

CALVARY WOMEN'S SERVICES, INC.
FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT
SEPTEMBER 30, 2023 AND 2022

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CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditor's Report

To the Board of Directors
Calvary Women's Services, Inc.
Washington, DC

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Calvary Women's Services, Inc. (a nonprofit organization), which comprise the statements of financial position as of September 30, 2023 and 2022, and the related statements of activities, 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 Calvary Women's Services, Inc. as of September 30, 2023 and 2022, 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 audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Calvary Women's Services, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 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.

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

Auditor's 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 auditor's 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 Calvary Women's Services, 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 Calvary Women's Services, 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, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 schedule of expenditures of federal awards 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 April 1, 2024, on our consideration of Calvary Women's Services, 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 Calvary Women's Services, 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 Calvary Women's Services, Inc.'s internal control over financial reporting and compliance.

Emphasis of Matter

As discussed in Note B to the financial statements, during the year ended September 30, 2023, Calvary Women's Services, Inc. adopted new accounting guidance, Accounting Standards Update 2016-02, *Leases*, Topic 842, as amended. Our opinion is not modified with respect to this matter.



Washington, DC
April 1, 2024

CALVARY WOMEN'S SERVICES, INC.
STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 2023 AND 2022

	2023	2022
<u>ASSETS</u>		
CURRENT ASSETS		
Cash and cash equivalents	\$ 2,142,137	\$ 2,393,615
Accounts receivable	14,344	21,532
Pledges receivable	232,500	292,500
Federal grants receivable	249,913	703,955
State, local and other grants receivable	611,216	396,160
Prepaid expenses	31,137	49,530
Total Current Assets	3,281,247	3,857,292
OTHER ASSETS		
Property and equipment, net	6,295,388	6,326,928
Operating lease, right-of-use assets, net	764,848	-
Restricted cash and cash equivalents	7,425	5,052
Deposits	25,559	25,559
Total Other Assets	7,093,220	6,357,539
TOTAL ASSETS	\$ 10,374,467	\$ 10,214,831
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES		
Accounts payable	\$ 127,936	\$ 144,240
Accrued expenses	175,207	299,107
Client deposits	7,694	36,451
Loans payable, current portion	26,256	5,056
Operating lease liabilities, current portion	302,746	-
Total Current Liabilities	639,839	484,854
OTHER LIABILITIES		
Operating lease liabilities, net of current portion	480,043	-
Deferred rent	-	25,976
Loans payable, net of current portion	1,055,936	831,202
Total Other Liabilities	1,535,979	857,178
Total Liabilities	2,175,818	1,342,032
NET ASSETS		
Without donor restrictions	7,671,149	7,729,622
With donor restrictions	527,500	1,143,177
Total Net Assets	8,198,649	8,872,799
TOTAL LIABILITIES AND NET ASSETS	\$ 10,374,467	\$ 10,214,831

The accompanying notes are an integral part of these financial statements.

CALVARY WOMEN'S SERVICES, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT			
Individual, foundation and corporate grants and contributions	\$ 1,724,732	\$ 354,000	\$ 2,078,732
Federal grants - COVID-19	479,666	-	479,666
Federal entitlements and other federal funds	458,333	-	458,333
State and local government contributions and grants	1,522,898	-	1,522,898
In-kind services contributions	140,602	-	140,602
In-kind goods contributions	124,950	-	124,950
Investment income, net	2,464	-	2,464
Net assets released from restrictions	969,677	(969,677)	-
Total Revenue and Support	5,423,322	(615,677)	4,807,645
EXPENSES			
Program Services:			
Good Hope Transitional Housing	1,502,409	-	1,502,409
Reach Up	1,533,774	-	1,533,774
Sisters Rise	248,860	-	248,860
New Foundations	622,558	-	622,558
Sister Circle	186,368	-	186,368
Total Program Services	4,093,969	-	4,093,969
Support Services:			
Management and general	427,557	-	427,557
Fundraising	960,269	-	960,269
Total Support Services	1,387,826	-	1,387,826
Total Expenses	5,481,795	-	5,481,795
CHANGE IN NET ASSETS	(58,473)	(615,677)	(674,150)
NET ASSETS , beginning of year	7,729,622	1,143,177	8,872,799
NET ASSETS , end of year	\$ 7,671,149	\$ 527,500	\$ 8,198,649

The accompanying notes are an integral part of these financial statements.

CALVARY WOMEN'S SERVICES, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT			
Individual, foundation and corporate grants and contributions	\$ 1,631,283	\$ 1,571,678	\$ 3,202,961
Federal and local government contracts	3,602,999	-	3,602,999
Federal entitlements and other federal funds	464,719	-	464,719
State and local government contributions and grants	1,617,786	-	1,617,786
In-kind services contributions	269,333	-	269,333
In-kind goods contributions	95,310	-	95,310
Investment income, net	3,816	-	3,816
Other income	7,213	-	7,213
Net assets released from restrictions	759,041	(759,041)	-
Total Revenue and Support	<u>8,451,500</u>	<u>812,637</u>	<u>9,264,137</u>
EXPENSES			
Program Services:			
Good Hope Transitional Housing	1,660,149	-	1,660,149
Reach Up	1,402,195	-	1,402,195
Sisters Rise	422,752	-	422,752
New Foundations	204,520	-	204,520
Sister Circle	147,702	-	147,702
Total Program Services	<u>3,837,318</u>	<u>-</u>	<u>3,837,318</u>
Support Services:			
Management and general	389,465	-	389,465
Fundraising	720,309	-	720,309
Total Support Services	<u>1,109,774</u>	<u>-</u>	<u>1,109,774</u>
Total Expenses	<u>4,947,092</u>	<u>-</u>	<u>4,947,092</u>
CHANGE IN NET ASSETS	3,504,408	812,637	4,317,045
NET ASSETS , beginning of year	<u>4,225,214</u>	<u>330,540</u>	<u>4,555,754</u>
NET ASSETS , end of year	<u>\$ 7,729,622</u>	<u>\$ 1,143,177</u>	<u>\$ 8,872,799</u>

