

# **WEAVE Inc.**

Financial Statements and  
Supplementary Information

September 30, 2023 and 2022

# **WEAVE Inc.**

---

Table of Contents  
September 30, 2023 and 2022

	<u>Page</u>
<b>Independent Auditors' Report</b>	1
<b>Financial Statements</b>	
Statements of Financial Position	4
Statements of Activities	5
Statements of Functional Expenses	7
Statements of Cash Flows	9
Notes to Financial Statements	10
<b>Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i></b>	21
<b>Report on Compliance for the Major Program and on Internal Control Over Compliance Required By Uniform Guidance</b>	23
<b>Supplementary Information</b>	
Schedule of Expenditures of Federal Awards	26
Notes to Schedule of Expenditures of Federal Awards	28
Schedule of Findings and Questioned Costs	29

## Independent Auditors' Report

To the Board of Directors of  
WEAVE Inc.

### Opinion

We have audited the financial statements of WEAVE Inc. (a California nonprofit organization) (the Organization), which comprise the statements of financial position as 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 accompanying financial statements present fairly, in all material respects, the financial position of the Organization 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 (GAAP).

### Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) 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 the Organization 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 GAAP 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 Organization'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 GAAS 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 GAAS 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 the Organization'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 Organization'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 on April 9, 2024, our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization'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 the Organization's internal control over financial reporting and compliance.

*Baker Tilly US, LLP*

San Francisco, California  
April 9, 2024

**WEAVE Inc.**Statements of Financial Position  
September 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 1,689,714	\$ 1,459,298
Grants receivable, net	1,723,238	2,052,039
Inventories	195,051	180,600
Prepaid expenses	162,851	126,864
	<u>3,770,854</u>	<u>3,818,801</u>
<b>Long-Term Assets</b>		
Right-of-use assets	223,233	-
Investments	2,149,026	1,503,172
Property and equipment, net	7,391,903	7,615,011
Deposits	12,840	20,079
	<u>\$ 13,547,856</u>	<u>\$ 12,957,063</u>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 177,024	\$ 83,569
Accrued liabilities	591,388	507,660
Current portion of lease liability	134,155	-
Unearned grant revenue	391,703	98,124
Current portion of long-term debt	96,680	96,680
	<u>1,390,950</u>	<u>786,033</u>
<b>Long-Term Liabilities</b>		
Long-term debt, net of current portion	2,613,023	2,719,029
Long-term lease liabilities	92,475	-
Deferred interest payable	621,226	583,726
	<u>4,717,674</u>	<u>4,088,788</u>
<b>Net Assets</b>		
Without donor restrictions	8,366,005	8,274,926
With donor restrictions	464,177	593,349
	<u>8,830,182</u>	<u>8,868,275</u>
Total liabilities and net assets	<u>\$ 13,547,856</u>	<u>\$ 12,957,063</u>

See notes to financial statements

**WEAVE Inc.**

## Statement of Activities

Year Ended September 30, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Revenue</b>			
Government grants	\$ 6,994,710	\$ -	\$ 6,994,710
Contributions	2,224,971	257,362	2,482,333
Thrift store income	1,134,323	-	1,134,323
Contributed nonfinancial assets	1,134,323	-	1,134,323
Interest and investment income	238,398	-	238,398
Service fees	384,226	-	384,226
Other income	374,171	-	374,171
	<u>12,485,122</u>	<u>257,362</u>	<u>12,742,484</u>
Total revenues before release from restrictions			
	<u>12,485,122</u>	<u>257,362</u>	<u>12,742,484</u>
Net assets released from restriction	<u>386,534</u>	<u>(386,534)</u>	<u>-</u>
Total revenues	<u>12,871,656</u>	<u>(129,172)</u>	<u>12,742,484</u>
<b>Expenses</b>			
Program services	11,583,075	-	11,583,075
Fund development	892,225	-	892,225
Management and general	305,277	-	305,277
	<u>12,780,577</u>	<u>-</u>	<u>12,780,577</u>
Total expenses			
	<u>12,780,577</u>	<u>-</u>	<u>12,780,577</u>
Change in net assets	91,079	(129,172)	(38,093)
<b>Net Assets, Beginning</b>	<u>8,274,926</u>	<u>593,349</u>	<u>8,868,275</u>
<b>Net Assets, Ending</b>	<u>\$ 8,366,005</u>	<u>\$ 464,177</u>	<u>\$ 8,830,182</u>

See notes to financial statements

**WEAVE Inc.**

## Statement of Activities

Year Ended September 30, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Revenue</b>			
Government grants	\$ 6,541,692	\$ -	\$ 6,541,692
Contributions	2,408,000	366,282	2,774,282
Thrift store income	1,101,461	-	1,101,461
Contributed nonfinancial assets	1,101,461	-	1,101,461
Interest and investment income (loss)	(140,253)	-	(140,253)
Service fees	338,728	-	338,728
Other income	143,644	-	143,644
	<u>11,494,733</u>	<u>366,282</u>	<u>11,861,015</u>
Total revenues before release from restrictions			
	<u>11,494,733</u>	<u>366,282</u>	<u>11,861,015</u>
Net assets released from restriction	<u>499,335</u>	<u>(499,335)</u>	<u>-</u>
Total revenues	<u>11,994,068</u>	<u>(133,053)</u>	<u>11,861,015</u>
<b>Expenses</b>			
Program services	10,949,139	-	10,949,139
Fund development	747,345	-	747,345
Management and general	402,672	-	402,672
	<u>12,099,156</u>	<u>-</u>	<u>12,099,156</u>
Total expenses			
	<u>12,099,156</u>	<u>-</u>	<u>12,099,156</u>
Change in net assets	(105,088)	(133,053)	(238,141)
<b>Net Assets, Beginning</b>	<u>8,380,014</u>	<u>726,402</u>	<u>9,106,416</u>
<b>Net Assets, Ending</b>	<u>\$ 8,274,926</u>	<u>\$ 593,349</u>	<u>\$ 8,868,275</u>

