

WOMEN IN SAFE HOMES

Audited Financial Statements

Years Ended June 30, 2015 and 2014

State Single Audit Reports

WOMEN IN SAFE HOMES

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Foster and Company, LLC

**Karen M. Foster, CPA
Michael C. Foster, CPA**

Independent Auditor's Report

Board of Directors
Women in Safe Homes, Inc.
Ketchikan, Alaska

Report on the Financial Statements

We have audited the accompanying financial statements of Women in Safe Homes, Inc., (a nonprofit organization), which comprise the statements of financial position as of June 30, 2015 and 2014, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Women in Safe Homes, Inc., as of June 30, 2015 and 2014, 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.

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Other Matters

Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of State Financial Assistance on page 18 is presented for purposes of additional analysis as required by the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits* and is not a required part of the financial statements. The information, and the accompanying statements of revenues and expenses – budget to actual on pages 14 through 17, has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 31, 2015, on our consideration of Women in Safe Homes, 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 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 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 Women in Safe Homes, Inc.'s internal control over financial reporting and compliance.

Foster and Company, LLC

Foster and Company, LLC
Wasilla, Alaska

December 31, 2015

WOMEN IN SAFE HOMES, INC.

Statements of Financial Position

June 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
ASSETS		
CURRENT ASSETS		
Cash - Unrestricted	\$ 205,397	\$ 184,034
Cash - Temporarily restricted	1,000	14,826
Accounts and grants receivable	86,907	58,302
Prepaid expenses and deposits	10,876	-
TOTAL CURRENT ASSETS	<u>304,180</u>	<u>257,162</u>
Investment securities	149,950	144,942
Property and Equipment, net of accumulated depreciation - Note F	<u>390,421</u>	<u>388,959</u>
TOTAL ASSETS \$	<u><u>844,551</u></u>	<u><u>\$ 791,063</u></u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 33,295	\$ 7,354
Payroll and related taxes payable	5,544	1,870
Accrued leave	12,035	10,964
Deferred revenue	1,000	14,826
TOTAL CURRENT LIABILITIES	<u>51,874</u>	<u>35,014</u>
Long-term note payable	<u>44,000</u>	<u>44,000</u>
TOTAL LIABILITIES	<u>95,874</u>	<u>79,014</u>
NET ASSETS		
Designated for:		
Operations	358,256	323,090
Property and equipment	<u>390,421</u>	<u>388,959</u>
	748,677	712,049
TOTAL NET ASSETS	<u>748,677</u>	<u>712,049</u>
TOTAL LIABILITIES AND NET ASSETS \$	<u><u>844,551</u></u>	<u><u>\$ 791,063</u></u>

See Independent Auditor's Report and accompanying notes to financial statements.

WOMEN IN SAFE HOMES, INC.
Statement of Activities, page 1 of 2
Years Ended June 30, 2015 and 2014

	2015	2014
CHANGES IN UNRESTRICTED NET ASSETS		
From Cash Operating Activities		
Support (including \$-0- and \$52,325 in assets released from temporary restrictions in FY15 and FY14, respectively.)		
Government	\$ 1,235,915	\$ 1,227,744
Foundations	-	49,334
Corporations	144,297	116,580
Individuals	11,769	7,577
SUBTOTAL - SUPPORT	1,391,981	1,401,235
Revenue		
Program fees and services	9,749	9,947
Membership income	1,035	1,690
Other income	10,158	9,787
SUBTOTAL - REVENUE	20,942	21,424
TOTAL REVENUE AND SUPPORT	1,412,923	1,422,659
Expenses		
Program services	1,251,545	1,040,515
General and administrative	86,714	88,341
Fundraising	-	15,294
TOTAL EXPENSE	1,338,259	1,144,150
Increase in Unrestricted Net Assets from Cash Operating Activities	\$ 74,664	\$ 278,509

See Independent Auditor's Report and accompanying notes to financial statements.

WOMEN IN SAFE HOMES, INC.