The accompanying notes are an integral part of these financial statements.

CALVARY WOMEN'S SERVICES, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED SEPTEMBER 30, 2023

	Program Services					Support Services			Total	
	Good Hope Transitional Housing	Reach Up	Sisters Rise	New Foundations	Sister Circle	Total Program Services	Management and General	Fundraising		Total Support Services
Personnel Costs:										
Salaries	\$ 770,781	\$ 694,293	\$ 151,218	\$ 333,337	\$ 121,425	\$ 2,071,054	\$ 162,459	\$ 451,485	\$ 613,944	\$ 2,684,998
Payroll taxes	5,626	5,152	1,219	2,296	936	15,229	995	2,990	3,985	19,214
Employee benefits	128,327	117,512	27,799	52,379	21,350	347,367	22,712	68,206	90,918	438,285
Total Personnel Costs	904,734	816,957	180,236	388,012	143,711	2,433,650	186,166	522,681	708,847	3,142,497
Building maintenance	52,367	27,433	260	9,131	207	89,398	-	-	-	89,398
Client necessities	30,938	121,219	30,504	62,379	5,691	250,731	9	-	9	250,740
Depreciation and amortization	105,690	28,052	1,946	60,048	1,946	197,682	3,479	8,374	11,853	209,535
Equipment maintenance	14,308	652	124	12,431	-	27,515	511	166	677	28,192
Events	-	-	-	-	-	-	-	248,952	248,952	248,952
In-kind food and clothing	54,231	37,667	-	2,052	-	93,950	-	-	-	93,950
In-kind professional services	16,902	8,991	1,962	21,175	1,572	50,602	90,000	-	90,000	140,602
Insurance	10,467	9,635	2,118	4,331	1,701	28,252	2,275	5,639	7,914	36,166
Interest	35,897	-	-	-	-	35,897	-	-	-	35,897
Job training	2,562	1,593	200	412	160	4,927	-	-	-	4,927
Miscellaneous	5,844	3,488	962	1,993	632	12,919	7,861	3,823	11,684	24,603
Postage and delivery	59	55	68	24	10	216	171	23,960	24,131	24,347
Printing and copying	-	-	-	-	-	-	1,868	40,638	42,506	42,506
Professional services	139,669	160,611	28,187	30,941	29,605	389,013	85,626	57,841	143,467	532,480
Rent	-	237,912	-	-	-	237,912	32,948	43,677	76,625	314,537
Staff development	12,277	6,641	1,625	9,367	1,081	30,991	7,141	3,267	10,408	41,399
Supplies	19,209	14,200	668	8,662	52	42,791	6,647	1,065	7,712	50,503
Telephone	14,497	12,482	-	1,616	-	28,595	492	186	678	29,273
Utilities	82,758	46,186	-	9,984	-	138,928	-	-	-	138,928
Volunteer search	-	-	-	-	-	-	2,363	-	2,363	2,363
Total Expense	<u>\$ 1,502,409</u>	<u>\$ 1,533,774</u>	<u>\$ 248,860</u>	<u>\$ 622,558</u>	<u>\$ 186,368</u>	<u>\$ 4,093,969</u>	<u>\$ 427,557</u>	<u>\$ 960,269</u>	<u>\$ 1,387,826</u>	<u>\$ 5,481,795</u>

The accompanying notes are an integral part of these financial statements.

CALVARY WOMEN'S SERVICES, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED SEPTEMBER 30, 2022

