. Together with subsequent amendments, this created Accounting Standards Codification Topic 606 ("ASC 606"). ASC 606 requires an entity to recognize revenue when it transfers goods or services to customers in an amount that reflects the consideration that the entity expects to receive for those goods or services. ASC 606 also expands disclosure requirements. ASC 606 is effective for The YWCA of Eastern Union County, Inc. beginning January 1, 2019. ASC 606 allows for either "full retrospective" adoption, meaning the standard is applied to all of the periods presented, or "modified retrospective" adoption, meaning the standard is applied only to the most current period presented in the financial statements. The YWCA of Eastern Union County, Inc. is currently evaluating the impact of adoption of ASC 606. At this time, management believes that ASC 606 will not have a material impact on its financial statements because existing contractual performance obligations, which determine when and how revenue is recognized, are not materially changed under ASC 606.

Lease Transactions

In February 2016, the FASB issued ASU 2016-02, Leases which is currently effective for fiscal years beginning after December 15, 2020 with early adoption permitted. In addition to expanded disclosure requirements regarding leasing activities, the new standard significantly changes current lessee accounting for operating leases. Under the new standard, all lessees will be required to recognize a right-of-use asset and a lease liability in the statement of financial position for all leases of property and equipment, except for certain leases classified as short-term leases. The YWCA of Eastern Union County, Inc. has not adopted the new standard in these financial statements and is presently evaluating the effect the adoption will have on prospective financial statements.

On May 20, 2020, the FASB voted to delay the effective date of ASU 2016-012, Leases, and ASU 2014-09, Revenues from Contracts with Customers, for certain organizations. The concern was that certain organizations couldn't deploy funds or human capital in the adoption of accounting standards while they contend with the business disruptions caused by COVID-19. The FASB voted to delay the revenue recognition standard by one year for all private companies that have not yet issued financial statements or made those financial statement available for issuance. Private companies and private non-for-profits will now be required to adopt ASU 2016-02, Leases for fiscal years beginning after December 15, 2021 and public not-for-profits will adopt the standard for fiscal years beginning after December 15, 2019.

YWCA of Eastern Union County, Inc.

Supplementary Schedule of Federal State and Local Financial Assistance
for the year ended December 31, 2019

