

**WOMEN IN SAFE HOMES, INC.**

**FINANCIAL STATEMENTS,  
SUPPLEMENTARY INFORMATION, AND  
GOVERNMENT AUDITING STANDARDS REPORT**

**(With Independent Auditor's Report Thereon)**

**Years Ended June 30, 2020 and 2019**



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# PORTER & ALLISON

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## INC

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### CERTIFIED PUBLIC ACCOUNTANTS

#### **Independent Auditor's Report**

To the Board of Directors of  
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, 2020 and 2019, and the related statements of activities and changes in net assets, 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, 2020 and 2019, 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.

## **Emphasis of Matter**

As discussed in Note 2 to the financial statements, Women in Safe Homes, Inc. adopted the Financial Accounting Standards Board's Accounting Standards Update ("ASU") 2018-08, Not-for-Profit Entities (Topic 958), *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, using the full retrospective method. Our opinion is not modified with respect to these matters.

## **Other Matters**

### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedules of revenues and expenditures – budget and actual 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 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 January 13, 2021, 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 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 Women in Safe Homes, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Women in Safe Homes, Inc.'s internal control over financial reporting and compliance.

*Porter & Allison, Inc.*

Anchorage, Alaska  
January 13, 2021

## **FINANCIAL STATEMENTS**

**WOMEN IN SAFE HOMES, INC.**

## Statements of Financial Position

June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<b>Assets</b>		
Current Assets:		
Cash:		
Unrestricted	\$ 180,341	\$ 225,138
Restricted	8,390	3,682
Total Cash	<u>188,731</u>	<u>228,820</u>
Accounts and grants receivable	214,765	146,251
Prepaid expenses and deposits	63,811	13,919
Total Current Assets	<u>467,307</u>	<u>388,990</u>
Investment securities	181,626	179,703
Property and equipment, net	<u>297,929</u>	<u>279,876</u>
Total Assets	<u>\$ 946,862</u>	<u>\$ 848,569</u>
<b>Liabilities and Net Assets</b>		
Current Liabilities:		
Accounts payable	\$ 27,280	\$ 37,146
Payroll and related taxes payable	39,016	45,379
Accrued leave	37,874	17,992
Payable to the State of Alaska	-	3,778
Refundable advance	8,390	3,682
Total Current Liabilities	<u>112,560</u>	<u>107,977</u>
Net Assets:		
Without Donor Restrictions		
Undesignated	301,342	264,500
Designated by the Board for new shelter	196,216	196,216
Invested in property and equipment, net of related debt	297,929	279,876
Total Without Donor Restrictions	<u>795,487</u>	<u>740,592</u>
With Donor Restriction	<u>38,815</u>	<u>-</u>
Total Net Assets	<u>834,302</u>	<u>740,592</u>
Total Liabilities and Net Assets	<u>\$ 946,862</u>	<u>\$ 848,569</u>