See notes to financial statements



**WEAVE Inc.**

Statement of Functional Expenses

Year Ended September 30, 2023

	Intervention	Housing	Counseling	Prevention and Education	Legal Services	Client Services	IDEA	Thrift Stores	Total Program Services	Fund Development	Management and General	Total
Personnel	\$ 1,508,906	\$ 1,499,188	\$ 1,110,622	\$ 748,320	\$ 790,546	\$ 502,766	\$ 437,530	\$ 1,057,639	\$ 7,655,517	\$ 381,572	\$ 194,886	\$ 8,231,975
Cost of sales	-	-	-	-	-	-	-	1,134,323	1,134,323	-	-	1,134,323
Professional services	63,829	223,407	28,538	17,392	17,811	32,283	25,773	174,973	584,006	10,677	4,804	599,487
Occupancy	111,973	146,316	45,056	33,331	30,584	26,849	72,012	52,998	519,119	28,517	32,878	580,514
Depreciation and amortization	26,645	312,499	19,341	13,535	12,987	9,506	7,400	25,472	427,385	6,253	21,705	455,343
Outreach	4,279	5,104	3,106	2,987	2,086	1,527	7,188	4,494	30,771	343,906	3,486	378,163
Client emergency expenses	48,446	61,944	38,275	25,318	25,182	34,538	13,704	50,621	298,028	22,976	12,060	333,064
Computer hardware/software	36,247	49,647	17,378	13,746	11,321	15,711	7,275	30,768	182,093	5,852	2,684	190,629
Supplies and materials	16,125	44,061	8,483	5,682	9,298	7,950	3,170	23,190	117,959	50,173	1,590	169,722
Business insurance and taxes	15,980	21,493	12,152	8,342	9,324	5,520	5,947	49,899	128,657	30,987	10,071	169,715
Telecommunications	16,315	115,794	2,407	10	2,897	2,641	3,061	19	143,144	4	15	143,163
Interest expense	30,588	26,491	7,592	5,004	2,558	3,013	10,541	16,108	101,895	3,427	8,755	114,077
Furniture and equipment	18,326	6,600	6,965	10,066	8,733	6,116	7,381	5,248	69,435	2,219	3,990	75,644
Seminar fees and related travel	7,356	38,551	5,340	3,737	3,586	2,625	2,043	1,900	65,138	1,726	5,993	72,857
Travel	5,798	35,858	3,738	2,586	2,225	3,589	2,616	8,311	64,721	1,118	803	66,642
Membership dues and subscriptions	13,936	8,250	4,697	7,590	3,513	1,897	2,436	9,577	51,896	2,052	842	54,790
Other	925	1,043	936	663	428	317	940	3,736	8,988	766	715	10,469
<b>Total expenses on the statement of activities</b>	<b>\$ 1,925,674</b>	<b>\$ 2,596,246</b>	<b>\$ 1,314,626</b>	<b>\$ 898,309</b>	<b>\$ 933,079</b>	<b>\$ 656,848</b>	<b>\$ 609,017</b>	<b>\$ 2,649,276</b>	<b>\$ 11,583,075</b>	<b>\$ 892,225</b>	<b>\$ 305,277</b>	<b>\$ 12,780,577</b>

See notes to financial statements

**WEAVE Inc.**

## Statement of Functional Expenses

Year Ended September 30, 2022

	Intervention	Housing	Counseling	Prevention and Education	Legal Services	Client Services	Thrift Stores	Total Program Services	Fund Development	Management and General	Total
Personnel	\$ 1,903,870	\$ 1,546,302	\$ 930,158	\$ 685,551	\$ 709,626	\$ 235,842	\$ 865,218	\$ 6,876,567	\$ 231,301	\$ 248,670	\$ 7,356,538
Cost of sales	-	-	-	-	-	-	1,101,461	1,101,461	-	-	1,101,461
Professional services	388,742	344,763	38,041	30,027	26,591	10,420	27,187	865,771	97,041	35,098	997,910
Occupancy	66,492	281,277	28,787	19,589	19,156	8,416	179,605	603,322	8,626	20,087	632,035
Depreciation and amortization	27,919	311,519	18,091	11,527	12,807	4,803	24,272	410,938	5,123	25,078	441,139
Outreach	76	-	23	1,453	-	-	-	1,552	310,556	-	312,108
Client emergency expenses	69,787	87,598	804	225	1,426	94	600	160,534	139	489	161,162
Computer hardware/software	42,859	27,881	19,362	13,611	14,896	5,526	7,876	132,011	4,056	11,730	147,797
Supplies and materials	47,281	49,160	7,767	6,498	5,203	1,617	13,225	130,751	8,338	4,368	143,457
Business insurance and taxes	18,968	37,558	5,740	3,847	8,864	1,600	28,516	105,093	29,456	5,504	140,053
Telecommunications	39,744	34,571	16,279	9,948	7,774	3,923	13,466	125,705	2,987	2,948	131,640
Interest expense	9,431	63,901	6,111	3,894	4,326	1,622	627	89,912	1,731	8,472	100,115
Furniture and equipment	16,766	26,973	10,551	7,081	7,455	2,816	8,211	79,853	2,929	13,968	96,750
Seminar fees and related travel	33,691	14,359	6,144	10,939	5,419	1,545	3,468	75,565	3,056	8,066	86,687
Travel	14,431	6,645	3,636	9,714	2,277	1,642	9,354	47,699	2,579	1,025	51,303
Membership dues and subscriptions	4,093	3,325	3,987	10,102	5,209	619	6,608	33,943	14,012	3,232	51,187
Other	21,500	16,124	11,281	7,225	10,349	3,465	38,518	108,462	25,415	13,937	147,814
Total expenses on the statement of activities	<u>\$ 2,705,650</u>	<u>\$ 2,851,956</u>	<u>\$ 1,106,762</u>	<u>\$ 831,231</u>	<u>\$ 841,378</u>	<u>\$ 283,950</u>	<u>\$ 2,328,212</u>	<u>\$ 10,949,139</u>	<u>\$ 747,345</u>	<u>\$ 402,672</u>	<u>\$ 12,099,156</u>

