

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

Financial Statements, Supplementary Information,  
and State Single Audit Reports

(With Independent Auditor's Report Thereon)

Years Ended June 30, 2017 and 2016



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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, 2017 and 2016, 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, 2017 and 2016, 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.

***Other Matters***

***Other Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of State Financial Assistance on page 17, as required by the *State of Alaska Audit Guide and Compliance Supplement for State Single Audits*, and the accompanying statements of revenues and expenses – budget and actual on pages 14 through 16, 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 December 15, 2017, on our consideration of Women in Safe Homes, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Women in Safe Homes, Inc.'s internal control over financial reporting and compliance.

*Porter & Allison, Inc.*

Anchorage, Alaska  
December 15, 2017

# WOMEN IN SAFE HOMES, INC.

## Statements of Financial Position

June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
<u>ASSETS</u>		
Current assets:		
Cash - unrestricted	\$ 252,167	\$ 288,456
Cash - restricted	29,698	7,000
Total cash	<u>281,865</u>	<u>295,456</u>
Accounts and grants receivable	47,893	31,627
Prepaid expenses and deposits	8,120	-
TOTAL CURRENT ASSETS	<u>337,878</u>	<u>327,083</u>
Investment securities	164,893	146,536
Property and equipment, net	<u>332,075</u>	<u>362,388</u>
TOTAL ASSETS	\$ <u>834,846</u>	\$ <u>836,007</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current liabilities:		
Accounts payable	\$ 41,662	\$ 10,307
Payroll and related taxes payable	6,484	11,562
Accrued leave	16,552	18,969
Deferred revenue	29,698	7,000
TOTAL CURRENT LIABILITIES	<u>94,396</u>	<u>47,838</u>
Long-term note payable	<u>-</u>	<u>44,000</u>
TOTAL LIABILITIES	<u>94,396</u>	<u>91,838</u>
NET ASSETS		
Unrestricted - Designated for:		
Future shelter procurement	224,434	-
Property and equipment	107,641	362,388
Operations	<u>408,375</u>	<u>381,781</u>
TOTAL NET ASSETS	<u>740,450</u>	<u>744,169</u>
TOTAL LIABILITIES AND NET ASSETS	\$ <u><u>834,846</u></u>	\$ <u><u>836,007</u></u>

See accompanying notes to financial statements.

# WOMEN IN SAFE HOMES, INC.

Statements of Activities  
Years Ended June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
	<u>Unrestricted</u>	<u>Unrestricted</u>
<b>OPERATING ACTIVITIES:</b>		
Support:		
Governmental grants	\$ 1,138,781	\$ 1,068,198
Other grants	67,341	75,210
Contributions	<u>14,422</u>	<u>34,325</u>
SUBTOTAL, support	<u>1,220,544</u>	<u>1,177,733</u>
Revenue:		
Program fees and contracts	7,385	2,200
Memberships	855	2,530
Fundraising events	3,425	6,159
Other	<u>3,208</u>	<u>1,209</u>
SUBTOTAL, revenue	<u>14,873</u>	<u>12,098</u>
<b>TOTAL SUPPORT AND REVENUE</b>	<u>1,235,417</u>	<u>1,189,831</u>
Expenses:		
Program services:		
Shelter services	715,173	633,108
Family preservation program	151,964	192,314
Other programs	<u>85,218</u>	<u>92,851</u>
Total program services	952,355	918,273
Support services:		
Management and general	261,092	230,384
Fundraising	<u>541</u>	<u>3,050</u>
SUBTOTAL EXPENSES	<u>1,213,988</u>	<u>1,151,707</u>
SUBTOTAL, before other operating activities	<u>21,429</u>	<u>38,124</u>
Other operating activities - not requiring cash outlay		
Inkind contributions	128,985	183,957
Inkind expenses	(128,985)	(183,957)
Depreciation	<u>(32,423)</u>	<u>(39,864)</u>
CHANGE IN NET ASSETS, operations	(10,994)	(1,740)
<b>NON-OPERATING ACTIVITIES:</b>		
Interest and dividends	5,213	7,283
Loan interest expense	(1,833)	(2,200)
Change in unrealized investment gains (losses)	12,477	(5,977)
Loss on disposition of assets	(7,354)	-
Investment fees	<u>(1,228)</u>	<u>(1,874)</u>
SUBTOTAL, non-operating activities	<u>7,275</u>	<u>(2,768)</u>
TOTAL CHANGE IN NET ASSETS	(3,719)	(4,508)
NET ASSETS, beginning of year	<u>744,169</u>	<u>748,677</u>
NET ASSETS, end of year	\$ <u><u>740,450</u></u>	\$ <u><u>744,169</u></u>