Statement of Activities, page 2 of 2
Years Ended June 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
CHANGES IN UNRESTRICTED NET ASSETS		
From Non-Cash Activities		
Depreciation	\$ (36,063)	\$ (29,690)
Unrealized investment gain (loss)	(3,494)	11,958
From In-kind		
In-kind expenses	(134,749)	(92,236)
In-kind donations	<u>134,749</u>	<u>92,236</u>
SUBTOTAL NON-CASH ACTIVITIES	<u>(39,557)</u>	<u>(17,732)</u>
From Non - Operating Activities		
Interest and investment earnings	3,520	5,558
Loss on disposal of assets	(1,999)	(458)
Grants repayment	<u>-</u>	<u>(38,575)</u>
SUBTOTAL NON- OPERATING ACTIVITIES	<u>1,521</u>	<u>(33,475)</u>
Decrease in Unrestricted Net Assets from Non-Operating and Non-Cash Activities	<u>(38,036)</u>	<u>(51,207)</u>
Increase in unrestricted net assets	<u>36,628</u>	<u>227,302</u>
CHANGES IN TEMPORARILY RESTRICTED NET ASSETS		
Net assets released from restrictions	<u>-</u>	<u>(52,325)</u>
Decrease in temporarily restricted net assets	<u>-</u>	<u>(52,325)</u>
INCREASE IN NET ASSETS	<u>36,628</u>	<u>174,977</u>
NET ASSETS, beginning of year	<u>712,049</u>	<u>537,072</u>
NET ASSETS, end of year	<u>\$ 748,677</u>	<u>\$ 712,049</u>

See Independent Auditor's Report and accompanying notes to financial statements.

WOMEN IN SAFE HOMES, INC.
Statement of Functional Expenses
Year Ended June 30, 2015

	Program Services				Supporting Services		TOTAL
	Council on Domestic Violence and Sexual Assault	Family Preservation Services	Other Programs	Total Program Services	Administrative		
Salaries and wages	\$ 494,775	\$ 112,812	\$ 71,695	\$ 679,282	\$ 51,492	\$	730,774
Health insurance	31,718	8,886	2,806	43,410	3,389		46,799
Payroll taxes	51,167	11,686	3,689	66,542	5,260		71,802
Workers compensation	22,405	7,202	1,436	31,043	1,369		32,412
Retirement	5,272	70	37	5,379	1,072		6,451
Supplies, food and medical	52,693	13,844	59,315	125,852	2,751		128,603
Advertising	1,705	53	2,500	4,258	1,661		5,919
Professional fees and contracted services	44,899	4,243	42,278	91,420	751		92,171
Travel	19,905	4,559	15,147	39,611	2,257		41,868
Telephone	12,271	5,041	470	17,782	(224)		17,558
Training, registration and dues	14,221	1,415	465	16,101	12,645		28,746
Vehicle	5,341	2,075	-	7,416	223		7,639
Parking	12,429	-	471	12,900	-		12,900
Repairs, maintenance and equipment	24,202	(1,730)	15,717	38,189	1,781		39,970
Insurance	23,886	4,229	80	28,195	-		28,195
Utilities	9,456	16,086	6,000	31,542	15		31,557
Other	759	12	11,852	12,623	72		12,695
Total Cash Operating Expenses	827,104	190,483	233,958	1,251,545	84,514		1,336,059
In-kind							
Travel	38,818	20,000	3,671	62,489	-		62,489
Rent	-	3,976	-	3,976	-		3,976
Supplies	58,829	1,400	29	60,258	7		60,265
Professional fees	8,019	-	-	8,019	-		8,019
Total In-kind	105,666	25,376	3,700	134,742	7		134,749
Loss on disposition of asset	-	-	-	-	1,999		1,999
Interest	-	-	-	-	2,200		2,200
Depreciation	-	-	29,282	29,282	6,781		36,063
Total Expenses	\$ 932,770	\$ 215,859	\$ 266,940	\$ 1,415,569	\$ 95,501	\$	1,511,070

See Independent Auditor's Report and accompanying notes to financial statements.