See notes to financial statements

**WEAVE Inc.**Statements of Cash Flows  
September 30, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<b>Cash Flows From Operating Activities</b>		
Change in net assets	\$ (38,093)	\$ (238,141)
Adjustments to reconcile change in net assets to net cash from operating activities:		
Net realized and unrealized loss (gain) on investments	(181,175)	153,769
Depreciation and amortization	455,343	441,138
Amortization of operating leases	146,220	-
Changes in operating assets and liabilities		
Receivables	328,801	(563,253)
Inventories	(14,451)	(16)
Prepaid expenses	(35,987)	(33,775)
Deposits	7,239	9,922
Accounts payable	93,455	(222,111)
Accrued liabilities	83,728	(196,055)
Unearned grant revenue	293,579	(260,255)
Deferred interest	37,500	60,000
Lease liabilities	(142,823)	-
Net cash from operating activities	<u>1,033,336</u>	<u>(848,777)</u>
<b>Cash Flows From Investing Activities</b>		
Purchase of investments	(2,143,904)	(1,270,752)
Proceeds from sale of investments	1,679,225	1,197,270
Purchase of property and equipment	<u>(232,235)</u>	<u>(25,036)</u>
Net cash from investing activities	<u>(696,914)</u>	<u>(98,518)</u>
<b>Cash Flows From Financing Activities</b>		
Principal payments on long-term debt	<u>(106,006)</u>	<u>(101,324)</u>
Net change in cash and cash equivalents	230,416	(1,048,619)
<b>Cash and Cash Equivalents, Beginning</b>	<u>1,459,298</u>	<u>2,507,917</u>
<b>Cash and Cash Equivalents, Ending</b>	<u>\$ 1,689,714</u>	<u>\$ 1,459,298</u>
<b>Supplemental Disclosure of Cash Flow Information</b>		
Interest paid	<u>\$ 35,356</u>	<u>\$ 40,038</u>

See notes to financial statements

**1. Organization**

WEAVE Inc. (the Organization) is a nonprofit corporation established in 1978 to promote safe and healthy relationships and support survivors of sexual assault, domestic violence, and sex trafficking. The Organization's vision is that when everyone acts, violence ends. The Organization's programs and services include the following:

**Intervention**

The Organization operates two programs providing advocacy and intervention to victims. The Community Response Program includes the 24/7 SART Team that dispatches an advocate to provide support to a victim of sexual assault during a forensic exam and ongoing advocacy and accompaniment services as well as community response to area hospitals and medical clinics to support victims of domestic violence and sexual assault. The Community Intervention Program includes advocates embedded at area law enforcement agencies. Advocates follow up with victims who have involvement with law enforcement and respond to a domestic violence call when requested. The Community Intervention Program also includes the Anti-Trafficking Team which provides advocacy, intervention, and supportive services for adult victims of sex trafficking and Commercially Sexually Exploited Children.

**Housing**

The Organization provides emergency, transitional and permanent housing to victims of domestic violence, sexual assault and sex trafficking at multiple confidential and non-confidential locations. The WEAVE Safehouse Campus is a three-acre site with an 18 suite Safehouse, a Children's Center and six two-bedroom transitional housing cottages. Open House offers five one-bedroom emergency shelter apartments and two transitional housing apartments. Creekside Village is the Organization's permanent supportive housing program and is comprised of nine two-bedroom homes that are all ADA compliant. In addition, WEAVE leases two apartments that are available for short or longer-term stays for victims of sex trafficking.

**Counseling**

The Organization provides individual and group therapeutic counseling to help victims of sexual assault, domestic violence and sex trafficking to heal. Counseling is provided at the Organization's Midtown Services Center and through counselors at community partner locations throughout Sacramento County. Counseling is provided by licensed therapists and supervised MFT or MSW interns.

**Prevention and Education**

The Organization implements school and community-based prevention and education and training services throughout Sacramento County. Advocates are embedded at school sites to lead prevention education services and to refer children and parents for support and services when needed. The Organization provides community education and professional training for adults. Education focuses on understanding the types of violence, indicators, and how to safely intervene if abuse is expected. Professional trainings are tailored to the audience or workplace and address reporting obligations to victims, trauma-informed responses, and how to refer victims for services. The Organization also operates WEAVE Learn which is an online training program delivering education and training to educators and school administrators throughout the state and counties.