	Program Services					Support Services				Total
	Good Hope Transitional Housing	Reach Up	Sisters Rise	New Foundations	Sister Circle	Total Program Services	Management and General	Fundraising	Total Support Services	
Personnel Costs:										
Salaries	\$ 790,838	\$ 682,429	\$ 234,625	\$ 14,656	\$ 90,448	\$ 1,812,996	\$ 117,947	\$ 375,447	\$ 493,394	\$ 2,306,390
Payroll taxes	7,556	7,111	2,242	140	864	17,913	905	3,587	4,492	22,405
Employee benefits	122,055	114,861	36,211	2,262	13,960	289,349	14,628	57,945	72,573	361,922
Total Personnel Costs	920,449	804,401	273,078	17,058	105,272	2,120,258	133,480	436,979	570,459	2,690,717
Building maintenance	117,415	29,331	-	1,610	650	149,006	1,172	2,620	3,792	152,798
Client necessities	100,149	94,246	29,712	1,856	11,454	237,417	59,549	-	59,549	296,966
Depreciation and amortization	105,709	22,787	-	-	-	128,496	2,274	5,683	7,957	136,453
Equipment maintenance	18,584	5,938	13,680	47,616	195	86,013	6,531	1,022	7,553	93,566
Events	-	-	-	-	-	-	-	106,818	106,818	106,818
In-kind food and clothing	56,069	39,241	-	-	-	95,310	-	-	-	95,310
In-kind professional services	53,468	36,159	12,432	134,149	4,792	241,000	19,266	9,067	28,333	269,333
Insurance	9,839	8,490	2,919	-	1,125	22,373	1,651	4,671	6,322	28,695
Interest	33,772	-	-	-	-	33,772	-	2,542	2,542	36,314
Job training	4,767	151	23	-	-	4,941	-	-	-	4,941
Miscellaneous	6,509	961	1,609	172	399	9,650	13,092	3,889	16,981	26,631
Postage and delivery	23	33	88	-	3	147	130	14,947	15,077	15,224
Printing and copying	1,685	-	-	-	-	1,685	768	26,006	26,774	28,459
Professional services	123,851	63,144	83,329	-	22,887	293,211	97,516	99,240	196,756	489,967
Rent	-	233,628	-	-	-	233,628	36,949	-	36,949	270,577
Staff development	9,222	3,425	883	-	340	13,870	2,853	2,606	5,459	19,329
Supplies	26,614	19,620	2,031	235	342	48,842	10,695	1,796	12,491	61,333
Telephone	11,013	8,940	2,968	-	243	23,164	507	1,039	1,546	24,710
Utilities	61,011	31,700	-	1,824	-	94,535	554	1,384	1,938	96,473
Volunteer search	-	-	-	-	-	-	2,478	-	2,478	2,478
Total Expense	<u>\$ 1,660,149</u>	<u>\$ 1,402,195</u>	<u>\$ 422,752</u>	<u>\$ 204,520</u>	<u>\$ 147,702</u>	<u>\$ 3,837,318</u>	<u>\$ 389,465</u>	<u>\$ 720,309</u>	<u>\$ 1,109,774</u>	<u>\$ 4,947,092</u>

The accompanying notes are an integral part of these financial statements.

CALVARY WOMEN'S SERVICES, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED SEPTEMBER 30, 2023 AND 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (674,150)	\$ 4,317,045
Adjustments to reconcile changes in net assets to net cash		
Provided by (Used for) operating activities:		
Receipt of contributed securities	(14,861)	(17,338)
Depreciation and amortization	209,535	136,453
Operating lease, right-of-use assets	(1,044,974)	-
Amortization of operating lease, right-of-use assets	280,126	-
Operating lease obligations	1,070,948	-
Net depreciation in fair value of investments	(97)	(1,297)
(Increase) decrease in:		
Accounts receivable	7,188	(8,323)
Pledges receivable	60,000	(200,000)
Federal grants receivable	454,042	(182,034)
State, local and other grants receivable	(215,056)	(335,917)
Prepaid expenses	18,393	(9,043)
Deposits	-	(6,250)
Increase (decrease) in:		
Accounts payable	(16,304)	57,024
Accrued expenses	(123,900)	227,756
Client deposits	(28,757)	(5,586)
Deferred revenue	-	31,111
Operating lease liabilities	(288,159)	-
Deferred rent	(25,976)	2,827
Net Cash Provided by (Used for) Operating Activities	(332,002)	4,006,428
 CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of contributed securities	14,958	45,159
Purchases of property and equipment	(177,995)	(3,725,430)
Net Cash Provided by (Used for) Investing Activities	(163,037)	(3,680,271)
 CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on loans payable	(3,409)	(4,319)
Proceeds from loans payable	249,343	-
Net Cash Provided by (Used for) Financing Activities	245,934	(4,319)
 NET CHANGE IN CASH AND CASH EQUIVALENTS, AND RESTRICTED CASH	(249,105)	321,838
 CASH AND CASH EQUIVALENTS, AND RESTRICTED CASH, beginning of year	2,398,667	2,076,829
 CASH AND CASH EQUIVALENTS, AND RESTRICTED CASH, end of year	\$ 2,149,562	\$ 2,398,667
 SUPPLEMENTARY DISCLOSURE		
Cash paid for interest	\$ 35,897	\$ 36,314
 Cash and cash equivalents	\$ 2,142,137	\$ 2,393,615
Restricted cash and cash equivalents	7,425	5,052
Total Cash and Cash Equivalents, and Restricted Cash and Cash Equivalents	\$ 2,149,562	\$ 2,398,667

The accompanying notes are an integral part of these financial statements.

CALVARY WOMEN'S SERVICES, INC.
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022

NOTE A – ORGANIZATION AND NATURE OF ACTIVITIES

Organization

Calvary Women's Services, Inc. (“Calvary”) was incorporated in September 1983, as a District of Columbia not-for-profit corporation, to provide short-term and long-term housing and support services for women experiencing homelessness in Washington, D.C. The support services include personalized case management, life skills and education opportunities, job search and placement, and health and wellness services. Calvary is committed to providing these services in Wards 7 and 8 neighborhoods with the highest poverty rates in the District of Columbia.

