YWCA OF EASTERN UNION COUNTY, INC.

December 31, 2025 and 2024

BKC

Certified Public Accountants, PC

YWCA OF EASTERN UNION COUNTY, INC.

For the Years Ended December 31, 2025 and 2024

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Independent Auditors' Report

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

Opinion

We have audited the accompanying financial statements of YWCA of Eastern Union County, Inc. (a nonprofit organization), which comprise the Statements of Financial Position as of December 31, 2025 and 2024, and the related Statements of Activities and Changes in Net Assets, Functional Expenses and Cash Flows for the years then ended, and the related Notes to the Financial Statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of YWCA of Eastern Union County, Inc. as of December 31, 2025 and 2024, 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.

Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of YWCA of Eastern Union County, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, which raise substantial doubt about YWCA of Eastern Union County, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually, or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of YWCA of Eastern Union County, Inc.'s internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about YWCA of Eastern Union County, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary 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 Awards and Schedule of Expenditures of State Awards, 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 15-08, respectively, and other schedules included in the Table of Contents under Supplementary Information are 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 Supplementary 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 July 6, 2026, on our consideration of 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 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.

BKC, CPAs, PC

BKC, CPAs, PC

July 6, 2026
Flemington, New Jersey

YWCA OF EASTERN UNION COUNTY, INC.
Statements of Financial Position
December 31,

ASSETS

	2025	2024
Current assets		
Cash and cash equivalents	$ 326,746	$ 500,375
Grants and contracts receivable	216,933	540,573
Prepaid expenses and prepaid insurance	12,685	8,817
Investments	44,557	37,566
Total current assets	600,921	1,087,331
Property and equipment, net of accumulated depreciation of $978,220 and $776,120, respectively	9,025,435	8,570,516
Other Non-current assets		
Other assets	20,466	20,466
Total assets	$ 9,646,822	$ 9,678,313

LIABILITIES AND NET ASSETS

Liabilities		
Accounts payable and accrued liabilities	$ 78,821	$ 291,816
Accrued payroll	91,861	96,713
Current portion of long-term debt	19,144	624,993
Total current liabilities	189,826	1,013,522
Long-term debt, net of current maturities	601,989	-
Net assets		
Without donor restrictions	8,853,081	8,594,838
With donor restrictions	1,926	69,953
Total net assets	8,855,007	8,664,791
Total liabilities and net assets	$ 9,646,822	$ 9,678,313

See accompanying notes to the financial statements.

YWCA OF EASTERN UNION COUNTY, INC.
Statements of Activities and Changes in Net Assets
For the Years Ended December 31,

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total 2025	Without Donor Restrictions	With Donor Restrictions	Total 2024
Support and revenue						
Government grants and contracts	$ 3,252,546	$ -	$ 3,252,546	$ 3,947,740	$ -	$ 3,947,740
Donations and contributions	483,902	-	483,902	461,929	-	461,929
Contributions of non-financial assets	147,953	-	147,953	11,593	-	11,593
Program service fees	46,755	-	46,755	121,964	-	121,964
Special events	103,463	-	103,463	69,698	-	69,698
Net assets released from restrictions	68,027	(68,027)	-	124,387	(124,387)	-
Total support and revenue	4,102,646	(68,027)	4,034,619	4,737,311	(124,387)	4,612,924
Expenses						
Program services	3,594,699	-	3,594,699	3,416,734	-	3,416,734
Management and general	88,292	-	88,292	67,135	-	67,135
Fundraising	183,999	-	183,999	99,501	-	99,501
Total expenses	3,866,990	-	3,866,990	3,583,370	-	3,583,370
Other income						
Proceeds from casualty loss	-	-	-	302,313	-	302,313
Investment income	17,270	-	17,270	24,235	-	24,235
Other income	5,317	-	5,317	1,688	-	1,688
Total other income (expenses)	22,587	-	22,587	328,236	-	328,236
Increase (decrease) in net assets	258,243	(68,027)	190,216	1,482,177	(124,387)	1,357,790
Net assets - beginning of year	8,594,838	69,953	8,664,791	7,112,661	194,340	7,307,001
Net assets - end of year	$ 8,853,081	$ 1,926	$ 8,855,007	$ 8,594,838	$ 69,953	$ 8,664,791

See accompanying notes to the financial statements.