WOMEN IN SAFE HOMES, INC.
Statement of Functional Expenses
Year Ended June 30, 2014

	Program Services					Supporting Services			TOTAL
	Council on Domestic Violence and Sexual Assault	Family Preservation Services	Time Limited Family Reunification	Other Programs	Total Program Services	Administrative	Fundraising		
Salaries and wages	\$ 501,478	\$ 55,535	\$ 55,397	\$ 19,477	\$ 631,887	\$ 34,404	\$ 11,707	\$ 677,998	
Health insurance	37,340	4,976	4,960	1,601	48,877	2,399	1,222	52,498	
Payroll taxes	52,115	6,327	6,311	2,136	66,889	7,037	1,368	75,294	
Workers compensation	17,696	2,903	2,897	668	24,164	3,768	557	28,489	
Retirement	10,403	1,149	1,149	-	12,701	2,328	217	15,246	
Supplies, food and medical	33,801	3,269	3,259	16,548	56,877	11,082	-	67,959	
Advertising	2,635	-	-	-	2,635	85	-	2,720	
Professional fees and contracted services	40,498	1,319	1,319	5,113	48,249	1,327	-	49,576	
Travel	14,373	3,463	3,462	9,691	30,989	48	-	31,037	
Telephone	12,234	2,450	2,450	42	17,176	699	-	17,875	
Training, registration and dues	2,158	79	79	60	2,376	18,707	223	21,306	
Vehicle	6,336	505	506	-	7,347	754	-	8,101	
Parking and equipment lease	13,309	-	-	78	13,387	251	-	13,638	
Repairs, maintenance and equipment	12,233	638	824	10,181	23,876	-	-	23,876	
Insurance	19,954	2,219	2,219	1,611	26,003	689	-	26,692	
Utilities	16,971	4,650	4,650	392	26,663	473	-	27,136	
Other	391	-	-	28	419	2,090	-	2,509	
Total Cash Operating Expenses	793,925	89,482	89,482	67,626	1,040,515	86,141	15,294	1,141,950	
In-kind									
Travel	16,871	651	157	812	18,491	-	-	18,491	
Supplies	55,669	5,418	5,784	3,800	70,671	-	-	70,671	
Professional fees	2,924	75	75	-	3,074	-	-	3,074	
Total In-kind	75,464	6,144	6,016	4,612	92,236	-	-	92,236	
Loss on disposal of fixed assets	-	-	-	-	-	458	-	458	
Grant repayment	-	-	-	-	-	38,575	-	38,575	
Interest	-	-	-	-	-	2,200	-	2,200	
Depreciation	-	-	-	22,218	22,218	7,472	-	29,690	
Total Expenses	\$ 869,389	\$ 95,626	\$ 95,498	\$ 94,456	\$ 1,154,969	\$ 132,646	\$ 15,294	\$ 1,302,909	

See Independent Auditor's Report and accompanying notes to financial statements.

WOMEN IN SAFE HOMES, INC.

Statement of Cash Flows

Years Ended June 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 36,628	\$ 174,977
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Unrealized (gains) losses	3,494	(9,457)
Depreciation	36,063	29,690
Disposal of equipment	15,655	6,641
Recapture of depreciation	(13,656)	(6,183)
(Increase) decrease in assets:		
Prepaid insurance	(10,876)	864
Accounts and grants receivable	(28,605)	21,227
Increase (decrease) in liabilities:		
Accounts payable	25,941	(8,641)
Payroll-related liabilities	4,745	(16,770)
Deferred revenue	(13,826)	(164,675)
NET CASH PROVIDED		
BY OPERATING ACTIVITIES	<u>55,563</u>	<u>27,673</u>
CASH FROM INVESTING ACTIVITIES		
Equipment purchases	(39,524)	(283,588)
Purchase of investments	(113,988)	-
Sales of investments	104,484	-
Realized (gains) losses	1,002	(3,875)
NET CASH PROVIDED		
BY INVESTING ACTIVITIES	<u>(48,026)</u>	<u>(287,463)</u>
CASH FROM FINANCING ACTIVITIES		
Proceeds from long-term debt	-	44,000
NET CASH PROVIDED		
BY FINANCING ACTIVITIES	<u>-</u>	<u>44,000</u>
NET CHANGE IN CASH	7,537	(215,790)
CASH, beginning of year	<u>198,860</u>	<u>414,650</u>
CASH, end of year	<u>\$ 206,397</u>	<u>\$ 198,860</u>

See Independent Auditor's Report and accompanying notes to financial statements.