Calvary’s housing programs include:

- Good Hope Transitional Housing offers transitional housing and comprehensive services that empower women to end their homelessness. With support, women improve their health, maintain recovery from addiction, address histories of trauma, secure income, and move into permanent housing.
- Reach Up offers transitional and short-term subsidized housing for women experiencing homelessness and with experiences of violence and trauma. Through case management and other support services, the housing program empowers women to achieve their goals for safe housing, good health, and financial independence.
- Sisters Rise is a housing program offering scattered-site permanent housing and support services to women who are domestic violence survivors.
- New Foundations provides traditional housing and comprehensive support services to women who are experiencing homelessness as a result of domestic violence.
- Sister Circle is a permanent supportive housing program for women. Women have access to case management and other support services they need to ensure long-term stability in their housing. Sister Circle also provides a community of peer support.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

Calvary prepares its financial statements on the accrual method of accounting. Therefore, revenue and related assets are recognized when earned and expenses and related liabilities are recognized when the related obligations are incurred.

Adoption of New Accounting Pronouncement

In February 2016, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2016-02, *Leases* (Topic 842), as amended. FASB Accounting Standards Codification (“ASC”) 842 supersedes the lease requirements in FASB ASC 840.

CALVARY WOMEN'S SERVICES, INC.
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022
(continued)

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Adoption of New Accounting Pronouncement (continued)

This guidance is intended to improve financial reporting of leasing transactions by requiring organizations that lease assets to recognize assets and liabilities for the rights and obligations created by leases that extend more than twelve months. Key provisions in this guidance include additional disclosures surrounding the amount, timing, and uncertainty of cash flows arising from leases.

Calvary adopted FASB ASC Topic 842, with an initial application of October 1, 2022, by applying the modified retrospective transition approach and using the additional (and optional) transition method provided by ASU No. 2018-11, *Leases (Topic 842): Targeted Improvements*. Calvary did not restate prior comparative periods as presented under ASC Topic 842, and instead evaluated whether a cumulative effect adjustment to net assets as of October 1, 2022, was necessary for the adoption of FASB ASC Topic 842, of which there was none. As of October 1, 2022, Calvary recognized (a) operating lease liabilities, totaling \$1,070,948, which represents the present value of the remaining lease payments of \$1,153,950, discounted using the practical expedient risk-free rate of 2.88%, and (b) operating lease, right-of use assets, totaling \$1,044,974.

As part of the transition, Calvary implemented new controls and key system functionality to enable the preparation of financial information at the time of the adoption of ASC Topic 842, and elected to apply the following practical expedients:

- a) No reassessment of whether any expired or existing contracts contain a lease.
- b) No reassessment of initial direct costs for any existing leases as of the effective date.
- c) In calculating the right-of-use assets and lease liability, Calvary has elected to combine lease and non-lease components.
- d) As an accounting policy, Calvary has elected to apply the short-term lease exception to all leases having initial terms of 12 months or less, and recognize occupancy expense on a straight-line basis over the lease term.
- e) As an accounting policy, Calvary has also elected to use a risk-free rate as the discount rate for all of its leases.

Financial Statement Presentation

Financial statement presentation follows Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 958: *Not-for-Profit Entities*.

In accordance with the topic, Calvary is required to report information regarding its financial position and activities according to two classes of net assets. Accordingly, the net assets of Calvary and changes therein, are classified and reported as follows:

CALVARY WOMEN'S SERVICES, INC.
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022
(continued)

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Financial Statement Presentation (continued)

Net Assets without Donor Restrictions – Net assets not subject to donor-imposed restrictions or stipulations.

Net Assets with Donor Restrictions – Net assets subject to donor-imposed stipulations that may or will be met by either actions of Calvary and/or the passage of time, or that must be maintained in perpetuity by Calvary. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the statement of activities as net assets released from restrictions.

Cash and Cash Equivalents

For financial statement purposes, Calvary considers all money market accounts and highly liquid investments purchased with original maturities of three months or less to be cash equivalents.

Restricted Cash and Cash Equivalents

Calvary maintains a separate cash account for cash held on behalf of its clients. These funds are held exclusively for the clients' benefit and are not available to pay Calvary's expenses. Deposits and withdrawals are made at the discretion of each participating client. These amounts are reflected as restricted cash and client deposits in the statement of financial position.

Investments

Investments in equities are reported at fair value, which is based on observable quoted market prices. Interest income is recognized on an accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation (depreciation) in fair value of investments includes the gains and losses on investments bought and sold as well as held during the year.

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from balances outstanding at year end for services rendered and/or refunds owed to Calvary. Annually, management determines if an allowance for doubtful accounts is necessary based upon an ongoing review of outstanding receivables, historical collection information, and existing economic conditions. Accounts deemed uncollectible are charged off based on specific circumstances of the parties involved.

Management believes that all remaining receivables are fully collectible in the next twelve months, and therefore, no provision for allowance for doubtful accounts was deemed necessary. As of the beginning of the year ended September 30, 2022, accounts receivable was \$13,209.

CALVARY WOMEN'S SERVICES, INC.
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022
(continued)

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Pledges Receivable

Pledges receivable are stated at the amount management expects to collect from balances outstanding at year end. Annually, management determines if an allowance for doubtful accounts is necessary based upon a review of current receivables and historical collectability. Accounts deemed uncollectible are charged off based on specific circumstances of the parties involved. As of September 30, 2023, management has determined that all significant receivables are collectible within one year or less; therefore an allowance for doubtful accounts has not been established. As of the beginning of the year ended September 30, 2022, pledges receivable totaled \$92,500.