See accompanying notes to financial statements.

**WOMEN IN SAFE HOMES, INC.**  
Statement of Functional Expenses  
Year Ended June 30, 2017

	Program Services				Supporting Services			TOTAL
	Shelter Services	Family Preservation Program	Other Programs	Total Program Services	Management and General	Fundraising		
Salaries and wages	\$ 376,879	\$ 84,116	\$ 34,197	\$ 495,192	\$ 146,798	\$ -	\$ 641,990	
Fringe benefits	54,551	11,603	4,302	70,456	13,788	-	84,244	
Payroll taxes	49,376	8,332	3,429	61,137	14,169	-	75,306	
Supplies, food and medical	48,577	2,935	10,143	61,655	907	-	62,562	
Professional and contractual fees	30,853	6,815	2,373	40,041	43,857	-	83,898	
Travel	20,900	5,196	10,182	36,278	3,287	-	39,565	
Communications	11,724	5,113	-	16,837	1,028	-	17,865	
Rent, utilities and facility maintenance	85,368	18,546	19,256	123,170	13,157	-	136,327	
Training and registration	24	-	-	24	1	-	25	
Equipment expense	9,075	6,314	626	16,015	1,024	-	17,039	
Dues, fees and subscriptions	2,537	225	-	2,762	10,057	304	13,123	
Insurance	22,154	2,608	-	24,762	3,018	-	27,780	
Property taxes	-	-	-	-	1,946	-	1,946	
Other	3,155	161	710	4,026	8,055	237	12,318	
Subtotal, operating expenses using cash	<u>715,173</u>	<u>151,964</u>	<u>85,218</u>	<u>952,355</u>	<u>261,092</u>	<u>541</u>	<u>1,213,988</u>	
In-kind								
Travel	199	199	-	398	-	-	398	
Supplies and food	78,605	1,380	2,158	82,143	-	2,009	84,152	
Rent and equipment	-	3,360	-	3,360	-	1,800	5,160	
Professional fees	28,621	5,127	1,200	34,948	4,327	-	39,275	
Subtotal, in-kind	<u>107,425</u>	<u>10,066</u>	<u>3,358</u>	<u>120,849</u>	<u>4,327</u>	<u>3,809</u>	<u>128,985</u>	
Depreciation	27,509	-	-	27,509	4,914	-	32,423	
Subtotal, operating expenses not using cash	<u>134,934</u>	<u>10,066</u>	<u>3,358</u>	<u>148,358</u>	<u>9,241</u>	<u>3,809</u>	<u>161,408</u>	
Non-operating items:								
Loan interest	-	-	-	-	1,833	-	1,833	
Investment fees	-	-	-	-	1,228	-	1,228	
Loss on disposition of assets	-	-	-	-	7,354	-	7,354	
Subtotal, non-operating items	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,415</u>	<u>-</u>	<u>10,415</u>	
Total expenses	<u>\$ 850,107</u>	<u>\$ 162,030</u>	<u>\$ 88,576</u>	<u>\$ 1,100,713</u>	<u>\$ 280,748</u>	<u>\$ 4,350</u>	<u>\$ 1,385,811</u>	

See accompanying notes to financial statements.