*See accompanying notes to financial statements.*

**WOMEN IN SAFE HOMES, INC.**  
Statements of Activities and Changes in Net Assets  
Years Ended June 30, 2020 and 2019

	2020			2019
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions
Operating Activities:				
Support:				
Governmental grants	\$ 1,274,079	-	1,274,079	\$ 1,330,434
Other grants	995	-	995	10,848
Contributions	40,868	-	40,868	14,374
Memberships	505	-	505	145
Fundraising activities	19,259	38,815	58,074	4,954
In-kind contributions	189,911	-	189,911	267,407
Net assets released from restrictions	-	-	-	-
Total Support	<u>1,525,617</u>	<u>38,815</u>	<u>1,564,432</u>	<u>1,628,162</u>
Expenses:				
Program Services:				
Shelter services	1,124,712	-	1,124,712	1,009,408
Family preservation program	138,793	-	138,793	226,561
Other programs	182,674	-	182,674	191,820
Total Program Services	<u>1,446,179</u>	<u>-</u>	<u>1,446,179</u>	<u>1,427,789</u>
Support Services:				
Management and general	59,730	-	59,730	252,472
Fundraising	676	-	676	157
Total Support Services	<u>60,406</u>	<u>-</u>	<u>60,406</u>	<u>252,629</u>
Total Expenses	<u>1,506,585</u>	<u>-</u>	<u>1,506,585</u>	<u>1,680,418</u>
Total Operating Activities	<u>19,032</u>	<u>38,815</u>	<u>57,847</u>	<u>(52,256)</u>
Non-Operating Activities:				
Contributed capital from government grants	33,617	-	33,617	-
Net Investment Return:				
Interest and dividends	7,541	-	7,541	8,299
Investment fees	(1,785)	-	(1,785)	(1,693)
Investment losses (gains)	(3,510)	-	(3,510)	(2,271)
Total Net Investment Return	<u>2,246</u>	<u>-</u>	<u>2,246</u>	<u>4,335</u>
Total Non-Operating Activities	<u>35,863</u>	<u>-</u>	<u>35,863</u>	<u>4,335</u>
Change in Net Assets	54,895	38,815	93,710	(47,921)
Net Assets, beginning of year	<u>740,592</u>	<u>-</u>	<u>740,592</u>	<u>788,513</u>
Net Assets, end of year	<u>\$ 795,487</u>	<u>38,815</u>	<u>834,302</u>	<u>\$ 740,592</u>

*See accompanying notes to financial statements.*



**WOMEN IN SAFE HOMES, INC.**

Statement of Functional Expenses

Year Ended June 30, 2020

	Program Services			Supporting Services			
	Shelter Services	Family Preservation Program	Other Programs	Total Program Services	Management and General	Fundraising	Total
Expenses:							
Expenses Requiring Cash Outlay:							
Salaries and wages	\$ 547,731	71,800	101,430	720,961	28,991	-	749,952
Fringe benefits	89,071	15,264	16,263	120,598	2,464	-	123,062
Supplies, food and medical	70,660	3,270	24,810	98,740	3,131	-	101,871
Professional and contractual fees	71,560	6,265	2,577	80,402	18	-	80,420
Payroll taxes	43,121	7,222	8,886	59,229	2,441	-	61,670
Rent, utilities and facility maintenance	36,351	13,135	-	49,486	2,985	-	52,471
Insurance	31,390	2,743	-	34,133	2,700	-	36,833
Travel	10,963	-	12,910	23,873	2,255	-	26,128
Equipment expense	15,169	2,873	1,673	19,715	-	-	19,715
Communications	13,567	1,395	875	15,837	142	-	15,979
Dues and subscriptions	7,337	64	1,924	9,325	7,642	20	16,987
Training and registration	2,658	1,052	75	3,785	-	-	3,785
Property taxes	-	-	-	-	1,751	-	1,751
Other	1,556	-	4,679	6,235	3,595	656	10,486
Total Expenses Requiring Cash Outlay	941,134	125,083	176,102	1,242,319	58,115	676	1,301,110
In-kind:							
Supplies and food	120,236	267	21	120,524	59	-	120,583
Professional fees	42,863	1,618	-	44,481	-	-	44,481
Rent and equipment	7,755	-	5,817	13,572	-	-	13,572
Travel	116	11,125	34	11,275	-	-	11,275
Total In-kind	170,970	13,010	5,872	189,852	59	-	189,911
Depreciation	12,608	700	700	14,008	1,556	-	15,564
Total Expenses	\$ 1,124,712	138,793	182,674	1,446,179	59,730	676	1,506,585