Federal, State, Local and Other Grants Receivable

Federal, state, and local grants receivable primarily consist of amounts due from the District of Columbia Office of Victim Services and Justice Grants, and from The Community Partnership, for federal, state, and local grant programs, whose ability to pay are subject to appropriations. Other grants receivable consists of amounts due from private foundations. Receivables are stated at the amount management expects to collect from outstanding balances. Due to the nature of funding from the federal government and the District of Columbia, management believes that all receivables will be collected within one year or less. Therefore, no allowance for doubtful accounts has been recorded for the Calvary's grants and accounts receivable. As of the beginning of the year ended September 30, 2022, federal, state, local, and other grants receivable and accounts receivable totaled \$582,164.

Property and Equipment

Property and equipment with a cost of \$1,000 or more and a useful life of greater than one year, are capitalized and stated at cost. Expenditures for ordinary maintenance and repair items are charged to operations as incurred. Depreciation is computed using the straight-line method calculated to depreciate the cost of the applicable assets over their estimated useful lives.

The following is the estimated useful lives of property and equipment:

Computers and website	3 years
Furniture and Equipment	7 years
Leasehold improvements	5-39 years
Building	39 years

CALVARY WOMEN'S SERVICES, INC.
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022
(continued)

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Right-of-Use (“ROU”) Assets (Operating Lease)

Right-of-Use (“ROU”) assets are measured at the commencement date at the amount of the initially measured liability plus any lease payments made to the lessor before or after the commencement date, minus any lease incentives received, plus any initial direct costs. Unless impaired, ROU assets are subsequently measured throughout the lease term at the amount of the lease liability (that is the present value of the remaining lease payments), plus unamortized initial direct costs, and the addition or subtraction of any prepaid lease payments (accrued lease payments, less the unamortized balance of lease incentives received). Operating lease payments are recognized on a straight-line basis over the lease term.

Operating Lease Liability

Calvary accounts for leases in accordance with FASB ASC Topic 842. Calvary is a lessee in operating leases for building space and equipment. Lease liabilities are increased by interest and reduced by payments each period, and the right-of-use assets are amortized over the lease term. For operating leases, interest on the lease liability and the amortization of the right-of-use asset result in straight-line occupancy expense over the lease term. Short-term leases having initial terms of 12 months or less are recognized when incurred. Variable lease expenses, if any, are recognized when incurred.

A lease liability is measured based on the present value of its future lease payments. Variable payments are included in the future lease payments when those variable payments depend on an index or rate and are measured using the index or rate at the commencement date. Lease payments, including variable payments made based on an index rate, are remeasured when any of the following occur: (1) the lease is modified (and the modification is not accounted for as a separate contract), (2) certain contingencies related to variable lease payments are resolved, or (3) there is a reassessment of any of the following the lease term, purchase options or amounts that are probable of being owed under a residual value guarantee. The discount rate is the rate implicit in the lease if it is readily determinable. The implicit rate of Calvary’s lease was not readily determinable, therefore, Calvary has elected to use the risk-free rate where applicable as of October 1, 2022.

Deferred Rent

Under generally accepted accounting principles, all fixed rental payment increases were recognized on a straight-line basis over the term of the lease. Before the adoption of ASC Topic 842, the difference between rent expense from this source and the required lease payments was reflected as deferred rent liability in the accompanying statements of financial position.

CALVARY WOMEN'S SERVICES, INC.
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022
(continued)

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Revenue Recognition

Contributions received and unconditional promises to give are measured at their fair values and are reported as an increase in net assets. Calvary reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods. 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 statement of activities as net assets released from restrictions.

Calvary receives funding under grants from the U.S. and D.C. Governments, and other grantors for direct and indirect program costs. This funding is subject to conditions, which must be met through incurring qualifying expenses for specific programs. Accordingly, such grants are considered conditional promises to give and are recorded as support without donor restrictions to the extent that related expenses are incurred in compliance with the criteria stipulated in the grant agreements. Calvary recognizes revenue when the conditions on which they depend are substantially met. Funding received in advance for services to be rendered will be treated as a refundable advance upon receipt of the funding and are reported as deferred revenue in the statements of financial position. Calvary received conditional promises to give of \$941,002 as of September 30, 2023, that are expected to be fulfilled by the fiscal year ending September 30, 2024.

In-Kind Services and Goods Contributions

In-Kind services contributions are recognized as revenue if the services create or enhance non-financial assets or require specialized skills that would typically need to be purchased if not provided. These services are recorded at fair value of the services provided. Contributed goods represent the value of donated goods, equipment, facilities, and meals and are recorded as contributions at their estimated fair market value as of the date of the donation. In-kind goods contributions totaled \$124,950 and \$95,310 for the years ended September 30, 2023 and 2022, respectively. In-kind services contributions totaled \$140,602 and \$269,333 for the years ended September 30, 2023 and 2022, respectively.

Donated goods were allocated to the Good Hope Transitional Housing, Reach Up and New Foundations programs, while donated services were allocated to the Good Hope Transitional Housing, New Foundations, Sister Circle, Sisters Rise, Reach Up programs, and general / administration.

Unless otherwise noted, in-kind services and good contributions did not have any donor-imposed restrictions.