WOMEN IN SAFE HOMES, INC.

Notes to Financial Statements

June 30, 2015 and 2014

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of Women in Safe Homes, Inc. (WISH, the Organization) is presented to aid in understanding WISH's financial statements. The financial statements and notes are the representations of WISH's management, which is responsible for their integrity and objectivity. These accounting principles conform to generally accepted accounting principles.

Nature of the Organization

Women in Safe Homes, Inc., is a not-for-profit organization which maintains a shelter for victims of family violence and sexual assault in Ketchikan, Alaska. The organizational mission is to lead the community in the prevention of and response to domestic violence and sexual assault by providing emergency shelter, advocacy, education and family support in an effort to promote nonviolence and peace throughout Ketchikan and Southern Southeast Alaska. WISH provides crisis intervention, immediate safety, support and advocacy services available through the 25 bed shelter and 24 hour crisis line. WISH's geographical service area encompasses Ketchikan, Ketchikan Gateway Borough, Metlakatla, Wrangell, Hyder, Petersburg, Saxman and Prince of Wales Island, all of which are located in southern southeast Alaska.

WISH's income includes State of Alaska grants, client fees, membership fees and fundraising revenue. A grant from the State of Alaska Department of Public Safety, Council of Domestic Violence and Sexual Assault accounts for over 50% of WISH's annual revenue. It also administers two grants from the State of Alaska Department of Health and Social Services to provide core family services.

Cash and Cash Equivalents

WISH considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Deposits held by banks are insured by the Federal Deposit Insurance Corporation or the National Credit Union Administration up to allowable limits of \$250,000. \$-0- and \$-0- were uninsured at June 30, 2015 and 2014, respectively.

Property and Equipment

Furniture, equipment, buildings and improvements are recorded at cost or in the case of donated property, at their estimated fair market value at date of receipt. It is WISH's policy to capitalize expenditures for these items which both cost more than \$500 and have useful lives of more than one year. Depreciation is provided over the estimated useful lives of the respective assets on a straight-line basis. Estimated useful lives are as follows:

Buildings and improvements	25-27.5 years
Office and shelter equipment	5 years

Accrued Leave

A liability for unused annual leave is accrued when it is earned by an employee. It is recorded as an expense in the period earned. Upon termination an employee is paid for any unused annual leave. Any unused sick leave is forfeited.

WOMEN IN SAFE HOMES, INC.
Notes to Financial Statements, *continued*

Note A – Summary of Significant Accounting Policies, *continued*

Investment Securities

Investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair values in the statements of financial position. Unrealized gains and losses are included in the change in net assets. Amounts held by the brokerage house are insured by the Securities Investor Protection Corporation.

Temporarily Restricted Net Assets

Temporarily restricted net assets represent assets of the Organization whose use is limited by donor-imposed stipulations that either expire by the passage of time or can be fulfilled by action of WISH. When the stipulated time restriction ends or action is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and are reported in the statement of activities as net assets released from restrictions.

Advertising

Advertising costs are expensed as incurred.

Donated Services and Materials

Donated services are recognized as contributions in accordance with FASB ASC 958, Accounting for Contributions Received and Contributions Made, if the services (1) create or enhance nonfinancial assets or (2) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. During the years ended June 30, 2015 and 2014, WISH received donated supplies, travel and professional services totaling \$134,749 and \$92,236, respectively. In addition to the recorded donations, volunteers provided services valued at \$28,721 and \$46,467 in fiscal years 2015 and 2014, respectively, which did not meet the recognition criteria but were essential to the Organization's operations.