# WOMEN IN SAFE HOMES, INC.

Statement of Financial Position  
Year Ended June 30, 2016

	Program Services			Supporting Services		TOTAL	
	Shelter Services	Family Preservation Program	Other Programs	Total Program Services	Management and General		Fundraising
Salaries and wages	\$ 396,012	\$ 119,248	\$ 35,646	\$ 550,906	\$ 149,527	\$ -	\$ 700,433
Fringe benefits	48,011	19,412	3,817	71,240	13,292	-	84,532
Payroll taxes	37,276	12,048	3,585	52,909	15,482	-	68,391
Supplies, food and medical	47,084	2,301	25,983	75,368	-	3,050	78,418
Professional and contractual fees	16,057	1,616	2,125	19,798	34,898	-	54,696
Travel	16,346	3,817	9,822	29,985	1,752	-	31,737
Communications	13,180	6,203	-	19,383	-	-	19,383
Rent, utilities and facility maintenance	23,640	22,483	-	46,123	-	-	46,123
Training and registration	2,638	-	10,523	13,161	84	-	13,245
Equipment expense	7,120	1,135	595	8,850	3,185	-	12,035
Dues and subscriptions	1,452	155	-	1,607	8,455	-	10,062
Insurance	21,973	3,896	-	25,869	1,372	-	27,241
Property taxes	-	-	-	-	1,946	-	1,946
Other	2,319	-	755	3,074	391	-	3,465
Subtotal, operating expenses using cash	<u>633,108</u>	<u>192,314</u>	<u>92,851</u>	<u>918,273</u>	<u>230,384</u>	<u>3,050</u>	<u>1,151,707</u>
In-kind							
Travel	29,678	19,834	11,273	60,785	8,646	-	69,431
Supplies and food	45,463	1,305	-	46,768	18,733	-	65,501
Rent and equipment	4,883	3,420	-	8,303	1,706	-	10,009
Professional fees	21,893	16,049	-	37,942	1,074	-	39,016
Subtotal, in-kind	101,917	40,608	11,273	153,798	30,159	-	183,957
Depreciation	32,533	-	-	32,533	7,331	-	39,864
Subtotal, operating expenses not using cash	<u>134,450</u>	<u>40,608</u>	<u>11,273</u>	<u>186,331</u>	<u>37,490</u>	<u>-</u>	<u>223,821</u>
Non-operating expenses:							
Loan interest	-	-	-	-	2,200	-	2,200
Investment fees	-	-	-	-	1,874	-	1,874
Unrealized loss on investments	-	-	-	-	5,977	-	5,977
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,051</u>	<u>-</u>	<u>10,051</u>
Total expenses	<u>\$ 767,558</u>	<u>\$ 232,922</u>	<u>\$ 104,124</u>	<u>\$ 1,104,604</u>	<u>\$ 277,925</u>	<u>\$ 3,050</u>	<u>\$ 1,385,579</u>

See accompanying notes to financial statements.

## WOMEN IN SAFE HOMES, INC.

Statements of Cash Flows  
Years June 30, 2017 and 2016

	2017	2016
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (3,719)	\$ (4,508)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Investment unrealized (gains) losses, net	(12,477)	3,414
Loss on asset disposition	7,354	-
Depreciation	32,423	39,864
(Increase) decrease in assets:		
Prepaid expenses	(8,120)	10,876
Accounts and grants receivable	(16,266)	55,280
Increase (decrease) in liabilities:		
Accounts payable	31,295	(22,988)
Payroll-related liabilities	(7,495)	12,952
Deferred revenue	22,698	6,000
Net cash provided by operating activities	45,693	100,890
 <b>CASH USED BY INVESTING ACTIVITIES</b>		
Net equipment purchases and disposals	(9,465)	(11,831)
Securities purchases net of sales	(5,819)	-
Net cash used by investing activities	(15,284)	(11,831)
 <b>CASH USED BY FINANCING ACTIVITIES - payments</b>		
on note payable	(44,000)	-
NET CHANGE IN CASH	(13,591)	89,059
CASH, beginning of year	295,456	206,397
CASH, end of year	\$ 281,865	\$ 295,456
 <b>Supplemental Disclosure of Cash Flows Information</b>		
Cash paid during the year for interest	\$ 1,833	\$ 2,200

See accompanying notes to financial statements.

