

UNALASKANS AGAINST SEXUAL
ASSAULT AND FAMILY VIOLENCE

Financial Statements
(With Independent Auditor's Report Thereon)

Years Ended June 30, 2017 and 2016

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Independent Auditor's Report

Members of the Board of Directors
Unalaskans Against Sexual Assault and Family Violence
Unalaska, Alaska

We have audited the accompanying financial statements of Unalaskans Against Sexual Assault and Family Violence (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. 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.

Members of the Board of Directors
Unalaskans Against Sexual Assault and Family Violence

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 Unalaskans Against Sexual Assault and Family Violence 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.

Altman, Rogers & Co.

Anchorage, Alaska
December 19, 2017

UNALASKANS AGAINST SEXUAL ASSAULT AND FAMILY VIOLENCE

Statements of Financial Position

June 30, 2017 and 2016

<u>Assets</u>	<u>2017</u>	<u>2016</u>
Current assets:		
Cash and cash equivalents	\$ 332,140	351,157
Accounts receivable - State of Alaska	45,406	16,321
CURRENT ASSETS	<u>377,546</u>	<u>367,478</u>
Property and equipment, net of accumulated depreciation of \$338,415 for 2017 and \$320,267 for 2016	127,924	121,691
TOTAL ASSETS \$	<u><u>505,470</u></u>	<u><u>489,169</u></u>
 <u>Liabilities and Net Assets</u> 		
Liabilities:		
Payroll liabilities	10,871	10,146
Unearned revenue	16,174	23,671
TOTAL LIABILITIES	<u>27,045</u>	<u>33,817</u>
Net assets - unrestricted	<u>478,425</u>	<u>455,352</u>
TOTAL LIABILITIES AND NET ASSETS \$	<u><u>505,470</u></u>	<u><u>489,169</u></u>

See accompanying notes to financial statements.

UNALASKANS AGAINST SEXUAL ASSAULT AND FAMILY VIOLENCE

Statements of Activities

Years Ended June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
UNRESTRICTED NET ASSETS		
Operating activities:		
Support:		
Individuals	\$ 12,960	10,027
Government	573,431	462,114
In-kind	53,063	45,304
TOTAL SUPPORT	<u>639,454</u>	<u>517,445</u>
Revenues:		
Membership	4,755	5,750
Auction and raffle	20,324	17,470
TOTAL REVENUES	<u>25,079</u>	<u>23,220</u>
TOTAL SUPPORT AND REVENUES	<u>664,533</u>	<u>540,665</u>
Expenses:		
Program services:		
Services to victims of domestic violence, sexual assault and others in crisis	<u>551,426</u>	<u>464,420</u>
Support services:		
Management and general	82,805	89,468
Fundraising	9,126	5,207
TOTAL SUPPORT SERVICES	<u>91,931</u>	<u>94,675</u>
TOTAL EXPENSES	<u>643,357</u>	<u>559,095</u>
CHANGE IN NET ASSETS FROM OPERATING ACTIVITIES	<u>21,176</u>	<u>(18,430)</u>
Non-operating activities:		
Refunds	1,469	6,945
Interest income	428	442
CHANGE IN NET ASSETS FROM NON OPERATING ACTIVITIES	<u>1,897</u>	<u>7,387</u>
Change in net assets	23,073	(11,043)
NET ASSETS, beginning of the year	<u>455,352</u>	<u>466,395</u>
NET ASSETS, end of the year	<u>\$ 478,425</u>	<u>455,352</u>

See accompanying notes to financial statements.