YWCA OF EASTERN UNION COUNTY, INC.
Statement of Functional Expenses
For the Year Ended December 31, 2025

	Program Services	Management and General	Fundraising	Totals
Salaries and wages	$ 1,822,541	$ 18,447	$ 3,689	$ 1,844,677
Payroll taxes	158,063	1,728	287	160,078
Health benefits	184,755	34,266	5,711	224,732
Pension and workers compensation insurance	61,619	4,214	703	66,536
Advertising and printing	9,685	76	9,823	19,584
Bank and investment fees	2,143	299	50	2,492
Client assistance	337,718	696	44,425	382,839
Dues and subscriptions	36,748	1,515	1,651	39,914
Insurance	11,935	222	160	12,317
Insurance general liability	94,656	2,286	1,299	98,241
Miscellaneous	4,288	263	130	4,681
Office supplies and equipment	6,908	7	1,131	8,046
Professional fees	363,121	5,502	87,913	456,536
Rent	97,526	11,651	1,942	111,119
Repairs and maintenance	75,804	-	-	75,804
Services and supplies	6,302	3	-	6,305
Special events	9,736	196	23,530	33,462
Supplies	21,401	129	154	21,684
Telephone	24,703	-	-	24,703
Training and development fees	2,340	20	3	2,363
Travel	2,997	43	277	3,317
Utilities	54,682	6,729	1,121	62,532
Vehicle expense	2,928	-	-	2,928
Depreciation	202,100	-	-	202,100
Total functional expenses	$ 3,594,699	$ 88,292	$ 183,999	$ 3,866,990

See accompanying notes to the financial statements.

YWCA OF EASTERN UNION COUNTY, INC.
Statement of Functional Expenses (continued)
For the Year Ended December 31, 2024

	Program Services	Management and General	Fundraising	Totals
Salaries and wages	$ 1,989,515	$ 12,916	$ 2,153	$ 2,004,584
Payroll taxes	171,381	1,898	316	173,595
Health benefits	150,381	27,989	4,664	183,034
Pension and workers compensation insurance	60,593	3,935	656	65,184
Advertising and printing	8,383	642	3,940	12,965
Bank and investment fees	3,136	438	80	3,654
Client assistance	138,466	1,391	232	140,089
Dues and subscriptions	23,119	2,252	793	26,164
Equipment rental	5,857	-	-	5,857
Insurance	11,085	288	128	11,501
Insurance general liability	61,696	659	528	62,883
Miscellaneous	3,441	27	126	3,594
Office supplies and equipment	7,617	-	-	7,617
Professional fees	498,543	13,258	85,414	597,215
Program supplies	10,017	-	150	10,167
Rent	104,209	998	166	105,373
Repairs and maintenance	10,080	100	17	10,197
Services and supplies	4,659	-	-	4,659
Telephone	15,696	-	-	15,696
Training and development fees	6,481	62	91	6,634
Travel	4,971	-	-	4,971
Utilities	49,970	282	47	50,299
Vehicle expense	3,283	-	-	3,283
Depreciation and amortization	74,155	-	-	74,155
Total functional expenses	$ 3,416,734	$ 67,135	$ 99,501	$ 3,583,370

See accompanying notes to the financial statements.

YWCA OF EASTERN UNION COUNTY, INC.
Statements of Cash Flows
For the Years Ended December 31,

	2025	2024
Cash flows from operating activities		
Change in net assets	$ 190,216	$ 1,357,790
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Interest income on certificate of deposit	-	107,932
Depreciation	202,100	74,155
Investment income, net	(3,613)	(542)
Realized and unrealized gain on investments	(6,007)	(3,366)
(Increase) decrease in assets		
Grants and contracts receivable	323,640	(154,167)
Prepaid expenses and prepaid insurance	(3,868)	29,181
Other assets	-	12,213
Increase (decrease) in liabilities		
Accounts payable and accrued liabilities	(212,996)	(49,266)
Accrued payroll	(4,852)	13,434
Net cash provided by operating activities	484,620	1,387,364
Cash flows from investing activities		
Acquisition of property and equipment	(657,018)	(2,495,095)
Disposition of property and equipment	-	65,000
Purchase of securities	(300,000)	-
Proceeds from sale of investments	302,629	-
Net cash used in investing activities	(654,389)	(2,430,095)
Cash flows from financing activities		
Principal payments on long-term debt	(3,860)	(221,267)
Net cash used in financing activities	(3,860)	(221,267)
Net decrease in cash and cash equivalents	(173,629)	(1,263,998)
Cash and cash equivalents - beginning of year	500,375	1,764,373
Cash and cash equivalents - end of year	$ 326,746	$ 500,375
Supplemental disclosure of cash flow information		
Net cash paid for interest	$ 50,737	$ 59,834

See accompanying notes to the financial statements.