*See accompanying notes to financial statements.*

**WOMEN IN SAFE HOMES, INC.**

Statement of Functional Expenses

Year Ended June 30, 2019

	Program Services			Supporting Services			
	Shelter Services	Family Preservation Program	Other Programs	Total Program Services	Management and General	Fundraising	Total
Expenses:							
Expenses Requiring Cash Outlay:							
Salaries and wages	\$ 420,882	113,736	109,461	644,079	188,235	-	832,314
Fringe benefits	40,599	8,130	7,988	56,717	5,848	-	62,565
Supplies, food and medical	47,312	5,760	15,665	68,737	3,746	81	72,564
Professional and contractual fees	81,857	10,231	3,660	95,748	5,494	-	101,242
Payroll taxes	48,400	9,745	9,438	67,583	15,869	-	83,452
Rent, utilities and facility maintenance	35,312	15,820	413	51,545	2,018	-	53,563
Insurance	28,701	3,576	4,178	36,455	4,673	-	41,128
Travel	12,426	5,890	19,910	38,226	5,403	-	43,629
Equipment expense	18,053	5,320	2,438	25,811	3,361	-	29,172
Communications	12,361	7,727	1,400	21,488	1,507	-	22,995
Dues and subscriptions	5,561	896	800	7,257	9,510	-	16,767
Training and registration	1,000	40	-	1,040	-	-	1,040
Property taxes	-	-	-	-	1,751	-	1,751
Other	2,850	2,130	1,292	6,272	677	76	7,025
Total Expenses Requiring Cash Outlay	<u>755,314</u>	<u>189,001</u>	<u>176,643</u>	<u>1,120,958</u>	<u>248,092</u>	<u>157</u>	<u>1,369,207</u>
In-kind:							
Supplies and food	147,157	3,089	178	150,424	-	-	150,424
Professional fees	5,309	-	393	5,702	-	-	5,702
Rent and equipment	16,715	125	6,924	23,764	-	-	23,764
Travel	49,431	32,375	5,711	87,517	-	-	87,517
Total In-kind	<u>218,612</u>	<u>35,589</u>	<u>13,206</u>	<u>267,407</u>	<u>-</u>	<u>-</u>	<u>267,407</u>
Depreciation	<u>35,482</u>	<u>1,971</u>	<u>1,971</u>	<u>39,424</u>	<u>4,380</u>	<u>-</u>	<u>43,804</u>
Total Expenses	<u>\$ 1,009,408</u>	<u>226,561</u>	<u>191,820</u>	<u>1,427,789</u>	<u>252,472</u>	<u>157</u>	<u>1,680,418</u>

*See accompanying notes to financial statements.*

## WOMEN IN SAFE HOMES, INC.

### Statements of Cash Flows Years June 30, 2020 and 2019

	2020	2019
Cash Flows from Operating Activities:		
Change in Net Assets	\$ 93,710	\$ (47,921)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Realized and unrealized gains	3,708	(614)
Contributed capital from other grants	(33,617)	-
Depreciation	15,564	43,804
(Increase)decrease in assets:		
Accounts and grants receivable	(68,514)	(113,618)
Prepaid expenses	(49,892)	(3,983)
Increase(decrease) in liabilities:		
Accounts payable	(9,866)	11,622
Payroll-related liabilities	13,519	14,243
Payable to State of Alaska	(3,778)	(9,755)
Refundable advance	4,708	(24,024)
Net Cash Flows from Operating Activities	(34,458)	(130,246)
Cash Flows from Investing Activities:		
Purchase of equipment	(33,617)	-
Proceeds from sales of investment securities	1,586	-
Purchase of investment securities	(7,217)	(3,301)
Net Cash from Investing Activities	(39,248)	(3,301)
Cash Flows from Financing Activities:		
Contributed capital from other grants	33,617	-
Net (Decrease) Increase in Cash	(40,089)	(133,547)
Cash, beginning of year	228,820	362,367
Cash, end of year	\$ 188,731	\$ 228,820
Reconciliation of Cash to Statement of Financial Position:		
Unrestricted cash	180,341	225,138
Restricted cash	8,390	3,682
Total Cash	\$ 188,731	\$ 228,820
Non-Cash Inkind Disclosures:		
Support	\$ 189,911	\$ 267,407
Expense	\$ (189,911)	\$ (267,407)