Income Taxes

WISH is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and is a nonprofit corporation that is a publicly supported charity and not a private foundation. The Organization believes that it has appropriate support for any tax positions taken, and as such does not have any uncertain tax positions that are material to the financial statements.

Fair Value of Financial Instruments

WISH's financial instruments consist primarily of cash and cash equivalents, receivables, investment, and payables. The Organization estimates that the fair value of all financial instruments does not differ materially from their aggregate carrying value recorded in the accompanying statements of financial position.

Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

WOMEN IN SAFE HOMES, INC.
Notes to Financial Statements, *continued*

Note A – Summary of Significant Accounting Policies, *continued*

Description of Program and Supporting Services

Program – Provides victims of domestic violence, sexual assault and other violent crime with crisis intervention, immediate safety, support, and advocacy services through a 25 bed shelter, 24 hour crisis line, advocacy and referrals.

Administration – Includes the functions necessary to maintain an equitable employment program; ensure an adequate working environment; provide coordination and articulation of the Organization’s program strategy through the Office of the Executive Director; secure proper administrative functioning of the Board of Directors; maintain competent legal services for the program administration of the Organization; and manage the financial and budgetary responsibilities of the Organization.

Fundraising – Provides the structure necessary to encourage and secure private financial support.

NOTE B – ACCOUNTS AND GRANTS RECEIVABLE

Grants receivable are due from the State of Alaska on the following grants at June 30:

	2015	2014
State of Alaska		
<i>Department of Health and Social Services</i>		
Comprehensive Behavioral Health	\$ 35,538	\$ -
Community Based Support	37,261	-
Family Preservation	-	11,861
Time Limited Family Reunification	-	12,038
Community Initiative Matching Grant	1,295	5,849
Ketchikan Borough Grant	7,404	25,321
City of Ketchikan	5,409	-
Accounts Receivable	-	3,233
	\$ 86,907	\$ 58,302

NOTE C – RETIREMENT PLAN

WISH maintains a SIMPLE 401(k) plan for all eligible employees. To be eligible, an employee must have completed one year of service and have attained the age of 21. WISH contributes 4% of the eligible employees’ compensation. The discretionary contributions to the plan for the year ended June 30, 2015 and 2014, were \$6,451 and \$15,244, respectively.

NOTE D – DEFERRED REVENUE

WISH received grant funding in advance during FY15 and FY14. Deferred revenue totaled \$1,000 and \$14,826 as of June 30, 2015 and 2014, respectively.

WOMEN IN SAFE HOMES, INC.
Notes to Financial Statements, *continued*

NOTE E – INVESTMENT SECURITIES

The fair value of an asset is the amount at which the asset could be bought or sold in a current transaction between willing parties, that is, other than in a forced or liquidation sale. The Organization’s financial assets carried at fair value have been classified, for disclosure purposes, based on a hierarchy defined by generally accepted accounting principles. The hierarchy gives the highest ranking to fair values determined using unadjusted quoted prices in active markets for identical assets (Level 1) and the lowest ranking to fair values determined using methodologies and models with unobservable inputs (Level 3). An asset’s classification is based on the lowest level input that is significant to its measurement. For example, a level 3 fair value measurement may include inputs that are both observable (Levels 1 and 2) and unobservable (Level 3). The levels of the fair value hierarchy are as follows:

Level 1 – Values are unadjusted quoted prices for identical assets in active markets accessible at the measurement date.

Level 2 – Inputs include quoted prices for similar assets in active markets, quoted prices from those willing to trade in markets that are not active, or other inputs that are observable or can be corroborated by market data for the term of the instrument. Such inputs include market interest rates and volatilities, spread and yield curves.

Level 3 – Certain inputs are unobservable (supported by little or no market activity) and significant to the fair value measurement. Unobservable inputs reflect the Organization’s estimate of what hypothetical market participants would use to determine a transaction price for the asset at the reporting date.