YWCA OF EASTERN UNION COUNTY, INC.
Notes to the Financial Statements

Note 1 - Summary of significant accounting policies

Nature of activities

The YWCA of Eastern Union County, Inc. (Organization) is a non-profit organization exempt from income tax under Section 501(c)(3) of the Internal Revenue Code. The Organization 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. The principal sources of support for the Organization programs are funds received from nonprofits and foundations as well as state, local and federal governments in the form of grants and contracts.

Basis of accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting.

Income taxes

The Organization has been notified by the Internal Revenue Service that they are exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization is further classified as an organization that is not a private organization under Section 509(a)(3) of the Code. The most significant tax positions of the Organization are its assertions that it is exempt from income taxes and its determination that no amounts are subject to unrelated business income tax (UBIT). Income generated by activities that would be considered unrelated to the Organization mission would be subject to income tax.

The Organization follows the guidance of Accounting Standards Codification (ASC) Topic 740, *Accounting for Income Taxes,* related to uncertain income tax provisions, which prescribes a threshold of more likely than not, for recognition and derecognition of tax positions taken or expected to be taken in a tax return. Management has determined that it is more likely than not, that all tax positions would be sustained upon examination by taxing authorities. Accordingly, no provision for income taxes has been recorded.

The Organization files a Form 990, Return of Organization Exempt from Tax, annually with the Internal Revenue Service, as well as a state equivalent filing. Both filings are subject to audit by the appropriate authority. The Organization returns before the year ended December 31, 2022, are no longer subject to examination by federal or state authorities due to the statute of limitations.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Note 1 - Summary of significant accounting policies (continued)

Cash and cash equivalents

The Organization considers all highly liquid investment instruments with a maturity date of three months or less to be cash equivalents.

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.

Contributions and grants receivable

Receivables are shown net of an allowance for credit losses. Credit losses are provided for utilizing the current expected credit loss model methodology. This model requires management's evaluation of credit losses utilizing historical experience, troubled accounts, current market conditions and future forecasts. Receivable balances are written off when all reasonable internal and external collection efforts have been executed. The allowance for credit losses as of December 31, 2025 and 2024 was $0.

Property and equipment

Property and equipment are stated at cost or, if donated, at approximate fair market value. The capitalization threshold for technology and electronic equipment is $2,000 and is $5,000 for furniture and appliances. Expenditures below the respective thresholds have been charged to expense as period costs in the Statement of Activities. Depreciation is provided by use of the straight-line method over the following estimated useful lives:

	Est. Useful Life
Building and building improvements	10 - 30 years
Furniture and fixtures	7 years
Office and computer equipment	5 years
Vehicles	5 years

Additions and improvements, which extend the useful lives of the respective assets, are charged to asset accounts and are depreciated accordingly, while general repairs and maintenance are expensed as incurred. The cost and related accumulated depreciation of assets sold or retired are eliminated from the accounts and any gains or losses are included in the changes in net assets.

Note 1 - Summary of significant accounting policies (continued)

Net asset classifications

Net assets are classified based on the existence or absence of donor-imposed restrictions. Net assets are defined as follows:

- Net assets without donor restrictions - net assets not subject to donor-imposed stipulations, and therefore, are expendable for operating purposes.

- Net assets with donor restrictions - net assets subject to donor-imposed stipulations that will be met by actions of the Organization and/or by the passage of time.

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

Revenue recognition

Revenues are reported as increases in net assets without donor restrictions when received unless use of the related assets is limited by donor-imposed restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law.

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.

Revenue from program fees is recognized as revenue when the events or programs are held. All other revenues are recognized when earned.

Contributions

Contributions of cash and other assets, including grants and unconditional promises to give, are considered to be available for unrestricted use unless specifically restricted by the donor and are recognized as support in the period the unconditional promise is given. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. Contributions to be received in future periods are discounted at an appropriate discount rate. Amortization of discounts is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions.

Note 1 - Summary of significant accounting policies (continued)

Contributions (continued)

Gifts of cash and other non-capital assets are reported as revenue with donor restrictions if the gifts are received with donor stipulations that limit the use of the donated assets. 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 donor restrictions. If a restriction is fulfilled in the same period in which the contribution is received, the support is reported as without donor restrictions.