*See accompanying notes to financial statements.*

# WOMEN IN SAFE HOMES, INC.

## Notes to Financial Statements Years Ended June 30, 2020 and 2019

### Note 1 – Nature of the Organization

Women in Safe Homes, Inc., is a non-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 efforts to promote nonviolence and peace throughout Ketchikan and Southern Southeast Alaska. WISH provides crisis intervention, immediate safety, support and advocacy services available through the 32 bed shelter and 24 hour crisis line. WISH's geographical service area encompasses Ketchikan, Ketchikan Gateway Borough, Metlakatla, Wrangell, Hyder, Saxman and Prince of Wales Island, all of which are located in southern southeast Alaska.

WISH's income is derived primarily from State of Alaska grants and federal funding passed through the State.

### Note 2 – Summary of Significant Accounting Policies

This summary of significant accounting policies of Women in Safe Homes, Inc. (WISH, or 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 in the United States of America.

#### Basis of Accounting and Financial Presentation

The financial statements of the Organization have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

The financial statement presentation follows the recommendations of the American Institute of Certified Public Accountants in its Audit and Accounting Guide (the Guide), which incorporates by reference Financial Accounting Standards Board (FASB) codification 958, *Financial Statements of Not-for-Profit Organizations*. ASC 958-205 was effective January 1, 2018.

#### New Accounting Pronouncement Implemented

The Organization adopted the following standards on July 1, 2019:

FASB ASU 2018-08, *Not-for-Profit Entities (Topic 958), Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* - The ASU clarifies and improves guidance for contributions received and contributions made and provides guidance to organizations on how to account for certain exchange transactions. This change is preferable in that it clarifies whether to account for transactions as contributions or as exchange transactions. In addition, it clarifies whether a contribution is conditional. As a result, it enhances comparability of financial information among not-for-profit entities. This standard was implemented using the prospective method, there was no impacts on beginning balance of net asset presented.

#### Net Assets

Under the provisions of the Guide, net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified as follows:

# WOMEN IN SAFE HOMES, INC.

## Notes to Financial Statements

Years Ended June 30, 2020 and 2019

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. The Organization's board may designate assets without restrictions for specific operational purposes from time to time. The Organization has chosen to record donor-restricted contributions as increases in net assets without donor restrictions if the restrictions are met in the reporting period in which the revenue is recognized.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. When the stipulated time restriction ends or action is accomplished, net assets with donor restrictions are reclassified to the net assets without donor restrictions and are reported in the statement of activities as net assets released from restrictions.

### Description of Program and Supporting Services

Program Services: Provide victims of domestic violence, sexual assault and other violent crime with crisis intervention, immediate safety, support, and advocacy services through a 32-bed shelter, 24-hour crisis line, advocacy and referrals.

Management and General: This include 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: Consist of activities to provide the structure necessary to encourage and secure private financial support.

### Use of Estimates

The preparation of financial statements in conformity with accounting principles accepted in the United States of America requires management to make estimates and assumptions that affect the 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. Actual results could differ from those estimates.

### Fair Value of Financial Instruments

The Organization's financial instruments consist primarily of cash and cash equivalents, receivables, and investments. 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.

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

# WOMEN IN SAFE HOMES, INC.

## Notes to Financial Statements

Years Ended June 30, 2020 and 2019

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.

### Cash

The Organization considers demand deposits and cash on-hand to be cash. Restricted cash is related to conditional promises to give that include a right of return until the conditions are met.

### Prepaid Expenses

Certain payments to vendors reflect costs applicable to future accounting periods are recorded as prepaid expenses.

