

WOMEN IN SAFE HOMES, INC.

**FINANCIAL STATEMENTS,
SUPPLEMENTARY INFORMATION,
AND COMPLIANCE REPORTS**
(With Independent Auditor's Report Thereon)

Years Ended June 30, 2019 and 2018



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WOMEN IN SAFE HOMES, INC.

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PORTER & ALLISON INC CERTIFIED PUBLIC ACCOUNTANTS

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, 2019 and 2018, 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, 2019 and 2018, 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 1 to the financial statements, Women in Safe Homes, Inc.'s adopted Accounting Standards Update (ASU) No. 2016-14, Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities. Our opinion is not modified with respect to this matter.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information as listed in the table of contents, including the Schedule of State Financial Assistance, as required by the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*, and schedules of revenues and expenditures – budget and actuals, are presented for purposes of additional analysis and are 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 27, 2020, 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 27, 2020

FINANCIAL STATEMENTS

WOMEN IN SAFE HOMES, INC.

Statements of Financial Position

June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Assets		
Current Assets:		
Cash:		
Unrestricted	\$ 225,138	\$ 334,661
Restricted	3,682	27,706
Total Cash	<u>228,820</u>	<u>362,367</u>
Accounts and grants receivable	146,251	32,633
Prepaid expenses and deposits	13,919	9,936
Total Current Assets	<u>388,990</u>	<u>404,936</u>
Investment securities	179,703	175,788
Property and equipment, net	<u>279,876</u>	<u>323,680</u>
Total Assets	<u>\$ 848,569</u>	<u>\$ 904,404</u>
Liabilities and Net Assets		
Current Liabilities:		
Accounts payable	\$ 37,146	\$ 25,524
Payroll and related taxes payable	45,379	33,023
Accrued leave	17,992	16,105
Payable to the State of Alaska	3,778	13,533
Deferred revenue	3,682	27,706
Total Current Liabilities	<u>107,977</u>	<u>115,891</u>
Net Assets:		
Without donor restrictions	<u>740,592</u>	<u>788,513</u>
Total Liabilities and Net Assets	<u>\$ 848,569</u>	<u>\$ 904,404</u>

See accompanying notes to financial statements.

WOMEN IN SAFE HOMES, INC.Statements of Activities
Years Ended June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Operating Activities:		
Support and Revenue:		
Support:		
Governmental grants	\$ 1,330,434	\$ 1,196,069
Other grants	10,848	54,550
Contributions	12,274	19,063
Memberships	145	665
In-kind contributions	<u>267,407</u>	<u>181,310</u>
Total Support	<u>1,621,108</u>	<u>1,451,657</u>
Revenue:		
Program fees and contracts	2,100	3,315
Fundraising events	4,954	9,894
Other	-	1
Total Revenue	<u>7,054</u>	<u>13,210</u>
Total Support and Revenue	<u>1,628,162</u>	<u>1,464,867</u>
Expenses:		
Program Services:		
Shelter services	1,009,408	971,265
Family preservation program	226,561	168,994
Other programs	<u>191,820</u>	<u>96,030</u>
Total Program Services	<u>1,427,789</u>	<u>1,236,289</u>
Support Services:		
Management and general	252,472	208,010
Fundraising	<u>157</u>	<u>5,246</u>
Total Support Services	<u>252,629</u>	<u>213,256</u>
Total Expenses	1,680,418	1,449,545
Total Operating Activities	<u>(52,256)</u>	<u>15,322</u>
Non-Operating Activities:		
Contributed capital from other grants	-	23,080
Interest and dividends	8,299	7,525
Investment fees	(1,693)	(1,755)
Investment losses (gains)	<u>(2,271)</u>	<u>3,891</u>
Total Non-Operating Activities	<u>4,335</u>	<u>32,741</u>
Change in Net Assets	(47,921)	48,063
Net Assets, beginning of year	<u>788,513</u>	<u>740,450</u>
Net Assets, end of year	<u>\$ 740,592</u>	<u>\$ 788,513</u>

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
Payroll taxes	48,400	9,745	9,438	67,583	15,869	-	83,452
Fringe benefits	40,599	8,130	7,988	56,717	5,848	-	62,565
Professional and contractual fees	81,857	10,231	3,660	95,748	5,494	-	101,242
Supplies, food and medical	47,312	5,760	15,665	68,737	3,746	81	72,564
Rent, utilities and facility maintenance	35,312	15,820	413	51,545	2,018	-	53,563
Travel	12,426	5,890	19,910	38,226	5,403	-	43,629
Insurance	28,701	3,576	4,178	36,455	4,673	-	41,128
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
Travel	49,431	32,375	5,711	87,517	-	-	87,517
Rent and equipment	16,715	125	6,924	23,764	-	-	23,764
Professional fees	5,309	-	393	5,702	-	-	5,702
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.