CALVARY WOMEN'S SERVICES, INC.
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022
(continued)

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Method Used for Allocation of Expenses

The financial statements report certain categories of expenses that are attributable to one or more program or support function as management and general activities. Expenses of this nature are allocated on a reasonable basis that is consistently applied. Allocated expenses include rent and depreciation and amortization, salaries, employee benefits, payroll taxes, professional services, office expenses, information technology, interest, and insurance, which are allocated based on time and effort expended.

Use of Estimates

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

NOTE C – INCOME TAXES

Calvary is recognized as exempt from federal income tax, except on unrelated business activities, under the provisions of Section 501(c)(3) of the Internal Revenue Code.

Calvary believes that it has appropriate support for any tax provisions taken, and as such, does not have any uncertain tax provisions that are material to the financial statements or that would have an effect on its tax-exempt status. There are no unrecognized tax benefits or liabilities that need to be recorded.

Calvary's information returns are subject to examination by the Internal Revenue Service for a period of three years from the date they were filed, except under certain circumstances. Calvary's information returns for the years ended September 30, 2020 through 2022 are open for a tax examination by the Internal Revenue Service, although no request has been made as of the date of these financial statements.

NOTE D – AVAILABLE RESOURCES AND LIQUIDITY

Calvary's primary sources of revenue are grants and contributions and federal and local government contracts. Calvary regularly monitors liquidity required to meet its operating needs and other contractual commitments. Calvary strives to maintain liquid financial assets sufficient to cover one year of general expenditures.

In addition to financial assets available to meet general expenditures over the next 12 months, Calvary pursues operating on a balanced budget and anticipates collecting sufficient revenue to cover general expenditures. Timing of revenue receipt also ensures the availability of necessary operational funds.

CALVARY WOMEN'S SERVICES, INC.
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022
(continued)

NOTE D – AVAILABLE RESOURCES AND LIQUIDITY - continued

The following table reflects Calvary’s financial assets as of September 30, 2023 and 2022, reduced by amounts that are not available to meet general expenditures within one year because of contractual restrictions.

	2023	2022
Cash and cash equivalents	\$ 2,142,137	\$ 2,393,615
Accounts receivable	14,344	21,532
Pledges receivable	232,500	292,500
Federal grants receivable	249,913	703,955
State, local and other grants receivable	611,216	396,160
Total Financial Assets	3,250,110	3,807,762
Less: Net Assets with Donor Restrictions	(527,500)	(1,143,177)
Total Financial Assets Available to Meet Cash Needs for General Expenditures within One Year	\$ 2,722,610	\$ 2,664,585

NOTE E – INVESTMENTS AND FAIR VALUE MEASUREMENTS

FASB ASC Topic 820, *Fair Value Measurement*, provides the 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 the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priorities to unobservable inputs (level 3 measurements).

The three levels of the fair value hierarchy are described as follows:

Level 1 Inputs are based on unadjusted quoted prices for identical assets traded in active markets that the organization has the ability to access.

Level 2 Inputs to the valuation methodology include a) quoted prices for similar assets or liabilities in active markets; b) quoted prices for identical or similar assets or liabilities in inactive markets; c) inputs other than quoted prices that are observable for the asset or liability; and d) inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specific (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

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

CALVARY WOMEN'S SERVICES, INC.
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022
(continued)

NOTE E – INVESTMENTS AND FAIR VALUE MEASUREMENTS - continued

The asset 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 investments in equities are valued using level 1 inputs since they are based on observable market prices.

The preceding method described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although Calvary's management believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. For the years ended September 30, 2023 and 2022, Calvary received donated stock totaling \$14,861 and \$17,338, respectively. Calvary did not hold any investments as of September 30, 2023 and 2022.

NOTE F – PROPERTY AND EQUIPMENT

Property and equipment consists of the following as of September 30:

	2023	2022
Land	\$ 1,207,980	\$ 1,207,980
Building	3,385,293	3,274,451
Building improvements	2,526,466	2,494,170
Furniture and equipment	200,648	178,364
Leasehold improvements	83,367	83,367
Computers and website	119,855	107,283
Total	7,523,609	7,345,615
Less: accumulated depreciation and amortization	(1,228,221)	(1,018,687)
Property and Equipment, net	\$ 6,295,388	\$ 6,326,928

Depreciation and amortization expense for the years ended September 30, 2023 and 2022 totaled \$209,535 and \$136,453, respectively.

NOTE G – LOAN PAYABLE

On April 6, 2012, Calvary secured a mortgage loan with United Bank for \$1,500,000, with a fixed interest rate equal to the greater of the midrange of the five-year swap equivalent of the 30-day LIBOR plus 3 percent, or 4.5 percent.

CALVARY WOMEN'S SERVICES, INC.
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022
(continued)

NOTE G – LOAN PAYABLE - continued

Beginning in the seventh year of the loan, or 2019, through the loan’s maturity, the note will bear interest at a fixed annual rate equal to the greater of the midrange of the five-year swap equivalent of the 30-day LIBOR plus 3 percent, or 4.5 percent. As of September 30, 2023, the effective interest rate was 5.71%.