### 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.

### 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 the Organization's policy to capitalize expenditures for these items which both cost more than \$5,000 and have useful lives of more than one year. Depreciation is expended 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
Vehicles	5-7 years
Furniture and equipment	3-10 years

# WOMEN IN SAFE HOMES, INC.

## Notes to Financial Statements

Years Ended June 30, 2020 and 2019

### Accrued Leave

Annual leave is accrued as a liability when earned with an accompanying charge to expense. Upon termination, an employee is paid for any unused annual leave; unused sick leave is forfeited.

### Support Recognition

Contributions are recognized when cash, securities or other assets, unconditional promises to give is received. Conditional promises to give, that is, those with measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. They are classified on the statement of financial position as refundable advances until such conditions are met. Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Contributions restricted for the acquisition of land, buildings, and equipment are reported as net assets without donor restriction upon acquisition of the assets and the assets are placed in service. Monies received in relation to fundraising activities are considered contributions because there is no direct benefit to donors when the solicitation occurs, or the event takes place. Fundraising event contributions are recognized immediately, unless there is a right of return if the fundraising event does not take place. Monies received in advance of events are considered refundable advances until events take place.

### Donated Services and Materials

The estimated fair value of donated services is recognized as a contribution 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. Donated goods and supplies are recorded at their estimated fair value on the date of the donation.

### Advertising

Advertising costs are expensed as incurred.

### Functional Expense Allocation

Directly identifiable expenses are charged to program and supporting services. Management and general expenses include those expenses that are not directly chargeable to any other specific function but provide for the overall support and direction of the Organization.

Expenses related to more than one function are charged to each function as follows:

- Salaries costs for overhead positions are allocated based upon a combination of management estimates, historical data, and periodic time studies.
- Personnel fringe benefits are allocated based on salaries expense.
- Building and occupancy costs are allocated based on management estimates.
- Depreciation is allocated based upon use of the related assets.
- Other allocable expenses are charged using management estimates and historical data.

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# WOMEN IN SAFE HOMES, INC.

## Notes to Financial Statements

Years Ended June 30, 2020 and 2019

### 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 applies the provisions of Topic 740 of the FASB ASC relating to accounting for uncertainty in income taxes. 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. WISH is no longer subject to examinations by federal and state authorities for years before fiscal year 2018.

### Reclassifications

Certain reclassifications have been made to the 2019 financial statements to conform to the 2020 presentation. The reclassification had no effect on the change in net assets or net assets.

### Subsequent Events

The Organization has evaluated subsequent events through January 13, 2021, the date the financial statements were available to be issued.

### **Note 3 – Cash**

The National Credit Union Administration (NCUA) insures funds held banking institutions to a maximum of \$250,000. Amounts in excess of the NCUA insurance limits are neither insured or collateralized throughout the year. At June 30, 2020 and 2019, funds in excess of the NCUA insurance limit totaled \$9,642 and \$36,991, respectively.

### **Note 4 – Investment Securities**

Investments held are all Level 1 investments in mutual funds stated at fair value at June 30:

	2020	2019
Fair value securities – mutual funds (Level 1)	\$ 181,626	\$ 179,703
Cost of securities – mutual funds	177,860	175,344
Unrealized gains	\$ 3,766	\$ 4,359

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# WOMEN IN SAFE HOMES, INC.

## Notes to Financial Statements Years Ended June 30, 2020 and 2019

### Note 5 – Accounts and Grants Receivable

Accounts and grants receivable are comprised of the following at June 30:

	<u>2020</u>	<u>2019</u>
State of Alaska:		
Department of Health and Social Services- Community Initiative Matching Grant	\$ 2,527	\$ 2,501
Department of Public Safety:		
CDVSA	23,981	81,384
Community Readiness Prevention Program	2,240	5,945
Total Department of Public Safety	<u>26,221</u>	<u>87,329</u>
 Total State of Alaska	 <u>28,748</u>	 <u>89,830</u>
 Federal government	 152,258	 26,412
Ketchikan Borough	23,348	21,719
City of Ketchikan	10,290	6,541
Other	<u>121</u>	<u>1,749</u>
 Total Accounts and Grants Receivable	 <u>\$ 214,765</u>	 <u>\$ 146,251</u>

