

**WOMEN IN SAFE HOMES**

Audited Financial Statements

Years Ended June 30, 2014 and 2013

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, 2014 and 2013, 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, 2014 and 2013, 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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PO Box 872194  
Wasilla, Alaska 99687  
(907) 376-6901 Fax (907) 376-0514

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3733 Ben Walters Lane, Ste 6  
Homer, Alaska 99603  
(907) 235-6969

***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 5, 2014, 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 5, 2014

**WOMEN IN SAFE HOMES, INC.**

## Statements of Financial Position

June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
<b><u>ASSETS</u></b>		
<b>CURRENT ASSETS</b>		
Cash - Unrestricted	\$ 170,148	\$ 182,824
Cash - Temporarily restricted	28,712	231,826
Accounts and grants receivable	58,302	79,529
Prepaid expenses and deposits	-	864
TOTAL CURRENT ASSETS	<u>257,162</u>	<u>495,043</u>
Investment securities	144,942	131,610
Property and Equipment, net of accumulated depreciation - Note F	<u>388,959</u>	<u>135,519</u>
TOTAL ASSETS	<u>\$ 791,063</u>	<u>\$ 762,172</u>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>CURRENT LIABILITIES</b>		
Payroll and related taxes payable	\$ 1,870	\$ 7,352
Accrued leave	10,964	22,252
Accounts payable	7,354	15,995
Deferred revenue	14,826	179,501
TOTAL CURRENT LIABILITIES	<u>35,014</u>	<u>225,100</u>
Long-Term Note Payable	<u>44,000</u>	<u>-</u>
TOTAL LIABILITIES	79,014	225,100
<b>NET ASSETS</b>		
Designated for:		
Operations	323,090	349,228
Property and equipment	<u>388,959</u>	<u>135,519</u>
	712,049	484,747
Temporarily restricted	<u>-</u>	<u>52,325</u>
TOTAL NET ASSETS	<u>712,049</u>	<u>537,072</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 791,063</u>	<u>\$ 762,172</u>

See accompanying notes to financial statements.

**WOMEN IN SAFE HOMES, INC.**

Statement of Activities, page 1 of 2

Years Ended June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
<b>CHANGES IN UNRESTRICTED NET ASSETS</b>		
From Cash Operating Activities		
Support (including \$52,325 and \$31,866 in assets released from temporary restrictions in FY14 and FY13, respectively.)		
Government	\$ 1,227,744	\$ 1,035,077
Foundations	49,334	14,216
Corporations	116,580	120,894
Individuals	7,577	8,340
<b>SUBTOTAL - SUPPORT</b>	<u>1,401,235</u>	<u>1,178,527</u>
Revenue		
Program fees and services	9,947	22,239
Membership income	1,690	3,855
Other income	9,787	24,548
<b>SUBTOTAL - REVENUE</b>	<u>21,424</u>	<u>50,642</u>
<b>TOTAL REVENUE AND SUPPORT</b>	<u>1,422,659</u>	<u>1,229,169</u>
Expenses		
Program services	1,040,515	1,070,026
General and administrative	88,341	137,286
Fundraising	15,294	41,977
<b>TOTAL EXPENSE</b>	<u>1,144,150</u>	<u>1,249,289</u>
Increase (Decrease) in Unrestricted Net Assets from Cash Operating Activities	<u>\$ 278,509</u>	<u>\$ (20,120)</u>

See accompanying notes to financial statements.