Grants and contracts receivable

Grants and contracts receivable represent unconditional amounts committed to the Organization. All grants and contract receivables are deemed to be fully collectible and are reflected at net realizable value. Management determines the allowance for doubtful accounts by identifying troubled accounts and by using historical experience. Based on these reviews, management has determined the allowance for uncollectible receivables was $0 on December 31, 2025 and 2024.

Functional allocation of expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the Schedule of Functional Expenses. Accordingly, certain costs have been allocated among the programs and services benefited. 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. Management expenses include those not directly identifiable with any specific program and have been allocated in accordance with regulatory agency guidelines.

Advertising expenses

All advertising costs are expensed as incurred. Advertising expense for the years ended December 31, 2025 and December 31, 2024, were $19,584 and $12,965, respectively.

Note 2 - Concentrations

Cash

The Organization maintains its cash in bank deposit accounts, which may at times exceed federally insured limits. The Organization also maintains cash in payment processor accounts including Venmo and Paypal, which are not federally insured. At December 31, 2025, the Organization had approximately $80,000 of uninsured cash in its accounts, including approximately $17,000 with payment processors. At December 31, 2024, the Organization had approximately $220,000 of uninsured cash in its accounts.

Significant donor

The Organization receives most of its support in the form of grants from the government sources, private foundations, and individuals. The continued operations of the Organization are contingent upon continued support from these sources. Government funding sources received in 2025 and 2024 were both 70% of total revenue.

Note 2 - Concentrations (continued)

Significant donor

A significant donor is defined as one generating 10% or greater of the Organization's total support and revenue. Two government funding sources generated approximately 56% of the total support and revenue for the year ended December 31, 2025, and four government funding sources generated approximately 68% of the total support and revenue for the year ended December 31, 2024.

Major vendor

A major vendor is defined as one generating 10% or greater of the Organization's expenses or accounts payable. For the year ended December 31, 2025, three vendors accounted for 74% of the accounts payable balance. For the year ended December 31, 2024, three vendors accounted for 50% of the accounts payable balance.

Note 3 - Property and equipment

Property and equipment consist of the following as of December 31:

	2025	2024
Land	$ 140,700	$ 140,700
Building	7,641,193	889,117
Construction in process	-	6,621,129
Building improvements	335,801	335,801
Furniture and fixtures	313,993	303,718
Computer equipment	182,351	182,351
Office equipment	1,325,200	809,403
Vehicles	64,417	64,417
Total	10,003,655	9,346,636
Less: accumulated depreciation	978,220	776,120
Property and equipment, net	$ 9,025,435	$ 8,570,516

Depreciation expense for the years ended December 31, 2025 and 2024 was $202,100 and $74,155, respectively.

Note 4 - Investments

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.

Investments were comprised of the following at December 31:

	2025	2024
Fair value	$ 44,557	$ 37,566
Cost	(35,094)	(33,782)
Unrealized gain (loss)	$ 9,463	$ 3,784

Note 5 - Fair value measurement

Financial Accounting Standards Board (FASB) in its *Accounting Standards Codification* (ASC) Topic 820, *Fair Value Measurement*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 — Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 — Inputs to the valuation methodology include:

- Quoted prices for similar assets/liabilities in active markets.
- Quoted prices for identical or similar assets or liabilities in inactive markets.
- Inputs other than quoted prices that are observable for the asset or liability.
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 inputs must be observable for substantially the full term of the asset or liability.

Level 3 — Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following table sets forth by level, within the hierarchy, the Organization's investment assets at fair value as of December 31,:

	2025		
	Level 1	Level 2	Level 3
Exchange Traded Funds (ETF)	$ 44,557	$ -	$ -

	2024		
	Level 1	Level 2	Level 3
Exchange Traded Funds (ETF)	$ 37,566	$ -	$ -

Note 5 - Fair value measurement (continued)

In 2025, the Organization reported total investment income of $17,270, including $11,263 in interest and dividends and $6,007 in realized and unrealized gains. Total investment income for 2024 was $24,235 including $20,869 in interest and dividends, and $3,366 in realized and unrealized gains. Investment fees were $215 and $291 for December 31, 2025 and 2024, respectively.

Note 6 - Retirement plan

The Organization maintains 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 Organization 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 Organization amounted to $38,126 and $32,809 for the years ended December 31, 2025 and 2024, respectively.