### Note 6 – Property and Equipment

Property and equipment consisted of the following at June 30:

	<u>2020</u>	<u>2019</u>
Buildings and improvements	\$ 711,131	\$ 711,131
Land	224,434	224,434
Furniture and equipment	96,759	135,779
Vehicles	88,877	55,260
	<u>1,121,201</u>	<u>1,126,604</u>
 Accumulated depreciation	 <u>(823,272)</u>	 <u>(846,728)</u>
 Total Property and Equipment, net	 <u>\$ 297,929</u>	 <u>\$ 279,876</u>

# WOMEN IN SAFE HOMES, INC.

## Notes to Financial Statements Years Ended June 30, 2020 and 2019

### Note 7 – Net Assets With Donor Restrictions

Net assets with donor restrictions consists of the following as of June 30, 2020:

	2020	2019
Subject to expenditure for a specified purpose:		
Shelter renovation project	\$ 38,815	\$ -

There were no net assets released from donor restrictions during the years ended June 30, 2020 and 2019.

### Note 8 – Concentrations and Contingencies

During the year ended June 30, 2020, the Organization received approximately 76% of its total support and revenue from State and federal grants.

During the year ended June 30, 2019, the Organization received approximately 93% of its total support and revenue from State and federal grants; approximately 66% of its total support and revenue was derived from a single State of Alaska grant.

If a significant reduction in the level of this support were to occur, it may have an adverse effect on the Organization's programs and activities. Amounts that have been received or receivable from the State of Alaska and the federal government are subject to audit and adjustment. Any disallowed claims, including amounts already collected, would become a liability of the Organization.

#### Covid-19

The Covid-19 pandemic, whose effect first became known in January 2020, is having a broad and negative impact on commerce and financial markets around the world. The United States and global markets experienced significant declines in value resulting from uncertainty caused by the pandemic. Management is closely monitoring its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Organization is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity. Accordingly, the extent to which the COVID-19 may impact the Organization's financial position and changes in net assets and cash flows is uncertain and the accompanying financial statements include no adjustments relating to the effects of this pandemic

### Note 9 – In-Kind Contributions

During the years ended June 30, 2020 and 2019, the Organization received donated supplies, travel and professional services totaling \$189,911 and \$267,407, respectively. In addition to the recorded donations, volunteers provided services valued at \$110,030 and \$68,886 for fiscal years 2020 and 2019, respectively, which did not meet the recognition criteria but were essential to the Organization's operations.

# WOMEN IN SAFE HOMES, INC.

## Notes to Financial Statements

Years Ended June 30, 2020 and 2019

### Note 10 – Retirement Plan

The Organization terminated their SIMPLE 401(k) plan in December 2019 (old plan) and opened up a new SIMPLE IRA plan for all eligible employees in January 2019 (new plan). Under the old plan employees were immediately eligible on their date of hire and having attained the age of 21. Upon completion of one year of qualifying employment, the Organization matched up to 4% of eligible employees' compensation. In the new plan employees are eligible upon receiving at least \$5,000 in compensation in a year and who are reasonably expected to receive at least \$5,000 in compensation during the current year. The Organization matches up to 3% of eligible employees' compensation in the calendar year. The discretionary contributions to the plans for the years ended June 30, 2020 and 2019, totaled \$5,741 and \$7,053, respectively.

