

**The Rowan Center, Inc.**

Financial Statements

June 30, 2024 and 2023

## **Independent Auditors' Report**

**The Board of Directors**  
**The Rowan Center, Inc.**

### **Opinion**

We have audited the accompanying financial statements of The Rowan Center, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2024 and 2023, 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 referred to above present fairly, in all material respects, the financial position of The Rowan Center, Inc. as of June 30, 2024 and 2023, 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. 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 The Rowan Center, 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 opinion.

### **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, that raise substantial doubt about The Rowan Center, 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 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, 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 The Rowan Center, 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 The Rowan Center, 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.

*PKF O'Connor Davies, LLP*  
Stamford, Connecticut  
February 3, 2025

**The Rowan Center, Inc.**

Statements of Financial Position

	June 30,	
	2024	2023
<b>ASSETS</b>		
Cash and cash equivalents	\$ 439,246	\$ 679,890
Grants and contributions receivable	159,914	115,650
Prepaid expenses and other assets	32,787	22,986
Cash equivalents held for endowment	25,000	25,000
Property and equipment, net	5,792	9,373
Operating lease right-of-use assets	287,998	336,854
	<u>\$ 950,737</u>	<u>\$ 1,189,753</u>
 <b>LIABILITIES AND NET ASSETS</b>		
Liabilities		
Accounts payable and accrued liabilities	\$ 47,871	\$ 26,050
Operating lease liabilities	316,103	364,977
Total Liabilities	<u>363,974</u>	<u>391,027</u>
 Net Assets		
Without donor restrictions		
Undesignated	295,817	397,280
Board designated reserve	200,000	200,000
With donor restrictions	90,946	201,446
	<u>586,763</u>	<u>798,726</u>
 Total Net Assets	<u>\$ 950,737</u>	<u>\$ 1,189,753</u>

See notes to financial statements

**The Rowan Center, Inc.**

Statements of Activities

	Year Ended June 30, 2024			Year Ended June 30, 2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>PUBLIC SUPPORT AND REVENUE</b>						
Connecticut Alliance to End Sexual Violence grant	\$ 803,358	\$ -	\$ 803,358	\$ 803,623	\$ -	\$ 803,623
United Way grant	19,384	-	19,384	18,781	-	18,781
Other grants and contributions	138,113	65,000	203,113	219,097	175,500	394,597
Special events, net of direct donor benefit expenses of \$24,296 and \$44,967	147,076	-	147,076	170,257	-	170,257
Individual contributions	95,629	-	95,629	69,694	-	69,694
Other income	10,579	-	10,579	4,294	-	4,294
Net assets released from restriction	175,500	(175,500)	-	23,000	(23,000)	-
 Total Public Support and Revenue	 1,389,639	 (110,500)	 1,279,139	 1,308,746	 152,500	 1,461,246
 <b>EXPENSES</b>						
Program services	1,119,048	-	1,119,048	945,790	-	945,790
Management and general	198,749	-	198,749	174,994	-	174,994
Fundraising	173,305	-	173,305	154,165	-	154,165
 Total Expenses	 1,491,102	 -	 1,491,102	 1,274,949	 -	 1,274,949
 Change in Net Assets	 (101,463)	 (110,500)	 (211,963)	 33,797	 152,500	 186,297
 <b>NET ASSETS</b>						
Beginning of year	597,280	201,446	798,726	563,483	48,946	612,429
End of year	\$ 495,817	\$ 90,946	\$ 586,763	\$ 597,280	\$ 201,446	\$ 798,726