Investments held by brokerage houses, which are all Level 1 investments, are stated at fair value and consist primarily of cash and cash equivalents, mutual funds and other marketable securities:

<u>2015</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Gain (Loss)</u>
Mutual funds	\$ 147,449	\$ 149,950	\$ 2,501
Cash and cash equivalents	3,416	3,416	-
	<u>\$ 150,865</u>	<u>\$ 153,366</u>	<u>\$ 2,501</u>

For the year ended June 30, 2015, unrealized gains (losses), realized gains and interest/dividends earned on the account were \$3,494, \$1,002 and \$3,124, respectively.

<u>2014</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Gain (Loss)</u>
Mutual funds	\$ 89,617	\$ 144,942	\$ 55,325
Cash and cash equivalents	10,247	10,247	-
	<u>\$ 99,864</u>	<u>\$ 155,189</u>	<u>\$ 55,325</u>

For the year ended June 30, 2014, unrealized gains (losses), realized gains and interest/dividends earned on the account were \$11,958, (\$1,332) and \$5,207, respectively.

WOMEN IN SAFE HOMES, INC.
Notes to Financial Statements, *continued*

NOTE F – PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at June 30:

	2015	2014
Buildings and improvements	\$ 707,978	\$ 707,978
Land	224,434	224,434
Vehicles	49,350	49,350
Furniture and equipment	131,986	108,117
	1,113,748	1,089,879
Accumulated depreciation	(723,327)	(700,920)
	\$ 390,421	\$ 388,959

Depreciation expense totaled \$36,063 and \$29,690 for the year ended June 30, 2015 and 2014, respectively. During FY15, equipment with a cost basis of \$15,655 was disposed of, resulting in a loss of \$1,999.

NOTE G – CONCENTRATIONS

WISH receives a substantial amount of its support from one state grant. If a significant reduction in the level of this support were to occur, it may have an adverse effect on WISH's programs and activities.

NOTE H – CONTINGENCIES

Amounts that have been received or receivable from the State of Alaska are subject to audit and adjustment. Any disallowed claims would have to be repaid to the State of Alaska.

NOTE I – LEASE OBLIGATION

WISH leases facilities in Ketchikan, Alaska for its programs. Minimum future commitments are as follows for years ending June 30, 2016: \$13,125.

NOTE J – SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 31, 2015, that date which the financial statements were available for issue. In September 2015, Alaska's Council on Domestic Violence & Sexual Assault (the primary grantor for WISH) placed WISH on probation for the 2016 grant year and implemented a remediation plan in order for the organization to be eligible for funding in 2017. The remediation plan requires staff and the Board of Directors to receive additional training in the areas of shelter program and CDVSA grant Assurance and Condition compliance. Additionally, the organization is to update personnel and employee grievance procedures to ensure that actions taken in accordance with policy are properly documented. There is no impact on the June 30, 2015 financial statements resulting from this issue.

WOMEN IN SAFE HOMES, INC.
Notes to Financial Statements, *continued*

NOTE K – LONG-TERM DEBT

Long-term debt consisted of the following at June 30, 2015 and 2014:

An interest only contract beginning August 2013 due to an individual for the purchase of land, interest due in monthly installments of \$183 at 5% interest rate, secured by real estate, and maturing with a balloon payment of all principal on August 8, 2017.

Principal payments on long-term debt are as follows:

Year ended June 30:

2016	\$ -0-
2017	44,000
	<hr/>
	44,000
Current Portion	-0-
	<hr/>
	\$ 44,000
	<hr/>

NOTE L – RELATED PARTY TRANSACTIONS

During FY15 a relative of a member of management was paid \$5,900 for grant writing services.

During FY14 a relative of a member of management was paid \$5,040 for the purchase of salmon for the shelter.

SUPPLEMENTARY INFORMATION

WOMEN IN SAFE HOMES, INC.