Note 7 - Unconditional promises to give

The Organization is a 25% beneficiary of a Charitable Remainder Trust. The trust was founded in 1988 and the charitable remainder became effective in 2014. The Organization receives payments quarterly. Income from the trust was approximately $78,000 for the year ended December 31, 2025 and is included in total contributions of $483,902. Income from the trust was approximately $74,000 for the year ended December 31, 2024 and is included in total contributions of $461,929.

Note 8 - Leasing agreements

The Organization leases a program and outreach office on a month-to-month basis. Rent expense for the office was $100,950 and $99,800 for December 31, 2025 and 2024, respectively.

Note 9 - Availability of financial assets

The following reflects the Organization's financial assets as of the balance sheet date, reduced by amounts not available for general use because of donor-imposed restrictions within one year of the balance sheet date.

Note 9 - Availability of financial assets (continued)

Financial assets at December 31, 2025 and December 31, 2024:

	2025	2024
Cash and cash equivalents	$ 326,746	$ 500,375
Grants and contracts receivable	216,933	540,573
Investments appropriated for current use	44,557	37,566
Total financial assets	588,236	1,078,514
Less those unavailable for general expenditures within one year due to		
Net assets with donor restrictions	(1,926)	(69,953)
Financial assets available to meet cash needs for general expenditure within one year	$ 586,310	$ 1,008,561

The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

Note 10 - Long-term debt

The Organization has a mortgage loan with Northfield Bank with an original principal amount of $650,000, secured by the related property and improvements.

At December 31, 2025 and 2024, the outstanding balances on the loan were $621,133 and $624,993, respectively. The loan was in an interest-only phase through August 31, 2025, during which interest was payable monthly at a variable rate equal to the prime rate as published in The Wall Street Journal plus 1.00%. The interest rate was 9.50% at December 31, 2024.

Effective September 1, 2025, the loan converted to the permanent commercial mortgage phase and began amortizing over a 20-year period, with a maturity date of September 1, 2045. Beginning with the October 1, 2025 payment, monthly payments of principal and interest are $4,883.36. The interest rate was 6.45% at December 31, 2025, which also represents the minimum rate under the agreement.

As of December 31, 2025, the future minimum principal payments for the next five years are as follows:

2026	$ 19,144
2027	20,416
2028	21,773
2029	23,219
2030	24,762
Thereafter	511,819

Note 11 - Line of credit

The Organization has a line of credit with Northfield Bank that renews annually. The total amount available under this line is $250,000. The interest rate on the line is 10.25%. The outstanding balance on the line was $0 and $0 on December 31, 2025 and 2024, respectively.

Note 12 - Net assets with donor restrictions

Components of net assets with donor restrictions as of December 31 were as follows:

	2025	2024
State of New Jersey/DCF	$ 1,926	$ 3,133
Phillips 66 Community Support Services	-	12,243
DYFS - Shelter ARP FVPSA	-	54,577
Total net assets with donor restrictions	$ 1,926	$ 69,953

The governing Board may designate funds from net assets without donor restrictions for specific use. There were no Board-designated net assets as of December 31, 2025 and 2024.

Note 13 - Contributed non-financial assets

The Organization also receives donated materials and services to support fundraising and other efforts. Donated services are reflected as contributions with a corresponding expense in the accompanying statements at their estimated values at the date of service. Contributed non-financial assets as of December 31 were as follows:

Utilization in programs/activities	2025	2024
Supplies and equipment	$ 47,665	$ 8,614
Professional services	100,038	2,880
Food	250	99
	$ 147,953	$ 11,593

The Organization received donated non-financial assets consisting of food, toys, clothing, and items for fundraising events. All donated non-financial assets were utilized in the Organization's programs and services. Donated food is valued based on the weight of items received and estimated fair value per pound using pricing data obtained from the Community Food Bank valuation calculator. Donated clothing and toys were valued based on estimated fair market value using pricing data from thrift stores at the time of donation. Donated items for fundraising events are recorded at estimated fair value based on the price at which similar goods would be sold in the principal market.

Note 14 - Special event and fundraising expenses

As of December 31, 2025 and 2024, the gross proceeds for special events were $103,463 and $124,029, respectively; and expenses directly related were $33,462 and $54,331, respectively.

Note 15 - Related party transactions

The Organization is affiliated with the National YWCA and remitted annual dues of $22,337 for the year-end December 31, 2025, and $19,736 for the year-end December 31, 2024.