### Note 11 – Liquidity and Availability of Resources

The financial assets of the Organization available to meet cash needs within one year of the date of the statement of net position for general expenditures are as follows at June 30:

	2020	2019
Unrestricted cash	\$ 180,341	\$ 225,138
Accounts and grants receivable	214,765	146,251
Investment securities	<u>181,626</u>	<u>179,703</u>
Total financial assets available to meet cash needs for general expenditures within one year	<u>\$ 576,732</u>	<u>\$ 551,092</u>

As part of the Organization's liquidity management, the Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Organization has secured grants for their current programs for the next fiscal year in the amount of \$1,879,919 to pay for general expenditures, liabilities, and other obligations; included in that amount is \$117,328 of CARES Act funding. The Organization has secured additional multi-year grants that support their programs over multiple future years in the amount of \$1,872,18. In addition, the Organization has the ability to draw from its long-term investment portfolio to meet cash needs for general expenditures but does not intend to based on anticipated revenues and support in the subsequent year's operating budget.

### Note 12 – Accounting Pronouncements Issued But Not Yet Adopted or Currently in Effect

In February 2016, FASB issued ASU 2016-02, Leases (Topic 842), to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the statement of financial position and disclosing key information about leasing arrangements for lessees and lessors. The new standard applies a right-of-use (ROU) model that requires, for all leases with a lease term of more than 12 months, an asset representing its right to use the underlying asset for the lease term and a liability to make lease payments to be recorded. The ASU is effective for the entities' fiscal years beginning after December 15, 2021 with early adoption permitted.

# **WOMEN IN SAFE HOMES, INC.**

## **Notes to Financial Statements Years Ended June 30, 2020 and 2019**

In September 2020, FASB issued ASU 2020-07, Not-for-Profit Entities (Topic 958), Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets. This amendment is to update the application to NFPs that receive contributed nonfinancial assets. The amendments address presentation and disclosure of contributed nonfinancial assets. The ASU is required to be applied on the retrospective basis and is effective for the entities' fiscal years beginning after June 15, 2021 with early adoption permitted.

### **Note 13 – Subsequent Events**

In December 2020, the Organization entered into an agreement with the City of Ketchikan to renovate the former Ketchikan Youth Facility for use as a domestic violence shelter to be operated by WISH. The shelter renovations have an estimated total cost of \$1.6 million. The Organization and the City of Ketchikan have secured grant funding to cover the initial costs of \$1.4 million. The Organization and the City of Ketchikan have an agreement in which the Organization will fund \$786,800 of total project costs through payments to the City of Ketchikan in three installments: two installments totaling \$638,000 are due in fiscal year 2021 and the remaining \$148,800 is due in fiscal year 2022. The Organizations board approved moving forward with financing \$236,000 of their portion of project costs, the remainder of funding is covered through grant funding.

**SUPPLEMENTARY INFORMATION**

**WOMEN IN SAFE HOMES, INC.**

Schedule of Revenue and Expenditures - Budget and Actual  
CDVSA Grant  
20-VS-23  
Year Ended June 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
State of Alaska -			
Department of Public Safety	\$ <u>468,600</u>	<u>468,600</u>	<u>-</u>
Expenditures:			
Personnel	292,506	292,529	23
Travel	8,850	8,894	44
Facilities	42,431	41,235	(1,196)
Commodities	36,693	38,032	1,339
Equipment	5,780	5,562	(218)
Contractual	82,340	82,348	8
Total Expenditures	<u>468,600</u>	<u>468,600</u>	<u>-</u>
Excess of Revenues over Expenditures	\$ <u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

**WOMEN IN SAFE HOMES, INC.**

Schedule of Revenues and Expenditures - Budget and Actual

VOCA Grant

20-VS-18VO18

Year Ended June 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Federal sources passed through the			
State of Alaska Department of Public Safety	\$ <u>500,000</u>	<u>499,750</u>	<u>(250)</u>
Expenditures:			
Personal services	395,259	387,394	(7,865)
Travel	-	420	420
Facilities	8,000	8,682	682
Commodities	29,135	30,786	1,651
Equipment	40,500	42,753	2,253
Other costs	27,106	29,715	2,609
Total Expenditures	<u>500,000</u>	<u>499,750</u>	<u>(250)</u>
Excess of Revenues over Expenditures	\$ <u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