See notes to financial statements

**The Rowan Center, Inc.**

Statements of Functional Expenses

	Year Ended June 30, 2024					Year Ended June 30, 2023				
	Supporting Services				Direct Donor Benefit	Supporting Services				Direct Donor Benefit
	Program Services	Management and General	Fundraising	Total		Program Services	Management and General	Fundraising	Total	
<b>EXPENSES</b>										
Salaries and wages	\$ 832,268	\$ 93,453	\$ 144,609	\$ -	\$ 1,070,330	\$ 701,666	\$ 94,275	\$ 129,179	\$ -	\$ 925,120
Payroll taxes	72,110	8,097	12,529	-	92,736	55,641	7,476	10,244	-	73,361
Employee benefits	55,452	6,227	9,635	-	71,314	55,671	7,480	10,249	-	73,400
Event venue and supplies	-	-	-	24,296	24,296	-	-	-	44,967	44,967
Occupancy	57,479	6,341	3,273	-	67,093	59,045	6,514	3,363	-	68,922
Travel	4,599	-	-	-	4,599	4,610	-	-	-	4,610
Office expense	17,187	7,121	64	-	24,372	14,484	5,822	100	-	20,406
Internet access and website	7,907	3,389	-	-	11,296	9,894	4,240	-	-	14,134
Printing, postage and publication	495	495	2,967	-	3,957	145	145	870	-	1,160
Professional fees	52,615	59,595	-	-	112,210	27,982	36,796	-	-	64,778
Insurance	5,802	8,350	-	-	14,152	4,676	6,730	-	-	11,406
Telephone	4,001	441	228	-	4,670	2,816	311	160	-	3,287
Rental, repair and maintenance	3,872	1,659	-	-	5,531	4,318	1,851	-	-	6,169
Staff training and education	5,261	-	-	-	5,261	4,842	-	-	-	4,842
Depreciation expense	-	3,581	-	-	3,581	-	3,354	-	-	3,354
 Total Expenses Before Direct Donor Benefits	 1,119,048	 198,749	 173,305	 24,296	 1,515,398	 945,790	 174,994	 154,165	 44,967	 1,319,916
 Direct donor benefits	 -	 -	 -	 (24,296)	 (24,296)	 -	 -	 -	 (44,967)	 (44,967)
 Total Expenses	 <u>\$ 1,119,048</u>	 <u>\$ 198,749</u>	 <u>\$ 173,305</u>	 <u>\$ -</u>	 <u>\$ 1,491,102</u>	 <u>\$ 945,790</u>	 <u>\$ 174,994</u>	 <u>\$ 154,165</u>	 <u>\$ -</u>	 <u>\$ 1,274,949</u>

See notes to financial statements

**The Rowan Center, Inc.**

Statements of Cash Flows

	Year Ended June 30,	
	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (211,963)	\$ 186,297
Adjustment to reconcile change in net assets to net cash from operating activities		
Amortization of operating lease right-of-use assets	48,856	47,490
Depreciation expense	3,581	3,354
Changes in operating assets and liabilities		
Grants and contributions receivable	(44,264)	34,291
Prepaid expenses and other assets	(9,801)	3,804
Accounts payable and accrued liabilities	21,821	4,908
Deferred rent	-	(24,302)
Operating lease liabilities	(48,874)	(19,367)
Net Cash from Operating Activities	(240,644)	236,475
Change in Cash and Cash Equivalents	(240,644)	236,475
<b>CASH AND CASH EQUIVALENTS</b>		
Beginning of year	704,890	468,415
End of year	\$ 464,246	\$ 704,890
<b>SUPPLEMENTAL DISCLOSURE OF COMPONENTS OF CASH AND CASH EQUIVALENTS</b>		
Cash and cash equivalents	\$ 439,246	\$ 679,890
Cash equivalents held for endowment	25,000	25,000
	\$ 464,246	\$ 704,890

See notes to financial statements

## **The Rowan Center, Inc.**

### **Notes to Financial Statements June 30, 2024 and 2023**

#### **1. The Organization**

The Rowan Center, Inc. (the "Center") provides counseling and support services to victims of sexual assault in lower Fairfield County, Connecticut and works toward the elimination of sexual violence through community-wide educational programs.

The Center is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and has not been classified as a private foundation.

#### **2. Summary of Significant Accounting Policies**

##### ***Basis of Presentation***

Net assets and revenues, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the Center's net assets are classified as without donor restrictions and with donor restrictions.

##### ***Use of Estimates***

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

##### ***Cash and Cash Equivalents***

Cash and cash equivalents consist of highly liquid debt instruments with a maturity of three months or less at the time of purchase. Cash equivalents are stated at cost plus interest, which approximates market value. At times, cash balances may be in excess of balances insured by the Federal Deposit Insurance Corporation.