Statement of Functional Expenses

Year Ended June 30, 2018

	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	\$ 511,528	93,401	11,686	616,615	140,487	-	757,102
Payroll taxes	40,456	9,009	4,507	53,972	13,557	-	67,529
Fringe benefits	37,144	8,006	4,736	49,886	2,554	-	52,440
Professional and contractual fees	41,609	9,850	1,214	52,673	21,144	-	73,817
Supplies, food and medical	51,746	3,873	21,057	76,676	1,107	4,956	82,739
Rent, utilities and facility maintenance	29,967	14,293	-	44,260	4,595	-	48,855
Travel	12,834	6,369	15,261	34,464	99	-	34,563
Insurance	28,669	4,269	-	32,938	4,015	-	36,953
Equipment expense	5,670	10,610	-	16,280	-	-	16,280
Communications	10,860	4,953	-	15,813	1,641	-	17,454
Dues and subscriptions	8,569	891	2,310	11,770	8,383	290	20,443
Training and registration	14,011	174	-	14,185	-	-	14,185
Property taxes	-	-	-	-	1,946	-	1,946
Other	2,287	1,141	6,072	9,500	2,954	-	12,454
Total Expenses Requiring Cash Outlay	<u>795,350</u>	<u>166,839</u>	<u>66,843</u>	<u>1,029,032</u>	<u>202,482</u>	<u>5,246</u>	<u>1,236,760</u>
In-kind:							
Supplies and food	71,785	2,155	626	74,566	-	-	74,566
Travel	9,464	-	507	9,971	1,531	-	11,502
Rent and equipment	7,344	-	1,640	8,984	-	-	8,984
Professional fees	59,844	-	26,414	86,258	-	-	86,258
Total In-kind	<u>148,437</u>	<u>2,155</u>	<u>29,187</u>	<u>179,779</u>	<u>1,531</u>	<u>-</u>	<u>181,310</u>
Depreciation	<u>27,478</u>	<u>-</u>	<u>-</u>	<u>27,478</u>	<u>3,997</u>	<u>-</u>	<u>31,475</u>
Total Expenses	<u>\$ 971,265</u>	<u>168,994</u>	<u>96,030</u>	<u>1,236,289</u>	<u>208,010</u>	<u>5,246</u>	<u>1,449,545</u>

See accompanying notes to financial statements.

WOMEN IN SAFE HOMES, INC.

Statements of Cash Flows Years June 30, 2019 and 2018

	2019	2018
Cash Flows from Operating Activities:		
Change in Net Assets	\$ (47,921)	\$ 48,063
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Realized and unrealized gains	(614)	(3,891)
Contributed capital from other grants	-	(23,080)
Depreciation	43,804	31,475
(Increase)decrease in assets:		
Accounts and grants receivable	(113,618)	15,260
Prepaid expenses	(3,983)	(1,816)
Increase(decrease) in liabilities:		
Accounts payable	11,622	(16,138)
Payroll-related liabilities	14,243	26,092
Payable to State of Alaska	(9,755)	13,533
Deferred revenue	(24,024)	(1,992)
Net Cash Flows from Operating Activities	(130,246)	87,506
Cash Flows from Investing Activities:		
Purchase of equipment	-	(23,080)
Proceeds from sales of investment securities	-	112,688
Purchase of investment securities	(3,301)	(119,692)
Net Cash from Investing Activities	(3,301)	(30,084)
Cash Flows from Financing Activities:		
Contributed capital from other grants	-	23,080
Net (Decrease) Increase in Cash	(133,547)	80,502
Cash, beginning of year	362,367	281,865
Cash, end of year	\$ 228,820	\$ 362,367
Reconciliation of Cash to Statement of Financial Position:		
Unrestricted cash	225,138	334,661
Restricted cash	3,682	27,706
Total Cash	\$ 228,820	\$ 362,367

See accompanying notes to financial statements.