UNALASKANS AGAINST SEXUAL ASSAULT AND FAMILY VIOLENCE

Statements of Functional Expenses

Years Ended June 30, 2017 and 2016

	Program Services		Support Services		Total Program and Support Services
	Services to Victims of Domestic Violence, Sexual Assault and Others in Crisis	Management and General	Fundraising	Total Support Services	
<u>2017</u>					
EXPENSES:					
Personnel	\$ 208,691	59,795	5,100	64,895	273,586
Travel	40,942	651	-	651	41,593
Facilities	44,332	-	-	-	44,332
Supplies	77,309	-	-	-	77,309
Equipment	5,667	-	-	-	5,667
Insurance	7,402	-	-	-	7,402
Donations	52,113	-	-	-	52,113
Dues, fees & subscriptions	4,972	-	-	-	4,972
Other contractual	10,141	22,359	-	22,359	32,500
Homeless prevention	21,487	-	-	-	21,487
Depreciation	18,148	-	-	-	18,148
Training	55,759	-	-	-	55,759
Other	4,463	-	4,026	4,026	8,489
TOTAL EXPENSES	\$ <u>551,426</u>	<u>82,805</u>	<u>9,126</u>	<u>91,931</u>	<u>643,357</u>
<u>2016</u>					
EXPENSES:					
Personnel	\$ 215,874	65,330	2,840	68,170	284,044
Travel	25,034	-	-	-	25,034
Facilities	44,539	-	-	-	44,539
Supplies	61,910	-	-	-	61,910
Equipment	14,178	-	-	-	14,178
Insurance	7,191	-	-	-	7,191
Donations	45,244	-	-	-	45,244
Dues, fees & subscriptions	3,937	141	-	141	4,078
Other contractual	14,364	21,624	-	21,624	35,988
Homeless prevention	14,005	-	-	-	14,005
Depreciation	16,474	-	-	-	16,474
Training	-	-	-	-	-
Other	1,670	2,373	2,367	4,740	6,410
TOTAL EXPENSES	\$ <u>464,420</u>	<u>89,468</u>	<u>5,207</u>	<u>94,675</u>	<u>559,095</u>

See accompanying notes to financial statements.

UNALASKANS AGAINST SEXUAL ASSAULT AND FAMILY VIOLENCE

Statements of Cash Flows

Years Ended June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 23,073	(11,043)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	18,148	16,474
(Increase) decrease in assets:		
Accounts receivable	(29,085)	3,583
Increase (decrease) in liabilities:		
Payroll liabilities	725	4,669
Unearned revenue	(7,497)	12,933
Net cash provided by operating activities	<u>5,364</u>	<u>26,616</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	<u>(24,381)</u>	<u>-</u>
INCREASE IN CASH AND CASH EQUIVALENTS	(19,017)	26,616
CASH AND CASH EQUIVALENTS, beginning of year	<u>351,157</u>	<u>324,541</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 332,140</u>	<u>351,157</u>
Supplemental disclosures of non-cash operating activities		
In-kind	<u>\$ 53,063</u>	<u>45,304</u>

See accompanying notes to financial statements.

UNALASKANS AGAINST SEXUAL ASSAULT AND FAMILY VIOLENCE

Notes to Financial Statements

June 30, 2017 and 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Operations

Unalaskans Against Sexual Assault & Family Violence (USAFV) is an organization that serves the needs of those impacted by sexual and domestic violence by providing crisis intervention, shelter, personal support, systems advocacy, and other services. USAFV also provides advocacy, support, and other services to people experiencing other types of life crisis. USAFV is incorporated in the State of Alaska as a non-profit organization.

The major sources of support are renewable grants from the State of Alaska and the City of Unalaska.

Basis of Presentation

Financial statement presentation follows the recommendation of the Financial Accounting Standards Board. Under generally accepted accounting principles, USAFV is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Contributions and pledges are recorded in the period received in the appropriate class of net assets based upon any donor-imposed stipulations. A description of the three net asset categories follows:

Unrestricted net assets represent the portion of net assets of USAFV which are neither permanently restricted nor temporarily restricted by donor-imposed stipulations.

Temporarily restricted net assets represent the portion of net assets of USAFV whose use is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled by actions of USAFV. 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. There were no temporarily restricted assets as of June 30, 2017 or 2016.

Permanently restricted net assets represent the portion of net assets, which have been restricted by donors to be maintained by USAFV in perpetuity. There were no permanently restricted net assets at June 30, 2017 or 2016.

UNALASKANS AGAINST SEXUAL ASSAULT AND FAMILY VIOLENCE

Notes to Financial Statements, Continued

Revenue Recognition

Unconditional promises to give cash and other assets to USAFV are reported at fair value at the date the promise is received. Conditional promises to give and indicators of intentions to give are reported at the fair value at the date the contribution is received. Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and nature of any donor restrictions. When a restriction expires, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statement of activities as net assets released from restrictions. If a restriction is met in the same period that the contribution is received, the contribution is recorded as unrestricted.

USAFV did not receive any promises to give during the years ended June 30, 2017 or 2016 and had no receivable for contributions at year end.

Grants are either recorded as contributions or exchange transactions based on criteria contained in the grant award.

Grant awards that are contributions – Grants that qualify as contributions are recorded as revenue under the same criteria as other contributions described above.

Grant awards that are exchange transactions – Revenue from exchange transactions is recognized to the extent of allowable costs incurred.

Program income is recognized at the time the services are provided by USAFV and represents income for specific charges related to program activities.