	Federal CFDA Number	Pass-thru Grantor's Number	Grant Award Amount	Grant Period	A/R 12.31.18	Funds Received	Funds Expended	12.31.19 Receivable (Deferral)	(Memo Only) Cumulative Expenditures Through 12.31.19
US Department of Housing, Urban & Workforce Development									
Pass Through Union County:									
Supportive Housing Program	14.267	18-CoC-109	236,133	10/01/18 - 09/30/19	59,743	-	160,341	220,084	220,084
Supportive Housing Program	14.267	19-CoC-109	232,389	10/01/19 - 09/30/20	-	-	57,694	57,694	57,694
Subtotal for CFDA Number 14.267			468,522		59,743	-	218,035	277,778	277,778
HES Grant Program	14.231	18-HES-108	16,074	08/01/18 - 07/31/19	6,851	16,074	9,233	-	16,074
HES Grant Program	14.231	19-HES-108	16,074	08/01/19 - 07/31/20	-	-	4,409	4,409	4,409
Subtotal			32,148		6,851	16,074	13,642	4,409	20,483
Pass Through City of Elizabeth:									
Emergency Shelter Grant Program	14.231	ESG-44	20,000	07/01/18 - 06/30/19	5,685	14,565	8,880	-	14,565
Emergency Shelter Grant Program	14.231	ESG-45	20,000	07/01/19 - 06/30/20	-	-	6,322	6,322	6,322
Subtotal			40,000		5,685	14,565	15,202	6,322	20,887
Subtotal for CFDA Number 14.231			72,148		12,536	30,639	28,844	10,731	41,370
Community Development Block Grant	14.218	CDBG 44	10,000	07/01/18 - 06/30/19	4,913	10,000	5,084	-	10,000
Community Development Block Grant	14.218	CDBG 45	13,110	07/01/19 - 06/30/20	-	-	6,447	6,447	6,447
Subtotal			23,110		4,913	10,000	11,531	6,447	16,447
Community Development Block Grant	14.218	CDBG YR 44	5,000	09/01/18 - 08/31/19	379	2,924	4,609	2,064	4,988
Pass through United Way of Union County:									
Community Development Block Grant	14.218	CDBG YR 44	10,119	09/01/18 - 08/31/19	-	10,119	10,119	-	10,119
Community Development Block Grant	14.218	CDBG YR 45	11,058	09/01/19 - 08/31/20	-	-	-	-	-
Subtotal for CFDA Number 14.218			49,287		5,292	23,043	26,259	8,511	31,554
Emergency Food and Shelter Program FEMA	33-6034-00	FEMA Phase 36	15,000	08/15/19 - 09/04/19	-	-	5,138	5,138	5,138
Subtotal for CFDA Number 33-6034-00			15,000		-	-	5,138	5,138	5,138
Subtotal US Dept of Housing, Urban & Workforce Development			604,957		77,571	53,682	278,276	302,158	355,840
U.S. Department of Justice									
Office on Violence Against Women	16.590	2018-WE-AX-0025	406,052	10/01/18 - 09/30/21	19,266	107,635	114,078	25,710	133,344
Subtotal for CFDA Number 16.590			406,052		19,266	107,635	114,078	25,710	133,344
Pass Through State of NJ Office of Attorney General									
State of NJ Div of Criminal Justice Court Advocate program	16.588	VAWA-71-17	45,000	07/01/18 - 06/30/19	12,350	34,047	21,697		34,047
State of NJ Div of Criminal Justice Court Advocate program	16.588	VAWA-71-18	45,000	07/01/19 - 06/30/20		12,545	23,610	11,065	23,610
State of NJ Div of Criminal Justice Bilingual DV Counselor	16.588	VAWA-70-18	45,000	07/01/19 - 06/30/20		5,340	18,271	12,931	18,271
State of NJ Div of Criminal Justice Bilingual Case Manager	16.588	VAWA-69-18	45,000	07/01/19 - 06/30/20		1,752	12,729	10,977	12,729
State of NJ Div of Criminal Justice DVRT-VAWA	16.588	VAWA-30-17	69,319	05/01/18 - 04/30/19	44,087	64,459	20,372	-	64,459
State of NJ Div of Criminal Justice DVRT-VAWA	16.588	VAWA-30M-18	66,667	05/01/19 - 04/30/20	-	11,863	41,957	30,093	41,957
Subtotal for CFDA Number 16.588			315,986		56,437	130,006	138,636	65,066	195,073
State of NJ Div of Criminal Justice Workforce Dev. Prog.	16.575	VAG-123-16	140,000	01/01/18 - 08/31/19	28,148	103,344	75,196		103,344
State of NJ Div of Criminal Justice Workforce Dev. Prog.	16.575	VAG-172-18	330,380	09/01/19 - 08/31/21			48,726	48,726	48,726
State of NJ Div of Criminal Justice DV Bilingual Counseling Prog.	16.575	VAG-121-16	153,333	01/01/18 - 06/30/19	25,525	102,458	76,933	-	102,458
State of NJ Div of Criminal Justice DV Bilingual Counseling Prog.	16.575	VAG-170-18	368,014	09/01/19 - 08/31/21	-		43,531	43,531	43,531
State of NJ Div of Criminal Justice DV Residential Prog.	16.575	VAG-122-16	150,000	01/01/18 - 08/31/19	73,277	136,720	63,444		136,720
State of NJ Div of Criminal Justice DV Residential Prog.	16.575	VAG-171-18	368,922	09/01/19 - 08/31/21			40,003	40,003	40,003
Subtotal for CFDA Number 16.575			1,510,649		126,950	342,522	347,833	132,260	474,782
Subtotal US Dept of Justice Pass Through State of NJ			1,826,635		183,387	472,528	486,469	197,326	669,855

See accompanying accountant's audit report.