WOMEN IN SAFE HOMES, INC.

Notes to Financial Statements

Years Ended June 30, 2019 and 2018

Note 1 – 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. The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 dated August 2016, and the provisions of the American Institute of Certified Public Accountants (AICPA) "Audit and Accounting Guide for Not-for-Profit Organizations" (the "Guide"). ASC 958-205 are effective January 1, 2018. Accounting Standards Update (ASU) 2016-14 was implemented by the Organization as of July 1, 2018.

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.

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:

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.

WOMEN IN SAFE HOMES, INC.

Notes to Financial Statements Years Ended June 30, 2019 and 2018

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.

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 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.

WOMEN IN SAFE HOMES, INC.

Notes to Financial Statements

Years Ended June 30, 2019 and 2018

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.

Cash and Cash Equivalents

The Organization 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 National Credit Union Administration (NCUA) up to allowable limits of \$250,000. At June 30, 2019 and 2018, funds in excess of the NCUA insurance limit totaled \$36,991 and \$168,406, 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 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

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.

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.

Revenue Recognition

Cost reimbursable grant revenues are recorded as earned as related expenses are incurred. Unearned grant receipts are deferred until expended for the grant.

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.

WOMEN IN SAFE HOMES, INC.

Notes to Financial Statements

Years Ended June 30, 2019 and 2018

Advertising

Advertising costs are expensed as incurred.

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 2015.

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.

Reclassifications

Certain reclassifications have been made to the 2018 financial statements to conform to the 2019 presentation. The reclassification had no effect on the changes in net assets or net assets.

Subsequent Events

The Organization has evaluated subsequent events through January 27, 2020, the date the financial statements were available to be issued.

Note 2 – Investment Securities

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

	2019	2018
Fair value securities – mutual funds (Level 1)	\$ 179,703	\$ 175,788
Cost of securities – mutual funds	<u>175,344</u>	<u>169,123</u>
Unrealized gains	<u>\$ 4,359</u>	<u>\$ 6,665</u>

WOMEN IN SAFE HOMES, INC.

Notes to Financial Statements
Years Ended June 30, 2019 and 2018

Note 3 – Accounts and Grants Receivable

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

	<u>2019</u>	<u>2018</u>
State of Alaska:		
Department of Health and Social Services:		
Family Reunification	\$ -	\$ 15,648
Community Initiative Matching Grant	2,501	2,500
Circles of Support	-	13,480
Total Department of Health and Social Services	<u>2,501</u>	<u>31,628</u>
Department of Public Safety:		
CDVSA	81,384	-
Community Readiness Prevention Program	5,945	-
Total Department of Public Safety	<u>87,329</u>	<u>-</u>
 Total State of Alaska	 <u>89,830</u>	 <u>31,628</u>
 Federal government	 26,412	 -
Ketchikan Borough	21,719	-
City of Ketchikan	6,541	-
Other	1,749	1,005
 Total Accounts and Grants Receivable	 <u>\$ 146,251</u>	 <u>\$ 32,633</u>

Note 4 – Property and Equipment

Property and equipment consisted of the following at June 30:

	<u>2019</u>	<u>2018</u>
Buildings and improvements	\$ 711,131	\$ 711,131
Land	224,434	224,434
Furniture and equipment	135,779	135,779
Vehicles	55,260	55,260
	<u>1,126,604</u>	<u>1,126,604</u>
 Accumulated depreciation	 <u>(846,728)</u>	 <u>(802,924)</u>
 Property and equipment, net	 <u>\$ 279,876</u>	 <u>\$ 323,680</u>

WOMEN IN SAFE HOMES, INC.

Notes to Financial Statements Years Ended June 30, 2019 and 2018

Note 5 – Concentrations and Contingencies

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.

During the year ended June 30, 2018, the Organization received approximately 97% of its total support and revenue from State and federal grants; approximately 44% 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.

Note 6 – Deferred Revenue

As of June 30, 2019 and 2018, the Organization held \$3,682 and \$27,706, respectively, of funds granted by non-governmental organizations which had not yet been expended in accordance with grant terms.