## WOMEN IN SAFE HOMES, INC.

Notes to Financial Statements

June 30, 2017 and 2016

### NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

#### Nature of the Organization

Women in Safe Homes, Inc., is a not-for-profit organization which maintains a shelter for victims of family violence and sexual assault in Ketchikan, Alaska. The organizational mission is to lead the community in the prevention of and response to domestic violence and sexual assault by providing emergency shelter, advocacy, education and family support in 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, Petersburg, 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.

#### Cash and Cash Equivalents

WISH considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Deposits held by banks are insured by the Federal Deposit Insurance Corporation or the National Credit Union Administration up to allowable limits of \$250,000. At June 30, 2017 and 2016, funds in excess of the NCUA insurance limit totaled \$121,997 and \$115,898, respectively.

#### Property and Equipment

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

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

#### 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.

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

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

Fair Value of Financial Instruments

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

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.

Temporarily Restricted Net Assets

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

The Organization has chosen to record donor-restricted contributions as increases in unrestricted net assets if the restrictions are met in the reporting period in which the revenue is recognized.

Advertising

Advertising costs are expensed as incurred.

Donated Services and Materials

Donated services are recognized as contributions in accordance with FASB ASC 958, Accounting for Contributions Received and Contributions Made, if the services (1) create or enhance nonfinancial assets or (2) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization.

Income Taxes

WISH is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and is a nonprofit corporation that is a publicly supported charity and not a private foundation. The Organization believes that it has appropriate support for any tax positions taken, and as such does not have any uncertain tax positions that are material to the financial statements. WISH is no longer subject to examinations by federal and state authorities for years before fiscal year 2014.

Estimates

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

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

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

Description of Program and Supporting Services

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

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

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

**NOTE B – ACCOUNTS AND GRANTS RECEIVABLE**

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

	<u>2017</u>	<u>2016</u>
State of Alaska:		
Department of Health and Social Services:		
Community Based Support	\$ 26,110	\$ 17,692
Community Initiative Matching Grant	2,402	1,395
Ketchikan Borough	15,881	-
City of Ketchikan	-	7,879
Other	<u>3,500</u>	<u>4,661</u>
	<u>\$ 47,893</u>	<u>\$ 31,627</u>

**NOTE C – INVESTMENT SECURITIES**

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

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

**NOTE C – INVESTMENT SECURITIES, continued**

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

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

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

Investments held by brokerage houses are all Level 1 investments in mutual funds stated at fair value. Components of changes in investment balances are as follows for years ended June 30:

	<u>2017</u>	<u>2016</u>
Investment portfolio, beginning	\$ 152,545	\$ 153,366
Interest and dividends	4,710	4,467
Capital gains	-	2,563
Fees	(1,228)	(1,874)
Sales	(108,243)	-
Purchases	114,062	-
Gain (loss), net	<u>6,678</u>	<u>(5,977)</u>
Investment portfolio, ending	\$ 168,524	\$ 152,545
Less: cash and cash equivalents	<u>(3,631)</u>	<u>(6,009)</u>
Fair Value Securities, ending	\$ <u>164,893</u>	\$ <u>146,536</u>
Securities, cost	<u>160,155</u>	<u>149,983</u>
Unrealized gain (loss)	\$ <u>4,738</u>	\$ <u>(3,447)</u>

For purposes of financial reporting, cash and cash equivalents held by the brokerage house have been reclassified from investment securities to unrestricted cash on the statement of financial position.

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

**NOTE D – PROPERTY AND EQUIPMENT**

Property and equipment consisted of the following at June 30:

		<u>2017</u>		<u>2016</u>
Buildings and improvements	\$	703,638	\$	707,978
Land		224,434		224,434
Vehicles		55,260		55,260
Furniture and equipment		<u>120,193</u>		<u>137,907</u>
		1,103,524		1,125,579
Less accumulated depreciation		<u>(771,450)</u>		<u>(763,191)</u>
	\$	<u>332,075</u>	\$	<u>362,388</u>

Depreciation expense totaled \$32,423 and \$39,864 for the years ended June 30, 2017 and 2016, respectively.