**Legal Services**

The Organization provides comprehensive legal assistance to victims of sexual assault, domestic violence and sex trafficking. Services include assistance in obtaining Domestic Violence or Civil Harassment Restraining Orders, Family Law matters, vacatur petitions, and housing and credit protections related to victimization.

**Client Services**

The Organization operates a 24-hour Support and Information Line and a 24/7 Online Chat to provide emotional support, safety planning, and referrals to victims of sexual assault, domestic violence, and sex trafficking; their family and friends; and community members seeking resources.

**IDEA**

The Organization has a long-term commitment to ensuring that programs and services are welcoming and culturally responsive to all communities and the IDEA division drives the Organization's diversity, equity, inclusion and access efforts. In addition, the division manages programs and projects designed to improve access to and the efficacy of all of WEAVE's services for historically unserved, underserved and marginalized communities as well as victims living with disabilities.

**2. Summary of Significant Accounting Policies**

A summary of significant accounting policies is as follows:

**Basis of Accounting**

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

**Basis of Presentation**

The net assets of the Organization are reported in groups as follows:

**Without Donor Restrictions**

Net assets that are not subject to donor-imposed restrictions.

**With Donor Restrictions**

Net assets received with donor restrictions consist of cash received or other assets with donor stipulations that limit their use. Donor restrictions are stipulated by either a time restriction or a purpose restriction. Upon expiration of a time restriction or completion of a purpose restriction, 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 restriction.

**Cash and Cash Equivalents**

The Organization considers all investments with a maturity at purchase of three months or less to be cash equivalents.

**Grants Receivable**

Accounts receivable are reported net of an allowance for doubtful accounts. Management's estimate of the allowance is based on historical collection experience and a review of the current status of accounts receivable. It is reasonably possible that management's estimate of the allowance will change. As of September 30, 2023 and 2022, allowance for doubtful accounts totaled \$20,178 and \$21,154, respectively.

**Inventories**

Inventories consist primarily of donated thrift store goods and are stated at estimated market value at time of donation.

**Property and Equipment**

Property and equipment are stated at cost or, if donated, at fair market value as of the date of donation and depreciated using the straight-line method over estimated useful lives of 5 to 30 years. The Organization capitalizes all expenditures of property and equipment in excess of \$5,000.

**Impairment of Long-Lived Assets**

The Organization reviews its property and equipment for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. If the fair value is less than the carrying amount of the asset, an impairment loss is recognized for the difference. No impairment losses have been recognized during the years ended September 30, 2023 and 2022.

**Unearned Grant Revenue**

The Organization received grant proceeds from various funding sources which are subject to certain conditions as described in the grant agreements. These conditions include measurable performance requirements related to supporting the evaluation and implementation of the Strengths Model, a relationship based case management approach that focuses on healing, building resilience, and increasing protective factors to support two generation domestic violence prevention outcomes for Black and Lantinx parents and children. Due to the qualifying costs having not been incurred, the Organization has deferred recognition of the funds until those conditions have been met. As of September 30, 2023 and 2022, \$391,703 and \$98,124, respectively, is included in unearned grant revenue on the statements of financial position.

**Revenue Recognition**

Contributions, including fundraiser proceeds and private foundation grants, are recognized in full when received or unconditionally promised, in accordance with ASC No. 958-605, *Not-for-Profit Entities - Revenue Recognition*. Conditional promises to give, that is, those with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been substantially met. Donated goods and services, including thrift store contributions, are recorded at their estimated fair market value.

Contributions accompanied by donor restrictions are initially reported as increases in net assets with donor restriction. When a restriction expires (generally, as payments are made to fulfill the donor-imposed purpose of the contribution), net assets with donor restriction are reclassified to net assets without donor restriction and reported in the statements of activities as net assets released from restrictions.

A portion of the Organization's revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as unearned grant revenue in the statements of financial position. No amounts have been received in advance under our federal and state contracts and grants. Grants with both restrictions and conditions that are met simultaneously are reported as increases in net assets without donor restrictions.

Thrift store revenue and service fee revenue are accounted for as contracts with customers. The Organization collects services fees for consulting services provided and are based on contracts. Under the guidance for contracts with customers, an entity is required to (a) identify the contract(s) with a customer, (b) identify the performance obligations in the contract, (c) determine the transaction price, (d) allocate the transaction price to the performance obligations in the contract and (e) recognize revenue when (or as) the entity satisfies a performance obligation. In determining the transaction price, an entity may include variable considerations only to the extent that it is probable that a significant reversal in the amount of cumulative revenue recognized would not occur when the uncertainty associated with the variable consideration is resolved.

Thrift store revenue is recognized at the time of sale. For the years ended September 30, 2023 and 2022, thrift store revenue amounted to \$1,134,323 and \$1,101,461, respectively. Service fee revenue is recognized as the services are performed. For the years ended September 30, 2023 and 2022, service fee revenue amounted to \$384,226 and \$338,728, respectively.

### **Income Taxes**

The Organization has applied for and received a determination letter from the Internal Revenue Service (IRS) to be treated as a tax-exempt entity pursuant to Section 501(c)(3) of the Internal Revenue Code and did not have any unrelated business income for the years ended September 30, 2023 and 2022. Due to its tax-exempt status, the Organization is not subject to income taxes. The Organization is required to file tax returns with the IRS and other taxing authorities. Accordingly, these financial statements do not reflect a provision for income taxes and the organization has no other tax positions which must be considered for disclosure. The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. Management believes it is no longer subject to income tax examinations for years prior to 2020.