Note 7 – In-Kind Contributions

During the years ended June 30, 2019 and 2018, the Organization received donated supplies, travel and professional services totaling \$267,407 and \$181,310, respectively. In addition to the recorded donations, volunteers provided services valued at \$68,886 and \$145,042 for fiscal years 2019 and 2018, respectively, which did not meet the recognition criteria but were essential to the Organization's operations.

Note 8 – Retirement Plan

The Organization maintains a SIMPLE 401(k) plan for all eligible employees. Employees are immediately eligible on their date of hire and having attained the age of 21. Upon completion of one year of qualifying employment, the Organization matches up to 4% of the eligible employees' compensation. The discretionary contributions to the plan for the years ended June 30, 2019 and 2018, totaled \$7,053 and \$6,292, respectively.

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WOMEN IN SAFE HOMES, INC.

Notes to Financial Statements

Years Ended June 30, 2019 and 2018

Note 10 – Liquidity and Availability of Resources

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

	2019	2018
Unrestricted cash	\$ 225,138	\$ 334,661
Accounts and grants receivable	146,251	32,633
Investment securities	179,703	175,788
Total financial assets available to meet cash needs for general expenditures within one year	<u>\$ 551,092</u>	<u>\$ 543,082</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 \$1,117,313 to pay for general expenditures, liabilities, and other obligations. 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 11 – Upcoming Accounting Pronouncements

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, 2020 with early adoption permitted.

In May 2014, FASB issued ASU 2014-09, Revenue from Contracts with Customers (Topic 606), which is a comprehensive new revenue recognition standard that will supersede existing revenue recognition guidance. The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. FASB issued ASU 2015-14 that deferred the effective date for the entities until annual periods beginning after December 15, 2018. Earlier adoption is permitted subject to certain limitations. The amendments in this update are required to be applied retrospectively to each prior reporting period presented or with the cumulative effect being recognized at the date of initial application.

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SUPPLEMENTARY INFORMATION

WOMEN IN SAFE HOMES, INC.

Schedule of Revenue and Expenditures - Budget and Actual

CDVSA Grant

19-DV-24

Year Ended June 30, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
State of Alaska -			
Department of Public Safety	\$ 904,199	904,199	-
Expenditures:			
Personnel	664,530	643,432	(21,098)
Travel	18,830	17,842	(988)
Facilities	43,676	51,200	7,524
Commodities	45,828	50,661	4,833
Equipment	11,343	18,053	6,710
Contractual	119,992	125,440	5,448
Total Expenditures	<u>904,199</u>	<u>906,628</u>	<u>2,429</u>
Excess of Revenues over Expenditures	\$ <u>-</u>	<u>(2,429)</u>	<u>(2,429)</u>

WOMEN IN SAFE HOMES, INC.

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

19-CR-07

Year Ended June 30, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
State of Alaska -			
Department of Public Safety	\$ <u>66,351</u>	<u>66,325</u>	<u>(26)</u>
Expenditures:			
Personnel	35,799	42,178	6,379
Travel	12,172	12,166	(6)
Facilities	1,400	1,400	-
Commodities	9,060	5,179	(3,881)
Equipment	2,580	1,534	(1,046)
Contractual	5,340	3,868	(1,472)
Total Expenditures	<u>66,351</u>	<u>66,325</u>	<u>(26)</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

605-230-19024

Year Ended June 30, 2019

	<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	39,214	678
Supplies	2,760	2,202	(558)
Equipment	900	905	5
Other costs	7,804	7,679	(125)
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.

Schedule of Revenue and Expenditures - Budget and Actual

Circles of Support Grant

603-262-19008

Year Ended June 30, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Federal sources passed through the State of Alaska	\$ 45,302	34,338	(10,964)
State grant - Department of Health and Social Services	<u>17,101</u>	<u>12,962</u>	<u>(4,139)</u>
Total Revenues	<u>62,403</u>	<u>47,300</u>	<u>(15,103)</u>
Expenditures:			
Personal services	44,428	29,144	(15,284)
Travel	2,046	2,046	-
Facilities	8,096	8,096	-
Supplies	2,361	2,360	(1)
Equipment	960	960	-
Other costs	<u>4,512</u>	<u>4,694</u>	<u>182</u>
Total Expenditures	<u>62,403</u>	<u>47,300</u>	<u>(15,103)</u>
Excess of Revenues over Expenditures	<u>\$ -</u>	<u>-</u>	<u>-</u>

WOMEN IN SAFE HOMES, INC.