**NOTE E – CONCENTRATIONS**

In FY17, WISH received approximately 89% of its total support and revenue from State and federal grants; approximately 55% of its total support and revenue was derived from a single State of Alaska grant.

In FY16, WISH received approximately 88% of its total support and revenue from State and federal grants; approximately 70% 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 WISH's programs and activities.

**NOTE F – CONTINGENCIES**

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

There is currently an open wrongful termination complaint filed against WISH by two former employees that is scheduled for court in February 2018. The case is being handled directly by WISH's insurance carrier, and payment for settlement or other outcome, if any, is expected to be paid through insurance proceeds.

**NOTE G – DEFERRED REVENUE**

As of June 30, 2017 and 2016, WISH held \$29,698 and \$7,000, respectively, of funds granted by non-governmental organizations which had not yet been expended in accordance with grant terms.

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

**NOTE H – LONG-TERM DEBT**

Long-term debt at June 30, 2016 consisted of an interest only contract beginning August 2013 due to an individual for the purchase of land, interest due in monthly installments of \$183 at 5% interest rate, secured by real estate, and maturing with a balloon payment of all principal on August 8, 2017. The note was paid in full in FY17.

**NOTE I– INKIND CONTRIBUTIONS**

During the years ended June 30, 2017 and 2016, WISH received donated supplies, travel and professional services totaling \$128,985 and \$183,957, respectively. In addition to the recorded donations, volunteers provided services valued at \$66,915 and \$114,124 for fiscal years 2017 and 2016, respectively, which did not meet the recognition criteria but were essential to the Organization's operations.

**NOTE J – RETIREMENT PLAN**

WISH maintains a SIMPLE 401(k) plan for all eligible employees. To be eligible, an employee must have completed 30 days of service and have attained the age of 21. Upon completion of one year of qualifying employment, WISH matches up to 4% of the eligible employees' compensation. The discretionary contributions to the plan for the years ended June 30, 2017 and 2016, totaled \$3,816 and \$8,966, respectively.

**NOTE K – SUBSEQUENT EVENTS**

Management has evaluated subsequent events through December 15, 2017, the date which the financial statements were available for issue.



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## **SUPPLEMENTARY INFORMATION**

**WOMEN IN SAFE HOMES, INC.**

CDVSA Grant

17-DV-20

Budget and Actual

Year Ended June 30, 2017

	<u>Budget</u>	<u>Actual per Audit</u>	Variance Favorable <u>(Unfavorable)</u>
Revenue:			
State grant	\$ 674,851	674,851	\$ -
Federal pass-through	-	-	-
<i>Total revenue</i>	<u>674,851</u>	<u>674,851</u>	<u>-</u>
Expenses:			
Personal services	389,902	389,968	66
Travel	21,542	20,900	(642)
Facilities	108,687	108,687	-
Commodities	47,116	47,116	-
Equipment purchases	12,395	12,395	-
Other contractual	95,209	95,785	576
<i>Total expenses</i>	<u>674,851</u>	<u>674,851</u>	<u>-</u>
<b>Revenue over expenses</b>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>

# WOMEN IN SAFE HOMES, INC.

Community Based Support Services

603-258-1708

Budget and Actual

Year Ended June 30, 2017

	<u>Budget</u>	<u>Actual per Audit</u>	Variance Favorable <u>(Unfavorable)</u>
Revenue:			
State grant	\$ 27,719	27,226	\$ (493)
Federal pass-through	<u>126,350</u>	<u>124,101</u>	<u>(2,249)</u>
<i>Total revenue</i>	<u>154,069</u>	<u>151,327</u>	<u>(2,742)</u>
Expenses:			
Personal services	104,117	104,051	(66)
Travel	5,196	5,196	-
Facilities	23,389	23,119	(270)
Supplies	2,631	2,652	21
Equipment purchases	6,878	6,314	(564)
Other expenses	<u>11,858</u>	<u>9,995</u>	<u>(1,863)</u>
<i>Total expenses</i>	<u>154,069</u>	<u>151,327</u>	<u>(2,742)</u>
<b>Revenue over expenses</b>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>