CDVSA Grant

15-DV-20

Budget and Actual

Year Ended June 30, 2015

	Actual per <u>Audit</u>	<u>Budget</u>	Variance Favorable <u>(Unfavorable)</u>
Revenue:			
State grant	\$ 719,252	719,252	\$ -
Federal pass-through	120,309	120,309	-
<i>Total revenue</i>	<u>839,561</u>	<u>839,561</u>	<u>-</u>
Expenses:			
Personal services	605,337	605,337	-
Travel	19,905	19,905	-
Facilities	45,906	45,906	-
Commodities	52,693	52,693	-
Equipment purchases	30,250	30,250	-
Contractual	85,470	85,470	-
<i>Total expenses</i>	<u>839,561</u>	<u>839,561</u>	<u>-</u>
Revenue over expenses	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>

See Independent Auditor's Report

WOMEN IN SAFE HOMES, INC.

Community Based Support Services

603-258-1508

Budget and Actual

Year Ended June 30, 2015

	Actual per <u>Audit</u>	<u>Budget</u>	Variance Favorable (Unfavorable)
Revenue:			
State grant	\$ 40,224	40,224	\$ -
Federal pass-through	165,198	165,198	-
<i>Total revenue</i>	<u>205,422</u>	<u>205,422</u>	<u>-</u>
Expenses:			
Personal services	140,656	141,900	1,244
Travel	4,559	4,559	-
Facilities	21,164	21,164	-
Supplies	13,844	13,844	-
Equipment purchases	15,247	15,247	-
Other expenses	9,952	8,708	(1,244)
<i>Total expenses</i>	<u>205,422</u>	<u>205,422</u>	<u>-</u>
Revenue over expenses	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>

See Independent Auditor's Report

WOMEN IN SAFE HOMES, INC.

Comprehensive Behavioral Health

602-07-1505

Budget and Actual

Year Ended June 30, 2015

	Actual per <u>Audit</u>	<u>Budget</u>	Variance Favorable <u>(Unfavorable)</u>
Revenue:			
State grant	\$ 132,715	150,000	\$ (17,285)
Federal pass-through	-	-	-
<i>Total revenue</i>	<u>132,715</u>	<u>150,000</u>	<u>(17,285)</u>
Expenses:			
Personal services	-	-	-
Travel	10,078	9,100	978
Facilities	6,941	6,520	421
Supplies	2,009	3,800	(1,791)
Equipment purchases	5,899	8,500	(2,601)
Other expenses	107,788	122,080	(14,292)
<i>Total expenses</i>	<u>132,715</u>	<u>150,000</u>	<u>(17,285)</u>
Revenue over expenses	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>

See Independent Auditor's Report

WOMEN IN SAFE HOMES, INC.
 Community Initiative Matching Grant
 605-230-1501
 Budget and Actual
 Year Ended June 30, 2015

	Actual per <u>Audit</u>	<u>Budget</u>	Variance Favorable (Unfavorable)
Revenue:			
State grant	\$ 25,919	25,919	\$ -
Federal pass-through	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total revenue</i>	<u>25,919</u>	<u>25,919</u>	<u>-</u>
Expenses:			
Personal services	21,584	21,759	175
Travel	-	-	-
Facilities	-	-	-
Supplies	400	400	-
Equipment purchases	-	-	-
Other expenses	<u>3,935</u>	<u>3,760</u>	<u>(175)</u>
<i>Total expenses</i>	<u>25,919</u>	<u>25,919</u>	<u>-</u>
Revenue over expenses	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>

See Independent Auditor's Report

STATE COMPLIANCE REPORTS

WOMEN IN SAFE HOMES, INC.
Schedule of State Financial Assistance
June 30, 2015

<u>State Grant Title</u>	<u>Grant Number</u>	<u>Total Grant Award</u>	<u>State Eligible Expenditures</u>
<i>Major Programs:</i>			
Department of Public Safety Crime Victim Assistance	15-DV-20	\$ 719,252	\$ 719,252
Department of Health and Social Services: Comprehensive Behavioral Health	602-207-1505	150,000	<u>132,715</u>
<i>Total Major Programs</i>			<u>851,967</u>
<i>Non-major Programs:</i>			
Department of Health and Social Services: Community Based Support Services	603-258-1508	71,038	40,224
Community Initiative Matching Grant	605-230-1501	25,919	<u>25,919</u>
			66,143
Department of Public Safety Women in Safe Homes	15-HCEV-07	12,000	<u>\$ 12,000</u>
<i>Total Non-Major Programs</i>			<u>78,143</u>
			<u>\$ 930,110</u>