Note 16 - Subsequent events

The Organization's management has determined that no additional material events or transactions occurred subsequent to December 31, 2025 and through July 6, 2026, the date of the Organization's financial statements issuance, which require additional disclosure in the Organization's financial statements.

YWCA OF EASTERN UNION COUNTY, INC.
Schedule of Expenditures of Federal Awards
December 31, 2025

Federal Agency	Pass-Through Entity	Program Title	ALN	Pass-through Award Number	Grant Period	Award Amount	Total Expenditures
U.S. Department of Housing, Urban and Workforce Development	Union County	Supportive Housing Program	14.267	24-CoC-109	10/01/24 - 09/30/25	$ 294,181	$ 139,314
				25-CoC-109	10/01/25 - 09/30/26	373,180	69,295
		HES Grant Program	14.231	24-HES-108	08/01/24 - 07/31/25	13,515	5,934
				25-HES-108	08/01/25 - 07/31/26	13,515	9,402
	City of Elizabeth	Community Development Block Grant	14.218	CDBG 50	07/01/24 - 06/30/25	20,408	10,204
				CDBG 51	07/01/25 - 06/30/26	20,000	20,000
	United Way	Community Development Block Grant	14.218	CDBG YR 50	09/01/24 - 06/30/25	8,307	2,373
				CDBG YR 51	09/01/25 - 06/30/26	9,296	9,296
Total U.S. Department of Housing, Urban and Workforce Development						752,402	265,818
U.S Department of Agriculture	State of New Jersey Department of Agriculture	Child and Adult Care Food Program	10.558	39-0873	10/01/24 - 9/30/25	24,000	13,664
				39-0873	10/01/25 - 9/30/26	24,000	2,364
Total U.S. Department of Agriculture						$ 48,000	$ 16,028

See independent auditors' report.

YWCA OF EASTERN UNION COUNTY, INC.
Schedule of Expenditures of Federal Awards (continued)
December 31, 2025

Federal Agency	Pass-Through Entity	Program Title	ALN	Pass-through Award Number	Grant Period	Award Amount	Total Expenditures
U.S. Department of Justice	Trinitas Hospital	TRAC Trinitas Hospital	16.575	HVP-08-19	01/01/25 - 03/31/25	$ 82,620	$ 8,660
	State of NJ Office of Attorney General	Court Advocate Program	16.588	VAWA-77-23	07/01/24 - 06/30/25	45,000	7,657
		Bilingual Case Manager	16.588	VAWA-78-23	07/01/24 - 06/30/25	45,000	29,349
				VAWA-21-24	07/01/25 - 06/30/26	75,000	19,929
		DVRT-VAWA	16.588	VAWA-30-23	05/01/24 - 04/30/25	52,500	23,289
				VAWA-120-24	05/01/25 - 04/30/26	51,650	34,530
		Child Advocate	16.588	VAWA-79-23	07/01/24 - 06/30/25	45,000	4,212
		DV Bilingual Counseling	16.575	VAG-134-22	09/01/23 - 08/31/25	275,000	99,117
		DV Residential Program	16.575	VAG-132-22	09/01/23 - 08/31/25	275,000	61,901
		Workforce Development	16.575	VAG-133-22	09/01/23 - 08/31/25	275,000	95,817
		Legal Services Initiative	16.524	15JOVW-24-GG-00034-LEGA	10/01/24 - 09/30/26	400,000	27,771
Total U.S. Department of Justice						1,621,770	412,232
Total expenditures of federal awards							$ 694,078

See independent auditors' report.

YWCA OF EASTERN UNION COUNTY, INC.
Schedule of Expenditures of State Financial Assistance
December 31, 2025

State Agency	Pass-Through Entity	Grant Award Number	Grant Period	Award Amount	Grant Expenditures
State of New Jersey Department of Children and Families					
Division on Women		25MW008	07/01/24 - 06/30/25	$ 179,760	$ 89,880
		25MW0009	07/01/24 - 06/30/25	870,787	412,087
		25MW0010	07/01/24 - 06/30/25	481,500	240,750
		25MW0050	07/01/24 - 06/30/25	269,058	166,413
		26MW008	07/01/25 - 06/30/26	$ 179,760	$ 89,880
		26MW0009	07/01/25 - 06/30/26	867,579	401,890
		26MW0010	07/01/25 - 06/30/26	481,500	240,750
		25MW0050	07/01/25 - 06/30/26	208,748	108,774
Total Department of Children and Families				3,538,692	1,750,424
New Jersey Department of State					
NJ State Council on the Arts	County of Union	N/A	01/01/25 - 12/31/25	3,400	3,400
Total expenditures of state financial assistance					$ 1,753,824

See independent auditors' report.