### **Functional Allocation of Expenses**

Expenses have been summarized on a functional basis in the statements of functional expenses. Accordingly, certain costs have been allocated between the functional areas based on management estimates of employees' time incurred and on resource usage.

### **Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require 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 revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

### **New Accounting Pronouncements**

During June 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-13, *Measurement of Credit Losses on Financial Instruments*. ASU No. 2016-13 requires financial assets measured at amortized cost to be presented at the net amount expected to be collected, through an allowance for credit losses that is deducted from the amortized cost basis. The measurement of expected credit losses is based on relevant information about past events, including historical experience, current conditions and reasonable and supportable forecasts that affect the collectability of the reported amount. FASB has issued subsequent standards to clarify, correct errors in or improve the guidance. ASU No. 2016-13 (as amended) is effective for annual periods and interim periods within those annual periods beginning after December 15, 2023. The Organization is currently assessing the effect that ASU No. 2016-13 (as amended) will have on its results of operations, financial position and cash flows.

### **Subsequent Events**

Management has evaluated events and transactions for potential recognition or disclosure through April 9, 2024, which represents the date the financial statements were available to be issued.

### **3. Newly Adopted Accounting Standards**

Effective October 1, 2022, the Organization adopted FASB ASU No. 2016-02, *Leases (Topic 842)*, and all related amendments using the modified retrospective approach. The Organization's 2022 financial statements continue to be accounted for under the FASB's Topic 840 and have not been adjusted.

ASU No. 2016-02 requires lessees to recognize the assets and liabilities that arise from leases on the statement of financial position. At lease inception, leases are classified as either finance leases or operating leases with the associated right-of-use asset and lease liability measured at the net present value of future lease payments. Operating leases are expensed on a straight-line basis as lease expense over the non-cancelable lease term. Expenses for finance leases are comprised of the amortization of the right-of-use asset and interest expense recognized based on the effective interest method. At the date of adoption, the Organization recorded operating lease right-of-use assets and lease liabilities of \$369,453.

The new standard provides for several optional practical expedients. Upon transition to Topic 842, the Organization elected:

- The package of practical expedients permitted under the transition guidance which does not require the Organization to reassess prior conclusions regarding whether contracts are or contain a lease, lease classification and initial direct lease costs.

The new standard also provides for several accounting policy elections, as follows:

- The Organization has elected the policy not to separate lease and nonlease components for its building and equipment leases.
- When the rate implicit in the lease is not determinable, rather than use the Organization's incremental borrowing rate, the Organization elected to use a risk-free discount rate for the initial and subsequent measurement of lease liabilities for its building and equipment leases.
- The Organization elected not to apply the recognition requirements to building leases with an original term of 12 months or less, for which the Organization is not likely to exercise a renewal option or purchase the asset at the end of the lease; rather, short-term leases will continue to be recorded on a straight-line basis over the lease term.



## WEAVE Inc.

Notes to Financial Statements  
September 30, 2023 and 2022

- The Organization elected to account for its building leases using the portfolio approach; as such, leases that have similar commencement dates, length of terms, renewal options or other contract terms have been combined into a lease portfolio whereby the resulting accounting at the portfolio level does not differ materially from that at the individual lease level.

Additional required disclosures for Topic 842 are contained in Note 11.

#### 4. Liquidity and Availability of Financial Assets

The following represents the Organization's financial assets at September 30:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 1,689,714	\$ 1,459,298
Grant receivables	1,723,238	2,052,039
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 3,412,952</u>	<u>\$ 3,511,337</u>

The Organization's financial assets are intended to be sufficient to meet its general expenditures, liabilities, and other obligations as they become due. As part of its liquidity plan, excess cash is invested in short-term investments, including money market accounts and certificates of deposit, or used as part of income generating programs.

#### 5. Grants Receivable

Grants receivable at September 30 consisted of the following:

	<u>2023</u>	<u>2022</u>
Government grants	\$ 1,673,250	\$ 1,903,310
Other services	49,988	148,729
Total	<u>\$ 1,723,238</u>	<u>\$ 2,052,039</u>

#### 6. Property and Equipment

The cost and related accumulated depreciation and amortization of property and equipment at September 30 consisted of the following:

	<u>2023</u>	<u>2022</u>
Land	\$ 630,000	\$ 630,000
Building	7,895,187	7,895,187
Furniture, fixture and equipment	224,681	212,263
Vehicles	255,435	216,718
Land improvement	915,637	896,372
Building improvement	1,493,408	1,331,572
Total	11,414,348	11,182,112
Less accumulated depreciation	<u>(4,022,445)</u>	<u>(3,567,101)</u>
Total	<u>\$ 7,391,903</u>	<u>\$ 7,615,011</u>

## WEAVE Inc.

Notes to Financial Statements  
September 30, 2023 and 2022

### 7. Investments

Investments recorded at fair value consist of the following at September 30:

	<u>2023</u>	<u>2022</u>
Stocks	\$ 892,459	\$ 798,896
Mutual funds	126,152	89,497
Corporate bonds	637,862	614,779
Treasury bills	492,553	-
Total	<u>\$ 2,149,026</u>	<u>\$ 1,503,172</u>

### 8. Fair Value Measurements and Disclosures

The Organization measures the fair value of its investments on a recurring basis in the financial statements. The following summarizes the three levels of inputs and hierarchy of fair value the Organization uses when measuring fair value:

Level 1 - inputs utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access;

Level 2 - inputs may include quoted prices for similar assets and liabilities in active markets, as well as interest rates and yield curves that are observable at commonly quoted intervals: and

Level 3 - inputs are unobservable inputs for the asset or liability that are typically based on an entity's own assumptions as there is little, if any, related market activity. In instances where the determination of the fair value measurement is based on inputs from different levels of the fair value hierarchy, the fair value measurement will fall within the lowest level input that is significant to the fair value measurement in its entirety.