**WOMEN IN SAFE HOMES, INC.**Statement of Activities, page 2 of 2  
Years Ended June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
<b>CHANGES IN UNRESTRICTED NET ASSETS</b>		
From Non-Cash Activities		
Depreciation	\$ (29,690)	\$ (27,387)
Unrealized investment gain (loss)	11,958	12,673
From In-kind		
In-kind expenses	(92,236)	(143,099)
In-kind donations	<u>92,236</u>	<u>149,009</u>
<b>SUBTOTAL NON-CASH ACTIVITIES</b>	<u>(17,732)</u>	<u>(8,804)</u>
From Non - Operating Activities		
Interest and investment earnings	5,558	4,896
Grants received for capital purposes	-	1,000
Loss on disposal of assets	(458)	-
Grants repayment	<u>(38,575)</u>	<u>-</u>
<b>SUBTOTAL NON- OPERATING ACTIVITIES</b>	<u>(33,475)</u>	<u>5,896</u>
<b>Increase (Decrease) in Unrestricted Net Assets from Non-Operating and Non-Cash Activities</b>	<u>(51,207)</u>	<u>(2,908)</u>
<b>Increase (Decrease) in unrestricted net assets</b>	<u>227,302</u>	<u>(23,028)</u>
<b>CHANGES IN TEMPORARILY RESTRICTED NET ASSETS</b>		
Gifts and contributions	-	84,191
Net assets released from restrictions	<u>(52,325)</u>	<u>(31,866)</u>
<b>Increase (Decrease) in temporarily restricted net assets</b>	<u>(52,325)</u>	<u>52,325</u>
<b>INCREASE/DECREASE IN NET ASSETS</b>	<u>174,977</u>	<u>29,297</u>
<b>NET ASSETS, beginning of year</b>	<u>537,072</u>	<u>507,775</u>
<b>NET ASSETS, end of year</b>	<u>\$ 712,049</u>	<u>\$ 537,072</u>

See accompanying notes to financial statements.

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

	Program Services				Supporting Services			
	Council on Domestic Violence and Sexual Assault	Family Preservation Services	Time Limited Family Reunification	Other Programs	Total Program Services	Administrative	Fundraising	TOTAL
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
Postage	391	-	-	28	419	-	-	419
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	-	-	-	-	-	4,290	-	4,290
<b>Total Cash Operating Expenses</b>	<b>793,925</b>	<b>89,482</b>	<b>89,482</b>	<b>67,626</b>	<b>\$ 1,040,515</b>	<b>88,341</b>	<b>15,294</b>	<b>1,144,150</b>
<b>In-kind</b>								
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
<b>Total Inkind</b>	<b>75,464</b>	<b>6,144</b>	<b>6,016</b>	<b>4,612</b>	<b>92,236</b>	<b>-</b>	<b>-</b>	<b>92,236</b>
Loss on disposal of fixed assets	-	-	-	-	-	458	-	458
Grant repayment	-	-	-	-	-	38,575	-	38,575
Depreciation	-	-	-	22,218	22,218	7,472	-	29,690
<b>Total Expenses</b>	<b>\$ 869,389</b>	<b>\$ 95,626</b>	<b>\$ 95,498</b>	<b>\$ 94,456</b>	<b>\$ 1,154,969</b>	<b>\$ 134,846</b>	<b>\$ 15,294</b>	<b>\$ 1,305,109</b>

See accompanying notes to financial statements.