**WOMEN IN SAFE HOMES, INC.**

Community Initiative Matching Grant

605-230-1724

Budget and Actual

Year June 30, 2017

	<u>Budget</u>	<u>Actual per Audit</u>	Variance Favorable <u>(Unfavorable)</u>
Revenue:			
State grant	\$ 48,035	48,035	\$ -
Expenses:			
Personal services	27,153	27,198	45
Travel	-	-	-
Facilities	3,300	3,375	75
Supplies	8,808	8,081	(727)
Equipment purchases	2,095	2,121	26
Other expenses	<u>6,679</u>	<u>7,260</u>	<u>581</u>
<i>Total expenses</i>	<u>48,035</u>	<u>48,035</u>	<u>-</u>
<b>Revenue over expenses</b>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>

**WOMEN IN SAFE HOMES, INC.**

Schedule of State Financial Assistance

Year Ended June 30, 2017

<u>Award Name</u>	<u>Grant Number</u>	<u>Total Award Amount</u>	<u>State Eligible Expenditures</u>
<b>Major Programs:</b>			
Department of Public Safety:			
Women In Safe Homes CDVSA (Note 3)	17-DV-20	\$ 674,851	\$ <u>674,851</u>
<i>Total Major Programs</i>			<u>674,851</u>
<b>Non-major Programs:</b>			
Department of Health and Social Services:			
Community Based Support Services (Note 3/4)	603-258-1708	27,719	27,226
Community Initiative Matching Grant	605-230-1724	48,035	<u>48,035</u>
<i>Total Non-Major Programs</i>			<u>75,261</u>
			\$ <u><u>750,112</u></u>

Note 1. 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, 2016. 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 2. Summary of Significant Accounting Policies

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

Note 3. Award Amount

Award amount includes only state portions of the full award granted. Federal pass-through portions are excluded.

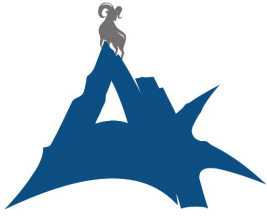
Note 4. Underexpended Award

Award was under-spent in total; unspent portion attributable to the State is calculated as pro rata share of total award.

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## **STATE 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 Performed in Accordance With Government Auditing Standards**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Women in Safe Homes, Inc. (WISH) (a nonprofit organization), which comprise the statement of financial position as of June 30, 2017, 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 December 15, 2017.

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

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

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

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

**Compliance and Other Matters**

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

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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  
December 15, 2017



# 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 Homes, Inc.'s (WISH'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 each of WISH's major state programs for the year ended June 30, 2017. WISH's major state programs are identified in the accompanying schedule of state financial assistance.

### **Management's Responsibility**

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

### **Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of WISH's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the 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 WISH's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

### **Opinion on Each Major State Program**

In our opinion, WISH complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2017.

## **Report on Internal Control over Compliance**

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

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

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

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

*Porter & Allison, Inc.*

Anchorage, Alaska  
December 15, 2017

**WOMEN IN SAFE HOMES, INC.**  
**Schedule of Findings and Questions Cost**  
**For the Fiscal Year Ended June 30, 2017**

**SECTION I - SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements**

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Significant deficiency(ies) identified?	No
Material weakness(es) identified?	No
Noncompliance material to financial statements?	No

**State Financial Assistance**

Type of auditor's report issued on compliance for major programs?	Unmodified
Internal control over major programs:	
Significant deficiency(ies) identified?	No
Material weakness(es) identified?	No
Dollar threshold to be used to distinguish a state major program:	\$50,000

**SECTION II - FINANCIAL STATEMENT FINDINGS**

Women In Safe Homes, Inc. did not have any findings that relate to the financial statements

**SECTION III - STATE AWARD FINDINGS AND QUESTIONED COSTS**

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