##### ***Grants and Contributions Receivable***

Grants and contributions receivable that are expected to be collected within one year are recorded at net realizable value. Grants and contributions receivable expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statements of activities. The allowance for uncollectable promises to give is determined based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectable. At June 30, 2024 and 2023, management has concluded that an allowance is not required. All grants and contributions receivable are expected to be collected within one year of the statement of financial position date at June 30, 2024 and 2023.

##### ***Property and Equipment***

The Center records property and equipment at cost. Furniture and equipment are depreciated using an accelerated method over their estimated useful lives which range from five to seven years.



## **The Rowan Center, Inc.**

### **Notes to Financial Statements June 30, 2024 and 2023**

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

### ***Revenue and Revenue Recognition***

Revenue is recognized when earned. Grants and other income is recognized when the service is completed. Special event revenue is recognized on the date of the special event. Contributions are recognized when cash, securities, or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

### ***Contributed Services and Assets***

No contributed services or goods were recognized during the years ended June 30, 2024 and 2023. A substantial number of volunteers have contributed their time to the Center's programs and supporting services during the years ended June 30, 2024 and 2023, none of which meet the requirements for financial statement recognition.

### ***Functional Expenses***

For financial reporting in accordance with U.S. GAAP, the Center allocates its expenses on a functional basis among its program and support services. Expenses that can be specifically identified with a program or support service are allocated directly according to their natural classifications. Expenses that are common to several functions are allocated based on estimates made by management using a salary-weighted method. Those expenses include the salaries, payroll taxes, and benefits of certain personnel. Other expenses such as occupancy, repairs and maintenance, communications related expenses, insurance, supplies and depreciation, are allocated based on estimates made by management.

### ***Connecticut Enactment of UPMIFA***

U.S. GAAP guidance on the net asset classification of donor-restricted endowment funds for a nonprofit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 ("UPMIFA") requires additional disclosures about an organization's endowment funds (both donor-restricted endowment funds and board-designated endowment funds) whether or not the organization is subject to UPMIFA.

The State of Connecticut enacted UPMIFA effective October 1, 2007, the provisions of which apply to endowment funds existing on or established after that date. The Board of Directors has determined that all of the Center's net assets with donor restrictions in perpetuity meet the definition of endowment funds under UPMIFA.

### ***Accounting for Uncertainty in Income Taxes***

The Center recognizes the effects of income tax positions only if those positions are more likely than not to be sustained. Management has determined that the Center had no uncertain tax positions that would require financial statement recognition or disclosures. The Center is no longer subject to examinations by the applicable taxing jurisdictions for periods prior to 2021.

## The Rowan Center, Inc.

### Notes to Financial Statements June 30, 2024 and 2023

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

### ***Subsequent Events Evaluation by Management***

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is February 3, 2025.

## 3. Concentrations

At June 30, 2024 and 2023, approximately 58% and 57% of public support and revenue is from the Connecticut Alliance to End Sexual Violence. Revenue derived from individual contributions and special events from members of the Center's Board of Directors for the years ended June 30, 2024 and 2023 were approximately 36% and 44% of the aggregate gross totals.

## 4. Property and Equipment

Property and equipment consist of the following at June 30:

	2024	2023
Furniture and equipment	\$ 66,441	\$ 66,441
Less accumulated depreciation	<u>(60,649)</u>	<u>(57,068)</u>
	<u>\$ 5,792</u>	<u>\$ 9,373</u>

## 5. Lease Commitments

In July 2013, the Center entered into a lease agreement for office space, which was to expire on November 30, 2020. On March 1, 2019, the Center relocated its office and entered into a new lease agreement, expiring on October 31, 2030, that replaced the original lease. For the years ended June 30, 2024 and 2023, the leases are presented as operating lease ROU asset and operating lease liability on the Center's statements of financial position.

The operating lease ROU assets represent the Center's right to control the use of an underlying asset for the lease term and the lease liability represents the Center's obligation to make lease payments arising from the lease. The operating lease ROU asset and liability are recognized at the lease commencement date based on the present value of future lease payments. If available, the Center uses the rate implicit in the lease to discount lease payments to present value; however, the Center's current lease does not provide a readily determinable implicit rate. Therefore, the Center has elected the discount lease payments based on an estimate of its incremental borrowing rate. The Center has made an accounting policy election to use risk-free rate in lieu of its incremental borrowing rate to discount future lease payments. The weighted average discount rate applied to calculate lease liabilities as of and for the years ended June 30, 2024 and 2023 was 2.95%. The weighted average remaining lease term at June 30, 2024 and 2023 was 5.33 and 6.33 years. In addition to monthly rental charges, the Center is required to pay certain maintenance and utility charges during the term of the lease.