**WOMEN IN SAFE HOMES, INC.**

Statement of Functional Expenses

Year Ended June 30, 2013

	Program Services					Supporting Services		
	Council on Domestic Violence and Sexual Assault	Family Preservation Services	Time Limited Family Reunification	Other Programs	Total Program Services	Administrative	Fundraising	TOTAL
Salaries and wages	\$ 500,803	\$ 51,013	\$ 52,218	\$ 24,120	\$ 628,154	\$ 63,366	\$ 27,423	\$ 718,943
Health insurance	46,479	6,349	6,568	2,785	62,181	19,624	398	82,203
Payroll taxes	54,724	5,662	5,914	2,752	69,052	9,253	474	78,779
Workers compensation	16,767	2,379	2,462	343	21,951	1,280	168	23,399
Retirement	9,954	1,000	1,003	878	12,835	2,968	69	15,872
Supplies, food and medical	41,018	5,193	4,990	18,439	69,640	3,168	6,164	78,972
Advertising	1,648	6	6	2,804	4,464	227	3,051	7,742
Professional fees and contracted services	31,183	889	1,138	6,236	39,446	4,368	1,838	45,652
Travel	12,162	3,610	3,610	1,031	20,413	1,294	-	21,707
Telephone	9,161	1,980	1,939	1,456	14,536	1,894	-	16,430
Training, registration and dues	2,079	30	31	150	2,290	17,505	320	20,115
Vehicle	10,208	3,284	1,666	3,658	18,816	5	-	18,821
Repairs, maintenance and equipment	20,642	3,755	3,705	21,727	49,829	-	-	49,829
Insurance	18,939	1,896	1,798	4,269	26,902	598	-	27,500
Utilities	24,891	479	479	12,830	38,679	2,154	2,072	42,905
Other	334	17	17	-	368	52	-	420
<b>Total Cash Operating Expenses</b>	<b>800,992</b>	<b>87,542</b>	<b>87,544</b>	<b>103,478</b>	<b>1,079,556</b>	<b>127,756</b>	<b>41,977</b>	<b>1,249,289</b>
<b>In-kind</b>								
Travel	9,163	6,937	6,937	-	23,037	-	-	23,037
Rent	7,240	7,460	7,460	-	22,160	-	-	22,160
Supplies	82,012	5,295	5,295	-	92,602	-	-	92,602
Professional fees	4,664	318	318	-	5,300	-	-	5,300
<b>Total Inkind</b>	<b>103,079</b>	<b>20,010</b>	<b>20,010</b>	<b>-</b>	<b>143,099</b>	<b>-</b>	<b>-</b>	<b>143,099</b>
<b>Depreciation</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>18,606</b>	<b>18,606</b>	<b>8,781</b>	<b>-</b>	<b>27,387</b>
<b>Total Expenses</b>	<b>\$ 904,071</b>	<b>\$ 107,552</b>	<b>\$ 107,554</b>	<b>\$ 122,084</b>	<b>\$ 1,241,261</b>	<b>\$ 136,537</b>	<b>\$ 41,977</b>	<b>\$ 1,419,775</b>

**WOMEN IN SAFE HOMES, INC.**

## Statement of Cash Flows

Years Ended June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 174,977	\$ 29,297
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Unrealized (gains) losses	(11,958)	(12,673)
Depreciation	29,690	27,387
Disposal of equipment	6,641	-
Recapture of depreciation	(6,183)	-
(Increase) decrease in assets:		
Prepaid insurance	864	(864)
Accounts and grants receivable	21,227	(15,168)
Increase (decrease) in liabilities:		
Accounts payable	(8,641)	(2,209)
Payroll-related liabilities	(16,770)	3,516
Deferred revenue	(164,675)	174,779
<b>NET CASH PROVIDED (USED)</b>		
<b>BY OPERATING ACTIVITIES</b>	<u>25,172</u>	<u>204,065</u>
<b>CASH FROM INVESTING ACTIVITIES</b>		
Equipment purchases	(283,588)	(53,421)
Land purchases	-	1,000
Purchase of investments	-	7,746
Realized (gains) losses	(3,875)	(547)
<b>NET CASH PROVIDED (USED)</b>		
<b>BY INVESTING ACTIVITIES</b>	<u>(287,463)</u>	<u>(45,222)</u>
<b>CASH FROM FINANCING ACTIVITIES</b>		
Proceeds from long-term debt	44,000	-
<b>NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES</b>	<u>44,000</u>	<u>-</u>
<b>NET CHANGE IN CASH</b>	(218,291)	158,843
CASH, beginning of year	<u>414,650</u>	<u>255,807</u>
<b>CASH, end of year</b>	<u>\$ 196,359</u>	<u>\$ 414,650</u>
<b>Non-cash transactions:</b>		
Donated equipment	<u>\$ -</u>	<u>\$ 5,910</u>

See accompanying notes to financial statements.

# WOMEN IN SAFE HOMES, INC.

Notes to Financial Statements

June 30, 2014 and 2013

## 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 \$264,827 were uninsured at June 30, 2014 and 2013, 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

WISH reports grant revenues as temporarily restricted. When the Organization has incurred expenses in compliance with the terms of the grant, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restriction.