YWCA OF EASTERN UNION COUNTY, INC.
Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance
December 31, 2025

Note A - Basis of accounting

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance include the federal and state grant activity of The YWCA of Eastern Union County, Inc. under programs of the federal and state governments for the year ended December 31, 2025. 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 applicable state requirements. Because the schedules present only a selected portion of the operations of The YWCA of Eastern Union County, it is not intended to and does not present the financial position, changes in net assets, or cash flows of The YWCA of Eastern Union County, Inc.

Note 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, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note C - Indirect cost rate

The Organization has elected to use the 15% de minimis indirect cost rate allowed under the Uniform Guidance.

BKC
Certified Public Accountants, PC
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Independent Auditors' 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

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

We have audited, 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, the financial statements of The YWCA of Eastern Union County, Inc (the Organization), which comprise the Statement of Financial Position as of December 31, 2025, and the related Statements of Activities and Changes in Net Assets, 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 July 6, 2026.

Report Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered The YWCA of Eastern Union County, Inc.'s internal control over financial reporting (internal control) to determine our auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of The YWCA of Eastern Union County, 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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free of 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 the Report

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

BKC, CPAs, PC

BKC, CPAs, PC

July 6, 2026
Flemington, New Jersey

BKC
Certified Public Accountants, PC
www.bkc-cpa.com

Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance and New Jersey OMB Circular 15-08-OMB

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

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited The YWCA of Eastern Union County, Inc.'s, (the Organization), compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* and New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid* that could have a direct and material effect on each of the Organization's major federal, state, and county programs for the year ended December 31, 2025. The Organization's major federal and state programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the Organization complied, in all material respects, with the 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, 2025.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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 the audit requirements prescribed by New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major program. Our audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Organization's federal and state programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and the New Jersey OMB's Circulars 15-08 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and the New Jersey OMB's Circulars 15-08, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal, state and county 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 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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

BKC, CPAs, PC

BKC, CPAS, PC

July 6, 2026
Flemington, New Jersey

YWCA OF EASTERN UNION COUNTY, INC.
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2025

Financial Statements

Type of auditors' report issued	*Unmodified*
Internal Control Over Financial Reporting:	
1. Were material weakness(es) identified?	___ Yes *X* No
2. Were significant deficiencies identified?	___ Yes *X* No
Noncompliance material to basic financial statements noted?	___ Yes *X* No
Federal Awards - N/A	
Internal Control Over Major Programs:	
1. Were material weakness(es) identified?	___ Yes ___ No
2. Were significant deficiencies identified?	___ Yes ___ No
What was the type of auditors' report issued on compliance for major programs?	*Unmodified*
Were any audit findings disclosed that are required to be reported in accordance with 2 CFR 200 Section .516(a)?	___ Yes ___ No

Identification of Major Programs:

Assistance Listing Number (ALN)	Name of Federal Program or Cluster

What was the dollar threshold used to distinguish between Type A and Type B programs?	
Did the auditee qualify as a low-risk auditee?	___ Yes ___ No

YWCA OF EASTERN UNION COUNTY, INC.
Schedule of Findings and Questioned Costs (continued)
For the Year Ended December 31, 2025

State Awards

What was the dollar threshold used to distinguish between Type A and Type B programs? *$1,000,000*

Did the auditee qualify as a low-risk auditee? *X* Yes ___ No

Internal Control Over Major Programs:
1. Were material weakness(es) identified? ___ Yes *X* No

2. Were there significant deficiencies identified that are not considered to be material weaknesses? ___ Yes *X* No

What was the type of auditors' report issued on compliance for major programs? *Unmodified*

Were any audit findings disclosed that are required to be reported in accordance with NJ OMB Circular Letter 15-08 as applicable? ___ Yes *X* No

Identification of Major Programs:

State Grant/Project Numbers	Name of State Program
26MW008	*DCP&P Shelter Support*
26MW0009	*DCP&P Shelter Support*
26MW0010	*DCP&P Shelter Support*
25MW0050	*DCP&P Shelter Support*