See accompanying notes to Schedule of Federal, State and Local Assistance

	Federal CFDA Number	Pass-thru Grantor's Number	Grant Award Amount	Grant Period	A/R 12.31.18	Funds Received	Funds Expended	12.31.19 Receivable (Deferral)	(Memo Only) Cumulative Expenditures Through 12.31.19
Pass Through State of NJ Department of Agriculture									
Child and Adult Care Food Program	10.558	18-39-873	<u>33,836</u>	10/01/18 - 9/30/19	<u>6,554</u>	<u>13,976</u>	<u>7,422</u>	<u>-</u>	<u>13,976</u>
Subtotal State of NJ Dept of Agriculture			33,836		6,554	13,976	7,422	-	13,976
US Department of Health and Human Service									
Pass Through State of NJ									
State of NJ Dept of Children & Families/DYFS/DCP&P 1/2	93.671	19-EFXW	<u>84,000</u>	1/01/19 - 12/31/19	<u>-</u>	<u>84,000</u>	<u>84,000</u>	<u>-</u>	<u>84,000</u>
Subtotal State of NJ Dept of Children & Families			84,000		-	84,000	84,000	-	84,000
TOTAL FEDERAL			<u>\$ 2,955,480</u>		<u>\$ 286,778</u>	<u>\$ 731,821</u>	<u>\$ 970,245</u>	<u>\$ 525,194</u>	<u>\$ 1,257,015</u>

See accompanying accountant's audit report.

See accompanying notes to Schedule of Federal, State and Local Assistance

YWCA of Eastern Union County, Inc.
 Supplementary Schedule of State Financial Assistance
 for the year ended December 31, 2019

	Federal CFDA Number	Pass-thru Grantor's Number	Grant Award Amount	Grant Period	A/R 12.31.18	Funds Received	Funds Expended	12.31.19 Receivable (Deferral)	Cumulative Expenditures Through 12.31.19
STATE OF NJ									
State of NJ Dept of Children & Families/DYFS/DCP&P 2/2		19-EFXW	1,067,534	01/01/19 - 12/31/19		1,067,534	1,067,534	-	1,067,534
					-	1,067,534	1,067,534	-	1,067,534
State of NJ Department of State NJ State Council on the Arts									
Pass Through County of Union:									
Union County Office of Cultural & Heritage Affairs	N/A	N/A	2,500	01/01/18 - 12/31/18	625	625	-	-	625
Union County Office of Cultural & Heritage Affairs	N/A	N/A	2,400	01/01/19 - 12/31/19	-	1,800	2,400	600	2,400
TOTAL STATE			<u>\$ 1,072,434</u>		<u>\$ 625</u>	<u>\$ 1,069,959</u>	<u>\$ 1,069,934</u>	<u>\$ 600</u>	<u>\$ 1,070,559</u>

See accompanying accountant's audit report.

See accompanying notes to Schedule of Federal, State and Local Assistance



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**INDEPENDENT AUDITOR'S 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 Auditor's Report

To the Board of Directors
The YWCA of Eastern Union County, Inc.
Elizabeth, New Jersey

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 the YWCA of Eastern Union County, Inc. (a non-profit organization), which comprise the statement of financial position as of December 31, 2019, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 8, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered YWCA of Eastern Union County, Inc.'s ("YWCA EUC") 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 the YWCA EUC's internal control. Accordingly, we do not express an opinion on the effectiveness of the YWCA EUC'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, or 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 YWCA EUC'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 did 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

This 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.

zbt CPA & Consulting, LLC

zbt

Certified Public Accounting & Consulting, LLC
Clark, New Jersey
September 8, 2020



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM
GUIDANCE AND NEW JERSEY OMB CIRCULAR LETTER 15-08

To the Board of Directors
YWCA of Eastern County, Inc.
Elizabeth, New Jersey

Report on Compliance for Each Major Federal and State Program

We have audited YWCA of Eastern Union County, Inc.'s ("YWCA EUC") 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 YWCA EUC's major federal and state programs for the year ended December 31, 2019. YWCA EUC's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal and state statutes, regulations, contracts, grants, and the terms and conditions of its federal and state awards applicable to its federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of YWCA EUC'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 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 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, and the Uniform Guidance and New Jersey OMB Circular 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 federal and state program occurred. An audit includes examining, on a test basis, evidence about YWCA EUC'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 YWCA EUC's compliance.