This schedule was prepared using the accrual basis as described in accounting principles generally accepted in the United States of America.

See Independent Auditor's Report

Foster and Company, LLC

Karen M. Foster, CPA
Michael C. Foster, CPA

Independent Auditor's Report on Internal Control over Financial Reporting and Compliance and Other matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

Board of Directors
Women in Safe Homes, Inc.
Ketchikan, Alaska

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 Women in Safe Homes, Inc. (WISH, a nonprofit organization), which comprise the statement of financial position as of June 30, 2015, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 31, 2015.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered WISH'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of WISH's internal control. Accordingly, we do not express an opinion on the effectiveness of WISH'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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurances about whether WISH'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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Foster and Company, LLC

Foster and Company, LLC
Wasilla, Alaska

December 31, 2015

Foster and Company, LLC

Karen M. Foster, CPA
Michael C. Foster, CPA

Independent Auditor's Report On Compliance For Each Major State Program: Report On Internal Control Over Compliance And Report On The Schedule Of State Financial Assistance Required By The State Of Alaska Audit Guide And Compliance Supplement For State Single Audits

Board of Directors
Women in Safe Homes, Inc.
Ketchikan, Alaska

Report on Compliance for Each Major State Program

We have audited Women in Safe Homes, Inc. (WISH, Inc., a nonprofit organization) compliance with the types of compliance requirements described in the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits* that could have a direct and material effect on each of WISH's major state programs for the year ended June 30, 2015. WISH's major state programs are identified in the accompanying schedule of state financial assistance.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of WISH's major state programs based on our audit of the types of compliance requirements referred to above.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*. Those standards and the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about WISH's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However our audit does not provide a legal determination of WISH's compliance.

Opinion on Each Major State Program

In our opinion, WISH 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 state programs for the year ended June 30, 2015.

Report on Internal Control over Compliance

Management of WISH is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered WISH's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of WISH's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state 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 state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of State Financial Assistance required by the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*

We have audited the financial statements of WISH as of and for the year ended June 30, 2015, and have issued our report thereon dated December 31, 2015, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of state financial assistance is presented for purposes of additional analysis as required by the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits* 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 state financial assistances is fairly stated in all material respects in relation to the financial statements as a whole.

Foster and Company, LLC

Foster and Company, LLC
Wasilla, Alaska

December 31, 2015

**WOMEN IN SAFE HOMES, INC.
(WISH, Inc.)
Schedule of Findings and Questions Cost
June 30, 2015**

A. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	Unmodified
Internal Control over financial reporting:	
Material weakness(es) identified?	None
Significant deficiency(ies) identified that are not Considered material weakness(es)?	None
Noncompliance material to financial statements?	None

State Financial Assistance

Internal Control over financial reporting:	
Material weakness(es) identified?	None
Significant deficiency(ies) identified that are not Considered material weakness(es)?	None
Type of auditor's report issued on compliance for major programs:	Unmodified
Dollar threshold to be used to distinguish a state major program?	\$50,000

B. FINANCIAL STATEMENT FINDINGS

Women in Safe Homes, Inc. did not have any findings that relate to the financial statements that are required to be reported in accordance with GAGAS.

C. STATE AWARD FINDINGS AND QUESTIONED COSTS

Women in Safe Homes, Inc. did not have any state award findings or questioned costs.

D. SUMMARY OF PRIOR AUDIT FINDINGS

Women in Safe Homes, Inc. did not have any prior audit findings.