On December 8, 2021, Calvary refinanced this mortgage loan with United Bank, for a more favorable interest rate of 3.85% and a new maturity date of December 8, 2031. Monthly interest and principal payments, which are calculated based on a 25 year amortization period, are \$5,678. On the maturity date, Calvary is scheduled to repay the remaining loan balance along with any accrued interest in a balloon payment. The note is secured by a first lien Deed of Trust on the property, an assignment of leases and rents on the property, in addition to all owned assets. Calvary is required to maintain certain operating and reporting covenants.

During June 2023, Calvary drew additional funding totaling \$249,343 from its mortgage loan with United Bank.

Annual maturities are as follows for the years ending September 30:

2024	\$	26,256
2025		27,416
2026		28,506
2027		29,639
2028		30,712
2029 and thereafter		939,663
Total		\$ 1,082,192

The mortgage balance as of September 30, 2023 and 2022, totaled \$1,082,192 and \$836,258, respectively. The mortgage interest expense for the years ended September 30, 2023 and 2022, totaled \$35,897 and \$36,314, respectively.

NOTE H – LINE OF CREDIT

On January 7, 2022, Calvary signed an agreement to renew a line of credit with a bank that increased the previous credit limit of \$100,000 to \$400,000. The interest rate on the line of credit is the prime rate plus 1% with a floor of 4.25%.

The line of credit is secured by all of Calvary’s assets, excluding restricted cash. The line of credit was set to expire on January 7, 2024. On January 5, 2024, Calvary entered into an agreement to extend the maturity date to April 7, 2024. As of September 30, 2023 and 2022, there were no amounts outstanding on the line of credit.

CALVARY WOMEN'S SERVICES, INC.
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022
(continued)

NOTE I – LEASES

As disclosed in Note B, Calvary adopted FASB ASC Topic 842. Calvary has two operating leases for building space and an operating lease for copier equipment, as referenced below. For the year ended September 30, 2023, the operating leases are included in other assets, and current and long-term liabilities in the statements of financial position.

On October 1, 2019, Calvary entered into a seven-year lease agreement for building space in order to expand program services. The terms of the lease include a rent abatement of \$19,469 and a \$19,309 security deposit.

On April 1, 2022, Calvary entered into an agreement to lease building space through September 30, 2024.

On April 30, 2021, Calvary entered into an agreement to lease copiers for the period May 1, 2021 through July 30, 2026.

The balance of the ROU operating assets as of October 1, 2022 are as follows:

Operating lease, ROU assets	\$	1,044,974
Amortization of operating lease, ROU assets		-
Total Operating Lease, ROU Assets, Net	\$	<u>1,044,974</u>

The balance of the ROU operating assets as of September 30, 2023 are as follows:

Operating lease, ROU assets	\$	1,044,974
Amortization of operating lease, ROU assets		<u>(280,126)</u>
Total Operating Lease, ROU Assets, Net	\$	<u>764,848</u>

The following is a schedule of future maturities of the operating leases for the years ending September 30:

2024	\$	328,447
2025		250,038
2026		<u>249,300</u>
Total lease payments		827,785
Less: interest		<u>(44,996)</u>
Present Value of Lease Liabilities	\$	<u>782,789</u>

CALVARY WOMEN'S SERVICES, INC.
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022
(continued)

NOTE I – LEASES - continued

Rent expense in connection with the aforementioned leases for the years ended September 30, 2023 and 2022, totaled \$314,537 and \$270,577, respectively.

The weighted average remaining lease term was 3.80 years and the average discount rate was 4.21%.

NOTE J – RETIREMENT PLAN

The Calvary Women's Services 403(b) Trust (the "Plan") was adopted to help employees save for retirement. All employees are eligible to participate in the Plan if they are full-time and have completed six months of service or if they are part-time (work less than 1,000 hours per year) and have completed one year of service. Employees of Calvary eligible to participate in the Plan can defer up to the legal limits allowed by the Internal Revenue Code. Retirement expenses for the years ended September 30, 2023 and 2022, totaled \$24,832 and \$5,886, respectively.

NOTE K – IN-KIND CONTRIBUTIONS AND DONATED FACILITIES

Calvary's policy related to in-kind contributions is to utilize the assets given to carry out its organizational mission. If an asset is provided that does not allow Calvary to utilize it in its normal course of operations, the asset will be sold at its fair market value as determined by appraisal or specialist depending on the type of asset.

Calvary was provided legal services, program services, and project management services at no cost in connection to multiple programs, employment law matters, and policy related matters. Based on current market rates for legal services and project management services, Calvary would have paid \$140,602 and \$269,333, respectively, for the years ended September 30, 2023 and 2022, respectively.

Calvary received donated supplies and meals with an estimated fair market value of \$93,950 and \$95,310 for the years ended September 30, 2023 and 2022, respectively. The supplies and meals were provided to individuals in need enrolled in Calvary's housing programs.

Calvary completed its building purchase to operate its New Foundations program space during the year ended September 30, 2022, and the program started operations during the year ended September 30, 2023. As a part of running the New Foundations program out of the building, Calvary received donated furniture and equipment totaling \$31,000 and \$0 for the years ended September 30, 2023 and 2022, respectively.

All gifts-in-kind received by Calvary for the years ended September 30, 2023 and 2022 were considered without donor restrictions and able to be used by Calvary as determined by the board of directors and management.