The Organization's assets subject to fair value measurements and disclosures are classified as follows:

	<u>2023</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Stocks	\$ 892,459	\$ -	\$ -	\$ 892,459
Mutual funds	126,152	-	-	126,152
Corporate bonds	-	637,862	-	637,862
Treasury bills	-	492,553	-	492,553
	<u>\$ 1,018,611</u>	<u>\$ 1,130,415</u>	<u>\$ -</u>	<u>\$ 2,149,026</u>
	<u>2022</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Stocks	\$ 798,896	\$ -	\$ -	\$ 798,896
Mutual funds	89,497	-	-	89,497
Corporate bonds	-	614,779	-	614,779
	<u>\$ 888,393</u>	<u>\$ 614,779</u>	<u>\$ -</u>	<u>\$ 1,503,172</u>

## WEAVE Inc.

Notes to Financial Statements  
September 30, 2023 and 2022

### 9. Long-Term Debt

Long term debt consists of the following at September 30:

	<u>2023</u>	<u>2022</u>
Fixed-rate mortgage payable in the amount of \$1,530,000, secured by the 1900 K Street building, payable in \$11,980 monthly installments including interest at 4.53% per annum, maturing June 18, 2029. For the years ended September 30, 2023 and 2022 and interest expense was \$35,356 and \$40,115, respectively.	\$ 710,378	\$ 816,384
Mortgage note payable to EHAP in the amount of \$999,325, secured by the Open House Emergency Shelter, with simple interest of 3% per annum. No monthly payments through maturity in November 1, 2025, at which time all outstanding principal and accrued interest will be forgiven provided that WEAVE continues to operate the Open House Emergency Shelter as an emergency shelter, a transitional housing facility, or a safe haven throughout the term. For the years ended September 30, 2023 and 2022, interest expense totaled \$30,000 and \$30,000, respectively. Accrued interest as of September 30, 2023 and 2022 is \$321,226 and \$313,726, respectively.	1,000,000	1,000,000
Mortgage note payable in the amount of \$1,000,000 to EHAP, secured by the transitional housing cottages, with simple interest of 3% per annum. No monthly payments through maturity in November 27, 2022, at which time all outstanding principal and accrued interest will be forgiven provided that WEAVE continues to operate the Cottages as an emergency shelter, a transitional housing facility, or a safe haven throughout the term. As of the date the financial statements were available to be issued, the Organization was in the process of obtaining loan forgiveness. For the years ended September 30, 2023 and 2022, interest expense totaled \$7,500 and \$30,000, respectively. Accrued interest as of September 30, 2023 and 2022 is \$300,000 and \$270,000, respectively.	<u>999,325</u>	<u>999,325</u>
Total	2,709,703	999,325
Less, current portion	<u>(96,680)</u>	<u>(96,680)</u>
Long-term debt, net	<u>\$ 2,613,023</u>	<u>\$ 902,645</u>

## WEAVE Inc.

Notes to Financial Statements  
September 30, 2023 and 2022

Future annual maturities of long-term debt over each of the next five years and thereafter subsequent to September 30, 2023 are as follows:

Years ending September 30,	
2024	\$ 96,680
2025	96,680
2026	96,680
2027	96,680
2028	96,680
Thereafter	<u>2,226,303</u>
	<u>\$ 2,709,703</u>

### 10. Net Assets With Donor Restrictions

Net assets with time-based or purpose-based donor restrictions for the years ended 2023 and 2022 amount to \$464,177 and \$593,348, respectively, and are included on the accompanying statements of activities. Releases from restrictions in 2023 and 2022 amount to \$386,534 and \$499,335, respectively.

### 11. Leases

During the year ended September 30, 2023, the Organization's lease portfolio consists of the following operating leases:

#### Building

The Organization has multiple building lease agreements for retail stores and residential living space within the city of Sacramento with various commencement dates and various expiration dates through 2026. Monthly lease expense for the year ended September 30, 2023 range from \$1,125 to \$5,800.

#### Equipment

The Organization leases equipment from an unrelated party for \$200 per month which expires in October 2027.

Right-of-use assets represent the Organization's right to use an underlying asset for the lease term, while lease liabilities represent the Organization's obligation to make lease payments arising from the lease. Right-of-use assets and lease liabilities are recognized at the commencement date of a lease based on the net present value of lease payments over the lease term.

Certain of the Organization's leases include options to renew or terminate the lease. The exercise of lease renewal or early termination options is at the Organization's sole discretion. The Organization regularly evaluates the renewal and early termination options and when they are reasonably certain of exercise, the Organization includes such options in the lease term.

In determining the discount rate used to measure the right-of-use assets and lease liabilities, the Organization uses the rate implicit in the lease, or if not readily available, the Organization uses a risk-free rate based on U.S. Treasury notes or bond rates for a similar term.

Right-of-use assets are assessed for impairment in accordance with the Organization's long-lived asset policy. The Organization reassess lease classification and reassesses lease classification and remeasures right-of-use assets and lease liabilities when a lease is modified and that modification is not accounted for as a separate new lease or upon certain other events that require reassessment in accordance with Topic 842.