# The Rowan Center, Inc.

## Notes to Financial Statements June 30, 2024 and 2023

### 5. Lease Commitments *(continued)*

The lease cost and other required information for the years ended June 30:

	2024	2023
Operating lease expense	\$ 58,797	\$ 58,797
Cash paid for amounts included in the measurement of lease liabilities for operating cash flows for operating leases	\$ 58,815	\$ 55,378

Future maturities of lease liabilities are presented in the following table for the fiscal year ended June 30:

2025	\$ 59,579
2026	63,730
2027	63,993
2028	65,335
2029	66,677
Thereafter to 2030	22,375
	\$ 341,689
Less present value discount	(25,586)
	<u>\$ 316,103</u>

### 6. Cash Equivalents Held for Endowment

The Center maintains funds with donor restrictions, invested in cash or short-term certificates of deposit, whose purpose is to provide long-term support for programs. In classifying such funds for financial statement purposes as either with donor or without donor restrictions, the Board of Directors looks to the explicit directions of the donor where applicable and the provisions of the laws of the State of Connecticut.

Activity of such investments for the years ended June 30 is as follows:

	With Donor Restrictions
Balance, July 1, 2022	\$ 25,000
Additions (expenditures)	-
Balance, June 30, 2023	25,000
Additions (expenditures)	-
Balance, June 30, 2024	<u>\$ 25,000</u>

## The Rowan Center, Inc.

### Notes to Financial Statements June 30, 2024 and 2023

#### 7. Liquidity and Availability

The Center's financial assets available within one year of the statement of financial position date for general expenditures are as follows at June 30:

	2024	2023
Cash and cash equivalents	\$ 439,246	\$ 679,890
Grants and contributions receivable	159,914	115,650
Total Financial Assets Available Within One Year	599,160	795,540
Less amounts unavailable for general expenditures within one year due to:		
Board designations	(200,000)	(200,000)
Donor restricted by purpose	(946)	(946)
Total Financial Assets Available to Meet Cash		
Needs for General Expenditures Within One Year	<u>\$ 398,214</u>	<u>\$ 594,594</u>

The Center maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities and other obligations come due. The principal source of liquidity is cash flow generated from program service grants, contributions, and grants from donors through the Center's fundraising efforts. The Center works to control various costs including compensation and benefits through a variety of efforts and management strategies. As the Center moves forward, it will continue these and other strategies to manage liquidity. Certain net assets are designated by the Board of Directors ("Board") for a specific purpose; however, should a liquidity event occur, the Board can elect to release these designations and utilize these net assets as determined necessary.

#### 8. Net Assets With Donor Restrictions

Net assets with donor restrictions at June 30 are available for the following purpose:

	2024	2023
Time and Purpose		
Scholarship	\$ 946	\$ 946
For use in subsequent fiscal year	65,000	175,500
Total Time and Purpose	65,946	176,446
Cash Equivalents Held for Endowment		
Catha Abrahams Scholarship Fund	25,000	25,000
Total Net Assets With Donor Restrictions	<u>\$ 90,946</u>	<u>\$ 201,446</u>

**The Rowan Center, Inc.**

Notes to Financial Statements  
June 30, 2024 and 2023

**8. Net Assets With Donor Restrictions (*continued*)**

Donor-restricted net assets released from restrictions were as follows for the years ended June 30:

	<u>2024</u>	<u>2023</u>
For use in subsequent fiscal year	<u>\$ 175,500</u>	<u>\$ 23,500</u>

**9. Board Designations of Net Assets Without Donor Restrictions**

During the year ended June 30, 2022, the Board authorized the creation of a reserve fund to receive amounts designated to this fund by the Board. The Board created this reserve to help protect the Center against future economic downturns. The Board's goal is to build the reserve to equal approximately six months of operating expenses. Such amounts are invested in low-risk short-term securities or cash equivalents. Spending of the board designated reserves are to be approved by the Board as needed.

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