Advertising

Advertising costs are expensed as incurred

Donated Services and Materials

Donated services and materials are recorded at their fair value when received. The fair value of donated services is determined by the amount WISH would have to pay for those services if they were performed by a salaried or self-employed individual. During the year ended June 30, 2014 and 2013, WISH received donated supplies, travel and professional fees of \$92,236 and \$149,009 respectively. In addition, during FY14 and FY13, respectively, \$46,467 and \$33,969 of non-GAAP services were provided by volunteers.

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:

	2014	2013
<b>State of Alaska</b>		
<i>Department of Health and Social Services</i>		
Family Preservation	\$ 11,861	\$ 15,149
Time Limited Family Reunification	12,038	15,169
Community Initiative Matching Grant	5,849	-
Ketchikan Borough Grant	25,321	14,570
City of Ketchikan	-	11,800
Child and Adult Care Food Program	-	6,923
Akeela, Inc.	-	15,445
Accounts Receivable	3,233	473
	\$ 58,302	\$ 79,529

**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 2% of the eligible employees’ compensation. Contributions to the plan for the year ended June 30, 2014 and 2013, were \$15,244 and \$15,872, respectively.

**NOTE D – DEFERRED REVENUE**

WISH received federal government grant funding in advance during FY14 and FY13. There was \$14,826 and \$179,501 unspent and held for expenditure in the following fiscal year as of June 30, 2014 and 2013, respectively. Of the FY13 amount, \$179,000 are funds related to an advance payment from the State of Alaska grant for a new domestic violence shelter

**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 of 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>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.

<u>2013</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Gain (Loss)</u>
Mutual funds	\$ 89,617	\$ 131,610	\$ 41,993
Cash and cash equivalents	7,746	7,746	-
	<u>\$ 97,363</u>	<u>\$ 139,356</u>	<u>\$ 41,993</u>

For the year ended June 30, 2013, unrealized gains (losses), realized gains and interest/dividends earned on the account were \$12,673, \$-0- and \$3,281, 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:

	2014	2013
Buildings and improvements	\$ 707,978	\$ 673,222
Land	224,434	1,000
Vehicles	49,350	49,350
Furniture and equipment	108,117	89,360
	1,089,879	812,932
Accumulated depreciation	(700,920)	(677,413)
	\$ 388,959	\$ 135,519

Depreciation expense totaled \$29,690 and \$27,387 for the year ended June 30, 2014 and 2013, respectively.

**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:	<b>2015</b>
	\$ 13,125

**NOTE J – SUBSEQUENT EVENTS**

Management has evaluated subsequent events through December 5, 2014, that date which the financial statements were available for issue. No events were identified that would require disclosure according to generally acceptable accounting principles.

**NOTE K – RELATED PARTY TRANSACTIONS**

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

14-DV-20

Budget and Actual

Year Ended June 30, 2014

	Actual per <u>Audit</u>	<u>Budget</u>	Variance Favorable <u>(Unfavorable)</u>
Revenue:			
State grant	\$ 672,157	672,157	\$ -
Federal pass-through	<u>146,011</u>	<u>146,011</u>	<u>-</u>
<i>Total revenue</i>	<u>818,168</u>	<u>818,168</u>	<u>-</u>
Expenses:			
Personal services	621,457	621,457	-
Travel	14,373	14,400	27
Facilities	73,900	73,900	-
Commodities	33,801	33,801	-
Equipment purchases	11,426	9,900	(1,526)
Contractual	<u>63,211</u>	<u>64,710</u>	<u>1,499</u>
<i>Total expenses</i>	<u>818,168</u>	<u>818,168</u>	<u>-</u>
<b>Revenue over expenses</b>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>