## WEAVE Inc.

Notes to Financial Statements  
September 30, 2023 and 2022

The Organization made significant assumptions and judgements in applying the requirements of Topic 842. In particular, the Organization:

- Evaluated whether a contract contains a lease, by considering factors such as whether the Organization obtained substantially all rights to control an identifiable underlying asset and whether the lessor has substantive substitution rights.
- Determined whether contracts contain embedded leases.
- Evaluated leases with similar commencement dates, lengths of term, renewal options or other contract terms, which therefore meet the definition of a portfolio of leases, whether to apply the portfolio approach to such leases.

The Organization does not have any material leasing transactions with related parties.

The following table summarized the operating lease right-of-use assets and operating lease liabilities as of September 30, 2023:

Operating lease right-of-use assets	\$	223,233
Operating lease liabilities:		
Current		134,155
Long-term		92,475
		<u>226,630</u>
	\$	<u>226,630</u>

Below is a summary of expenses incurred pertaining to leases during the year ended September 30, 2023:

Operating lease expense	\$	162,531
-------------------------	----	---------

The right-of-use assets and lease liabilities were calculated using a weighted average discount rate of 2.97%. As of September 30, 2023, the weighted average remaining lease term was 2.63 years.

The table below summarizes the Organization's scheduled future minimum lease payments for the year ending after September 30, 2023:

Years ending September 30,		
2024	\$	136,738
2025		59,675
2026		32,866
2027		204
		<u>229,483</u>
Total lease payments		229,483
Less present value discount		<u>(2,853)</u>
Total lease liabilities		226,630
Less current portion		<u>(134,155)</u>
Long-term lease liabilities	\$	<u>92,475</u>

## **WEAVE Inc.**

Notes to Financial Statements  
September 30, 2023 and 2022

---

The following table includes supplemental cash flow and noncash information related to the leases for the year ended September 30, 2022:

Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	\$	154,803
Operating lease right-of-use assets obtained in exchange for lease liabilities	\$	23,425

### **12. Contributed Nonfinancial Assets**

The Organization receives donated clothing and household items for resale or for use in the shelter. The value of inventory held at the thrift stores are estimated based on the nature of the item. At September 30, 2023 and 2022, total inventory that has not been sold amounts to \$195,051 and \$180,600, respectively. As of September 30, 2023 and 2022, corresponding estimated values of \$1,134,323 and \$1,101,461, respectively, are recognized as contributions at the point of sale and is recorded as thrift store income in the financial statements. Volunteers donated approximately 1,436 and 1,446 hours during the fiscal years ended September 30, 2023 and 2022, respectively, to the Organization to assist in administration, fundraising and program activities. The value of this donated time is not recognized in the accompanying financial statements because it does not meet the criteria for recognition under ASC No. 958-605.

### **13. Retirement Plan**

The Organization sponsors an employee retirement plan under IRC §401(k). All employees of at least 21 years of age, who have completed at least one year of service, including at least 1,000 hours, are eligible to participate. Employer contributions are discretionary and vest at 20% per year beginning with completion of one year of service. Employee contributions are subject to limits by the IRC. Total plan costs were \$3,295 and \$1,650 for the years ended September 30, 2023 and 2022, respectively. Employer contributions to the employee retirement plan for the years ended September 30, 2023 and 2022 were \$130,742 and \$71,612, respectively.

### **14. Concentration of Credit Risk**

The Organization maintains cash in bank deposit accounts which, at times, may exceed federally insured limits (currently \$250,000 per depositor). The Organization has not experienced any losses in such accounts.

Government contract revenue consists primarily of amounts from a limited number of federal, state and county agencies. During the year ended September 30, 2023, 10% of government grant revenue was from one agency.

### **15. Contingencies**

The Organization's government funding is subject to audit by granting agencies. Although such audits could generate expense disallowances under terms of the grants, management believes that any required reimbursements would not be material to the Organization's financial statements as a whole.

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

Independent Auditors' Report

To the Board of Directors of  
WEAVE Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of WEAVE Inc. (the 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 9, 2024.

**Report on Internal Control Over Financial Reporting**

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

## **Report on Compliance and Other Matters**

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

### **Purpose of this Report**

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

A handwritten signature in black ink that reads "Baker Tilly US, LLP". The signature is written in a cursive, flowing style.

San Francisco, California  
April 9, 2024



**Report on Compliance  
for the Major Federal Program and  
Report on Internal Control Over Compliance  
Required by the Uniform Guidance**

Independent Auditors' Report

To the Board of Directors of  
WEAVE Inc.

**Report on Compliance for the Major Federal Program**

***Opinion on the Major Federal Program***

We have audited WEAVE Inc.'s (the Organization) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the Organization's major federal program for the year ended September 30, 2023. The Organization's major federal program is 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 its major federal program for the year ended September 30, 2023.

***Basis for Opinion on the Major Federal Program***

We conducted our audit compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Costs Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance 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 the major federal programs. 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 controls over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Organization's federal 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 GAAS, *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 judgement made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of the major federal programs as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards* and the Uniform Guidance, we:

- Exercise professional judgement 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, 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 program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a 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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal controls 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 described 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.