**WOMEN IN SAFE HOMES, INC.**

Schedule of Revenues and Expenditures - Budget and Actual  
Enhanced Services VOCA Grant  
20-MH-06  
Year Ended June 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Federal sources passed through the State of Alaska Department of Public Safety	\$ <u>54,311</u>	<u>5,850</u>	<u>(48,461)</u>
Expenditures:			
Personal services	45,457	-	(45,457)
Travel	7,904	1,650	(6,254)
Facilities	325	-	(325)
Commodities	625	1,841	1,216
Equipment	-	472	472
Other costs	-	1,887	1,887
Total Expenditures	<u>54,311</u>	<u>5,850</u>	<u>(48,461)</u>
Excess of Revenues over Expenditures	\$ <u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>



**WOMEN IN SAFE HOMES, INC.**

Schedule of Revenue and Expenditures - Budget and Actual  
Community Readiness Prevention Program

20-CR-07

Year Ended June 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
State of Alaska -			
Department of Public Safety	\$ <u>70,762</u>	<u>69,637</u>	<u>(1,125)</u>
Expenditures:			
Personnel	41,528	41,098	(430)
Travel	2,183	2,463	280
Facilities	1,260	875	(385)
Commodities	16,691	20,241	3,550
Equipment	1,960	782	(1,178)
Contractual	7,140	4,178	(2,962)
Total Expenditures	<u>70,762</u>	<u>69,637</u>	<u>(1,125)</u>
Excess of Revenues over Expenditures	\$ <u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

**WOMEN IN SAFE HOMES, INC.**  
Schedule of Revenue and Expenditures - Budget and Actual  
Community Initiative Matching Grants  
605-230-20024  
Year Ended June 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
State of Alaska -			
Department of Health and Social Services	\$ 50,000	50,000	-
Expenditures:			
Personal services	38,536	38,536	-
Supplies	2,885	2,720	(165)
Equipment	900	891	(9)
Other costs	7,679	7,853	174
Total Expenditures	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Excess of Revenues over Expenditures	\$ <u>-</u>	<u>-</u>	<u>-</u>

**WOMEN IN SAFE HOMES, INC.**

Family Reunification Grant

603-263-20007

Schedule of Revenue and Expenditures - Budget and Actual

Year Ended June 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Federal sources passed through the State of Alaska - Department of Health and Social Services	\$ 148,713	125,083	(23,630)
Expenditures:			
Personal services	114,083	94,286	(19,797)
Travel	4,038	-	(4,038)
Facilities	13,656	14,530	874
Supplies	3,076	3,270	194
Equipment	3,135	2,873	(262)
Other costs	10,725	10,124	(601)
Total Expenditures	<u>148,713</u>	<u>125,083</u>	<u>(23,630)</u>
Excess of Revenues over Expenditures	<u>\$ -</u>	<u>-</u>	<u>-</u>

# **GOVERNMENT AUDITING STANDARDS REPORT**



# PORTER & ALLISON

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## INC

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### CERTIFIED PUBLIC ACCOUNTANTS

#### **INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Directors of  
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. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2020, 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 January 13, 2021.

#### **Internal Control over Financial Reporting**

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

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

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

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Women in Safe Homes, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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.

*Porter & Allison, Inc.*

Anchorage, Alaska  
January 13, 2021

**WOMEN IN SAFE HOMES, INC.**  
Schedule of Findings and Responses  
Year Ended June 30, 2020

<b>Section I – Summary of Auditor’s Results</b>
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**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 | _____ <u>X</u> no |
| • Significant deficiency(ies) identified?               | _____ yes | _____ <u>X</u> no |
| • Noncompliance material to financial statements noted? | _____ yes | _____ <u>X</u> no |

<b>Section II – Financial Statement Findings Required to be Reported in Accordance with <i>Government Auditing Standards</i></b>
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There were no findings related to the financial statements which are required to be reported in accordance with the standards applicable to financial audits contained in *Government Auditing Standards*.