Opinion on Each Major Federal and State Program

In our opinion, YWCA EUC 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, 2019.

Report on Internal Control Over Compliance

Management of YWCA EUC 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 YWCA EUC'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 the Uniform Guidance and New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of YWCA EUC'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 or state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that a 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 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 Uniform Guidance and New Jersey OMB Circular 15-08. Accordingly, this report is not suitable for any other purpose.

zbt CPA & Consulting, LLC

zbt

Certified Public Accounting & Consulting, LLC
Clark, New Jersey
September 8, 2020

The YWCA of Eastern Union County, Inc.
 Schedule of Findings and Questioned Costs
 For the Year Ended December 31, 2019

Section 1 – Summary of Auditor’s Results

Financial Statements

- 1) Type of Auditor’s Report Issued **Unmodified**
- 2) Internal Control Over Financial Reporting:
- Material weakness(es) identified? _____Yes ___x___No
 - Significant deficiency (ies) identified that are not considered material weaknesses? _____Yes ___x___None Reported
- 3) Noncompliance material to the financial statements noted during the audit _____Yes ___x___No

Federal Programs

- 1) Internal Control over Major Federal Programs:
- Material weakness(es) identified? _____Yes ___x___No
 - Significant deficiency(ies) identified that are not considered material weakness? _____Yes ___x___None Reported
- 2) Type of Auditor’s Report Issued on Compliance for Major Federal Programs **Unmodified**
- 3) Any audit findings disclosed that are required to be Reported in accordance with the Uniform Guidance _____Yes ___x___No

4) Identification of Major Federal Programs:

<u>Program</u>	<u>CFDA Number</u>
US Dept. of Justice (VAG)	16.575

- 5) Program Threshold Determination:
 Type A Federal Program Threshold > \$750,000
 Type B Federal Program Threshold ≤ \$750,000
- 6) Auditee qualified as a low-risk auditee under the Uniform Guidance Yes

Section 1- Summary of Auditor's Results (continued)

State Programs

1) Internal Control Over Major State Programs:

- Material weakness(es) identified? _____Yes ___x___No
- Significant deficiency(ies) identified that are not considered material weakness? _____Yes ___x___No

2) Type of Auditor's Report issued on compliance for Major state programs

Unmodified

3) Findings disclosed that are required to be reported in Accordance with N.J. OMB Circular 15-08

_____Yes ___x___No

Identification of Major State Programs:

<u>Program</u>	<u>Identification Number</u>	<u>Grant Period From/To</u>	<u>Type</u>
Dept. Children and Family - Project Protect Div. of Family and Community Partn.	19-EFXW	1.1.19-12.31.19	A

* Family Violence Prevention and Services
\$84,000 of grant is from Family Violence Prevention and Service (CFDA 93.671) via the U.S. Department of Health and Human Services

- 5) Program Threshold Determination:
Type A State Program Threshold > \$750,000
Type B State Program Threshold ≤ \$750,000

6) Auditee qualified as a low-risk auditee Yes

Section 2 – Financial Statement Audit Findings

None

Federal Programs

None

State Programs

None

Section 3 – Summary Schedule of Prior Audit Findings

None

Section 4 – Findings and Questioned Costs

Federal Programs

None

State Programs

None

The YWCA of Eastern Union County, Inc.
Notes to Schedule of Federal and State Financial Assistance
For the year ended December 31, 2019

1. General Information

The accompanying schedule of expenditures of federal and state financial assistance presents the activities in all the federal and state awards of the YWCA EUC. Some financial awards are fee for service contracts received directly from state agencies as well as financial awards passed through other governmental agencies or non-profit organizations which are included on the schedule. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget the Uniform Guidance, *Audits of States, Local Governments and Non-Profit Organizations* and the State of New Jersey Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, No. 15-08-OMB.

2. Basis of Accounting

The accompanying schedule of expenditures of federal and state financial assistance is presented using the accrual basis of accounting. The amounts reported in this schedule as expenditures may differ from certain financial reports submitted to federal and state funding agencies due to those reports being submitted on either a cash or modified accrual basis of accounting.

3. Indirect Cost

The Organization does not use a predetermined indirect cost rate.