Family Reunification Grant

603-263-19007

Schedule of Revenue and Expenditures - Budget and Actual

Year Ended June 30, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues:			
Federal sources passed through the State of Alaska - Department of Health and Social Services	\$ <u>143,713</u>	<u>141,701</u>	<u>(2,012)</u>
Expenditures:			
Personal services	105,050	102,468	(2,582)
Travel	3,844	3,844	-
Facilities	14,880	15,450	570
Supplies	3,400	3,400	-
Equipment	4,360	4,360	-
Other costs	12,179	12,179	-
Total Expenditures	<u>143,713</u>	<u>141,701</u>	<u>(2,012)</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 State Financial Assistance

Year Ended June 30, 2019

<u>State Agency/Program Title</u>	<u>Award Number</u>	<u>State Expenditures</u>
Department of Public Safety:		
* CDVSA	19-DV-24	\$ 904,199
Community Readiness Prevention Program	19-CR-07	<u>66,325</u>
Total Department of Public Safety		<u>970,524</u>
Department of Health and Social Services:		
Community Initiative Matching	605-230-19024	50,000
Circles of Support	603-262-19008	<u>12,962</u>
Total Department of Health and Social Services		<u>62,962</u>
Total State Financial Assistance		<u>\$ 1,033,486</u>

Note 1. Major Program Notation

* Denotes Major State Program

Note 2. Basis of Presentation

The accompanying schedule of state financial assistance (the "Schedule") includes the state award activity of Women In Safe Homes, Inc. under programs of the state government for the year ended June 30, 2019. The information in this Schedule is presented in accordance with the requirements of the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*. Because the Schedule presents only a selected portion of the operations of Women In Safe Homes, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of Women In Safe Homes, Inc.

Note 3. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the full accrual basis of accounting.

Note 4. Awards to Subrecipients

No state awards were passed through to subrecipients for the year ended June 30, 2019.

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COMPLIANCE REPORTS



PORTER & ALLISON INC 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*

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. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2019, 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 27, 2020.

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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of 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 27, 2020



PORTER & ALLISON INC CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE 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 Home, Inc.'s 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 Women in Safe Homes, Inc.'s major state program for the year ended June 30, 2019. Women in Safe Homes, Inc.'s major state program is identified in the accompanying schedule of state financial assistance.

Management's Responsibility

Management is responsible for compliance with the state statutes, regulations, and the terms and conditions of its state awards applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for Women in Safe Homes, Inc.'s major state program 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 audit requirements of 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 Women in Safe Homes, Inc.'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 Women in Safe Homes, Inc.'s compliance.

Opinion on Each Major State Program

In our opinion, Women in Safe Homes, Inc. 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, 2019.

Report on Internal Control over Compliance

Management of Women in Safe Homes, Inc. 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 Women in Safe Homes, Inc.'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 Women in Safe Homes, Inc.'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.

Porter & Allison, Inc.

Anchorage, Alaska
January 27, 2020

WOMEN IN SAFE HOMES, INC.
 Schedule of Findings and Questioned Costs
 Year Ended June 30, 2019

Section I – Summary of Auditor’s Results

Financial Statements

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

Unmodified

Internal control over financial reporting:

- | | | | | |
|---|-------|-----|-------|----|
| • Material weakness(es) identified? | _____ | yes | _____ | no |
| • Significant deficiency(ies) identified? | _____ | yes | _____ | no |
| • Noncompliance material to financial statements noted? | _____ | yes | _____ | no |

State Financial Assistance

Type of report the auditor issued on compliance for major State programs

[unmodified, qualified, adverse, or disclaimer]: Unmodified

Internal control over major State programs:

Material weakness(es) identified? _____ yes _____ X no

Significant deficiency(ies) identified? _____ yes _____ X no

Dollar threshold used to distinguish a state major program: \$150,000

Section II – Financial Statement Findings Required to be Reported in Accordance with Government Auditing Standards

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*.

Section III – State Award Findings and Questioned Costs
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There were no findings and questioned costs for State awards (as defined in the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*) that are required to be reported.