*Baker Tilly US, LLP*

San Francisco, California  
April 9, 2024

**WEAVE Inc.**Schedule of Expenditures of Federal Awards  
Year Ended September 30, 2023

Federal Grantor/Pass-through Grantor/Program	Assistance Listing Number	Pass-Through Identifying Number	Total Federal Expenditures
<b>United States Department of Justice</b>			
Passed through from the California Emergency Management Agency:			
Federal Victims of Crime Act	16.575	DV 22 37 1196	\$ 537,587
Federal Victims of Crime Act	16.575	RC 22 35 1196	667,588
Federal Victims of Crime Act	16.575	UV 21 04 1196	34,390
Federal Victims of Crime Act	16.575	UV 22 01 1196	134,265
Federal Victims of Crime Act	16.575	XS 21 04 1196	23,199
Federal Victims of Crime Act	16.575	XS 22 05 1196	87,082
Federal Victims of Crime Act	16.575	XY 21 01 1196	53,300
Federal Victims of Crime Act	16.575	XY 22 02 1196	149,161
Federal Victims of Crime Act	16.575	XL 21 04 1196	40,265
Federal Victims of Crime Act	16.575	XL 22 05 1196	109,884
Federal Victims of Crime Act	16.575	XD 20 03 1196	182,493
Federal Victims of Crime Act	16.575	XD 22 01 1196	354,244
Federal Victims of Crime Act	16.575	KA 21 04 1196	53,771
Federal Victims of Crime Act	16.575	KA 22 05 1196	187,935
Federal Victims of Crime Act	16.575	XE 21 04 1196	56,947
Federal Victims of Crime Act	16.575	XE 22 05 1196	173,234
Federal Victims of Crime Act	16.575	XH 21 04 1196	126,487
Federal Victims of Crime Act	16.575	XH 22 01 1196	246,194
Sub agreement with IRC	16.590	2020-WE-AX-009	180,658
Sub agreement with IRC	95.938	XD20031231	16,932
Sub agreement with IRC	95.938	2020-VT-BC-0047	7,204
Total Crime Victim Assistance			<u>3,422,820</u>
Transitional Housing Assistance	16.588	15JOVW-22-GG-03190-TRAN	<u>148,960</u>
Total Transitional Housing Assistance			<u>148,960</u>
Legal Assistance for Victims	16.588	15JOVW-22-GG-00273-LEGA	<u>149,382</u>
Total Legal Assistance for Victims			<u>149,382</u>
Training and Services to End Violence Against Women with Disabilities:			
Training and Services to End Violence Against Women with Disabilities	16.588	15JOVW-21-GK-00666-DISA	<u>181,364</u>
Total Training and Services to End Violence Against Women with Disabilities			<u>181,364</u>
Prevent and Respond to Domestic Violence, Sexual Assault and Stalking Against Children and Youth	16.588	15JOVW-21-GG-00635-CY	<u>155,200</u>
Total Prevent and Respond to Domestic Violence, Sexual Assault and Stalking Against Children and Youth			<u>155,200</u>
Total United States Department of Justice			<u>4,057,726</u>
<b>United States Department of Health and Human Services</b>			
Passed through California Department of Public Health			
Prevention and Control Research	93.136	18-10730	32,270
Prevention and Control Research	93.136	18-10730, A02	<u>90,746</u>
Total Prevention and Control Research			<u>123,016</u>
Family Violence Prevention and Services, Grants for Battered Womens Shelters Discretionary Grants	93.592	90EVO0468-03-00	308,412
Family Violence Prevention and Services, Grants for Battered Womens Shelters Discretionary Grants	93.592	90EVO495-01-00	<u>150,144</u>
Total Family Violence Prevention and Services, Grants for Battered Womens Shelters Discretionary Grants			<u>458,556</u>

**WEAVE Inc.**Schedule of Expenditures of Federal Awards  
Year Ended September 30, 2023

<b>Federal Grantor/Pass-through Grantor/Program</b>	<b>Assistance Listing Number</b>	<b>Pass-Through Identifying Number</b>	<b>Total Federal Expenditures</b>
Community Project Funding/Congressionally Directed Spending - Construction	93.493	1CE1HS46927-01-00	\$ 10,966
Total Community Project Funding/Congressionally Directed Spending - Construction			10,966
Total United States Department of Health and Human Services			592,538
<b>United States Department of Homeland Security</b>			
Emergency Food and Shelter Program	97.024	Phase 39	43,182
Total Emergency Food and Shelter Program			43,182
Total United States Department of Homeland Security			43,182
Total expenditures of federal awards			\$ 4,693,446

**1. Basis of Presentation**

The schedule of expenditures of federal awards (the Schedule) includes the federal award activity of WEAVE Inc. (the Organization) under programs of the federal government for the year ended September 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR), *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 the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

**2. Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited to reimbursement. Assistance listing numbers and pass-through entity identification numbers are presented where available.

**3. Indirect Cost Rate**

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

**WEAVE Inc.**

Schedule of Findings and Questioned Costs  
September 30, 2023

**Section I - Summary of Auditors' Results**

**Financial Statements**

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

Internal control over financial reporting:

Material weakness(es) identified?	_____ yes	_____ X no
Significant deficiency(ies) identified?	_____ yes	_____ X none reported

Noncompliance material to financial statements noted? \_\_\_\_\_ yes        X no

**Federal Awards**

Internal control over major federal programs:

Material weakness(es) identified?	_____ yes	_____ X no
Significant deficiency(ies) identified?	_____ yes	_____ X none reported

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

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a) of the Uniform Guidance? \_\_\_\_\_ yes        X no

Auditee qualified as low-risk auditee?        X yes        no

Dollar threshold used to distinguish between Type A and Type B programs:        \$750,000

Identification of major federal programs:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
16.575	Federal Victims of Crime Act

**Section II - Financial Statement Findings**

None.

**Section III - Federal Award Findings and Questioned Costs**

None.

**Summary of Prior Year Findings**

None.