**WOMEN IN SAFE HOMES, INC.**

Family Preservation Grant

603-13-108

Budget and Actual

Year Ended June 30, 2014

	Actual per <u>Audit</u>	<u>Budget</u>	Variance Favorable <u>(Unfavorable)</u>
Revenue:			
State grant	\$ -	-	\$ -
Federal pass-through	<u>93,720</u>	<u>93,720</u>	<u>-</u>
<i>Total revenue</i>	<u>93,720</u>	<u>93,720</u>	<u>-</u>
Expenses:			
Personal services	70,889	71,487	598
Travel	3,463	3,463	-
Facilities	9,491	9,158	(333)
Supplies	3,269	3,004	(265)
Equipment purchases	2,990	2,990	-
Other expenses	<u>3,618</u>	<u>3,618</u>	<u>-</u>
<i>Total expenses</i>	<u>93,720</u>	<u>93,720</u>	<u>-</u>
<b>Revenue over expenses</b>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>

**WOMEN IN SAFE HOMES, INC.**

Time Limited Family Reunification

603-14-117

Budget and Actual

Year Ended June 30, 2014

	Actual per <u>Audit</u>	<u>Budget</u>	Variance Favorable <u>(Unfavorable)</u>
Revenue:			
State grant	\$ 51,919	51,919	\$ -
Federal pass-through	<u>41,801</u>	<u>41,801</u>	<u>-</u>
<i>Total revenue</i>	<u>93,720</u>	<u>93,720</u>	<u>-</u>
Expenses:			
Personal services	70,714	71,312	598
Travel	3,461	3,462	1
Facilities	9,492	9,148	(344)
Supplies	3,259	3,004	(255)
Equipment purchases	3,176	3,176	-
Other expenses	<u>3,618</u>	<u>3,618</u>	<u>-</u>
<i>Total expenses</i>	<u>93,720</u>	<u>93,720</u>	<u>-</u>
<b>Revenue over expenses</b>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>

**WOMEN IN SAFE HOMES, INC.**  
**Community Initiative Matching Grant**  
605-14-060  
Budget and Actual  
Year Ended June 30, 2014

	Actual per <u>Audit</u>	<u>Budget</u>	Variance Favorable  (Unfavorable)
Revenue:			
State grant	\$ 32,433	32,433	\$ -
Federal pass-through	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total revenue</i>	<u>32,433</u>	<u>32,433</u>	<u>-</u>
Expenses:			
Personal services	19,343	18,988	(355)
Travel	-	-	-
Facilities	115	471	356
Supplies	3,960	3,960	-
Equipment purchases	-	-	-
Other expenses	<u>9,015</u>	<u>9,014</u>	<u>(1)</u>
<i>Total expenses</i>	<u>32,433</u>	<u>32,433</u>	<u>-</u>
<b>Revenue over expenses</b>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>

**STATE COMPLIANCE REPORTS**

**WOMEN IN SAFE HOMES, INC.**  
**Schedule of State Financial Assistance**  
**June 30, 2014**

<u>State Grant Title</u>	<u>Grant Number</u>	<u>Total Grant Award</u>	<u>State Eligible Expenditures</u>
<b><i>Major Programs:</i></b>			
Department of Public Safety Crime Victim Assistance	14-DV-20	\$ 672,157	\$ 672,157
Department of Health and Social Services: Time Limited Family Reunification	603-14-117	51,919	51,919
Department of Commerce, Community and Economic Development: New Domestic Violence Shelter in Ketchikan	12-DC-573	200,000	<u>181,254</u>
<i>Total Major Programs</i>			<u>905,330</u>
<b><i>Non-major Programs:</i></b>			
Department of Health and Social Services: Community Initiative Matching Grant	605-14-060	32,433	<u>32,433</u>
<i>Total Non-Major Programs</i>			<u>32,433</u>
			<u>\$ 937,763</u>

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

# 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.  
Anchorage, 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 the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Women in Safe Homes, Inc. (WISH, a nonprofit organization), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise WISH's basic financial statements, and have issued our report thereon dated December 5, 2014.

### **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 5, 2014

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.  
Anchorage, 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, 2014. 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, 2014.

## 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, 2014, and have issued our report thereon dated December 5, 2014, 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 5, 2014

**WOMEN IN SAFE HOMES, INC.**  
**(WISH, Inc.)**  
**Summary of Prior Audit Findings**  
**June 30, 2014**

**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.