CALVARY WOMEN'S SERVICES, INC.
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023 AND 2022
(continued)

NOTE L – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions were restricted for the following as of September 30:

	2023	2022
Purpose restricted:		
Building repairs	\$ 145,000	\$ 50,000
Housing expansion	-	436,722
Program support	-	192,832
New foundations	-	7,500
Job training	-	10,000
Life skills training	-	6,123
Total purpose restricted	145,000	703,177
Time restricted	382,500	440,000
Total	\$ 527,500	\$ 1,143,177

NOTE M – CONCENTRATION OF CREDIT RISK

Calvary maintains its cash and cash equivalents in bank accounts that, at times, may exceed federally insured limits. Calvary has not experienced any losses in such accounts and believes it is not exposed to any significant risk of loss on cash and cash equivalents.

NOTE N – SUBSEQUENT EVENTS

In preparing these financial statements, Calvary's management has evaluated events and transactions for potential recognition or disclosure through April 1, 2024, the date the financial statements were available to be issued. Subsequent to the date of the audit report, on January 18, 2024, a gas explosion occurred next to Calvary's Good Hope transitional housing site. Calvary's building suffered substantial water and smoke damage, disrupting operations and displacing women receiving services through Calvary's transitional housing program. Management is in the process of assessing the financial impact and insurance claims related to the damages. The financial statements as of September 30, 2023 do not reflect any adjustments related to this event. There were no additional events or transactions that were discovered during the evaluation that required further recognition or disclosure.

**REPORTS AND SCHEDULES
REQUIRED BY THE UNIFORM GUIDANCE**



**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***

To the Board of Directors
Calvary Women's Services, Inc.
Washington, DC

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 Calvary Women's Services, Inc. (a nonprofit organization), which comprise the statement of financial position as of September 30, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated April 1, 2024.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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



Washington, DC
April 1, 2024



CERTIFIED PUBLIC ACCOUNTANTS

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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

To the Board of Directors
Calvary Women's Services, Inc.
Washington, DC

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Calvary Women's Services, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Calvary Women's Services, Inc.'s major federal programs for the year ended September 30, 2023. Calvary Women's Services, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Calvary Women's Services, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2023.

Basis for Opinion on Each Major Federal 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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

Auditor's 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 Calvary Women's Services, Inc.'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*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for 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 Calvary Women's Services, Inc.'s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, 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 Calvary Women's Services, Inc.'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 Calvary Women's Services, Inc.'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, but not for the purpose of expressing an opinion on the effectiveness of Calvary Women's Services, Inc.'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 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 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 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 Auditor's 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. Accordingly, this report is not suitable for any other purpose.



Washington, DC
April 1, 2024

CALVARY WOMEN'S SERVICES, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED SEPTEMBER 30, 2023

Federal Grantor/Pass-through Grantor/ Program or Cluster Title	Assistance Listing Number	Grant Identification Number	Total Federal Expenditures
U.S. Department of the Treasury			
Pass-through from District of Columbia Office of Victim Services and Justice Grants (OVSJG)			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027		\$ 440,677
Total U.S. Department of the Treasury			<u>440,677</u>
U.S. Department of Housing and Urban Development			
Pass-through from The Community Partnership (TCP)			
Supportive Housing Program	14.235		390,649
Total U.S. Department of Housing and Urban Development			<u>390,649</u>
U.S. Department of Homeland Security			
Pass-through from Federal Emergency Management Agency (FEMA)			
DC Local Board of the Emergency Food and Shelter Program (EFSP)	97.024		67,684
Total U.S. Department of Homeland Security			<u>67,684</u>
U.S. Department of Agriculture			
Pass-through from District of Columbia Department of Human Services (DHS)			
COVID-19 Supplemental Nutrition Assistance Program (SNAP) Employment and Training (E&T) Data and Technical Assistance Grants	10.561	SNAP E&T-23-001	38,989
Total U.S. Department of Agriculture			<u>38,989</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 937,999</u>

See accompanying notes to the Schedule of Expenditures of Federal Awards.

CALVARY WOMEN'S SERVICES, INC.
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2023

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) includes the federal grant activity of Calvary Women's Services, Inc. under programs of the federal government for the year ended September 30, 2023. The information in the Schedule is presented in accordance with the requirements of the Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Calvary Women's Services, Inc., it is not intended and does not present the financial position, changes in net assets, or cash flows of Calvary Women's Services, Inc.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported in the Schedule 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 expenses are not allowable or are limited as to reimbursement.

NOTE C – INDIRECT COST RATE

Calvary Women's Services, Inc. has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

**CALVARY WOMEN'S SERVICES, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued on the financial statements	Unmodified
Internal control over financial reporting: Material weaknesses identified?	No
Significant deficiencies identified that are not considered to be material weaknesses?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Type of auditor's report issued on compliance for major programs:	Unmodified
Internal control over major programs: Material weaknesses identified?	No
Significant deficiencies identified that are not considered to be material weaknesses?	None reported
Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)?	No

Major Programs:

Name of Federal Programs or Clusters:	COVID-19 Coronavirus State and Local Fiscal Recovery Funds
Assistance Listing Numbers:	21.027
Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
Auditee qualified as low-risk auditee?	No

**CALVARY WOMEN'S SERVICES, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

**SECTION II – FINDINGS RELATED TO FINANCIAL STATEMENTS REPORTED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

None

**SECTION III – FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL
AWARDS**

None

SECTION IV – SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

None