Cash and Cash Equivalents

For purposes of the Statements of Cash Flows, USAFV considers all unrestricted, highly liquid investments with an initial maturity of three months or less to be cash equivalents. Cash includes amounts in demand deposits.

Accounts Receivable

Accounts receivable are recorded on the accrual basis when the goods and services are billed and are considered delinquent or uncollectible on a case-by-case basis by management. USAFV records an allowance for doubtful accounts for the estimated uncollectible portion of the accounts receivable. This estimate is based on management's historical collection experience and a review of current accounts receivable. Receivables are charged off when all collection efforts have been exhausted.

Management believes all amounts recorded as receivables are collectible; accordingly no allowance for uncollectible accounts has been established.

UNALASKANS AGAINST SEXUAL ASSAULT AND FAMILY VIOLENCE

Notes to Financial Statements, Continued

Property and Equipment

Purchased assets are recorded at cost or estimated cost when original cost is not available. Contributed assets are recorded at fair value at the date of receipt. Expenses for maintenance and repairs are charged to expense as incurred, and expenses for major renovations are capitalized. All purchases for equipment in excess of \$500 are capitalized. Depreciation is provided over the estimated useful lives of the assets on a straight-line basis. Useful lives of assets vary from 5 years for equipment to 20 years for buildings and building improvements.

Compensated Absences

Annual leave is accrued as earned and recorded as an expense in the period earned. Sick leave is accrued as earned by employees and recorded as an expense in the period used.

Donated Assets and Services

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 USAFV. In-kind contributions for space, supplies, and professional services are recorded in the statement of activities at market value and recognized as revenue and expenses in the period they are received, except for donated equipment, which is recorded as revenue in the period received and the asset is depreciated over its estimated useful life.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Prepaid Expenses

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as other assets.

Unearned Revenue

Unearned revenue represents amounts for which asset recognition criteria have been met but for which revenue recognition criteria have not been met.

Income Taxes

USAFV is a nonprofit corporation exempt from income taxation under Section 501(c)(3) of the Internal Revenue Code.

UNALASKANS AGAINST SEXUAL ASSAULT AND FAMILY VIOLENCE

Notes to Financial Statements, Continued

Although the organization is exempt from federal income taxes, any income derived from unrelated business activities is subject to the requirement of filing Federal Income Tax Form 990-T and a tax liability may be determined on these activities. USAFV had no income derived from unrelated business activities as of June 30, 2017 or 2016.

USAFV classifies all interest and penalties related to tax contingencies as income tax expense. As of June 30, 2017 and 2016, there is no accrued interest or penalties. As of June 30, 2017 and 2016 there were no uncertain tax positions or unrecognized tax benefits for which management believes it is reasonably possible that the total amounts of tax contingencies will significantly increase or decrease within 12 months of the reporting date. USAFV files tax returns in the U.S. Federal Jurisdiction and the State of Alaska. As of 2017, the tax years that remain subject to examination begins with 2014.

Fair Value of Financial Instruments

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 forced or liquidation sale. The fair value of a liability is the amount at which that liability could be incurred or settled in a current transaction between willing parties, that is, other than in a forced or liquidation sale.

The following financial instruments are recorded at fair value or at amounts that approximate fair value: (1) cash and cash equivalents, (2) receivables, net, (3) certain other current assets, (4) accounts payable and (5) other current liabilities. The carrying amounts reported in the statements of financial position for the above financial instruments, closely approximates their fair value due to the short-term nature of these assets and liabilities.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Description of Program and Supporting Services

Program services:

Services to Victims of Domestic Violence, Sexual Assault and Others in Crisis – USAFV serves those impacted by domestic and sexual violence by providing shelter, crisis intervention, personal support, systems advocacy, and other services. USAFV also provides advocacy, support, and other services to people experiencing other types of life crisis, and works to prevent domestic and sexual violence through outreach and education.

UNALASKANS AGAINST SEXUAL ASSAULT AND FAMILY VIOLENCE

Notes to Financial Statements, Continued

Supporting services:

Management and General – Includes the functions necessary to maintain an equitable employment program; ensure an adequate working environment; provide coordination and articulation of USAFV’s program strategy through the Office of the Executive Director; secure proper administrative functioning of the Board of Directors; and manage the financial and budgetary responsibilities of USAFV.

Fundraising – Provides the structure necessary to encourage and secure private financial support from individuals, foundations and corporations.

NOTE 2 – CASH AND CASH EQUIVALENTS

At June 30, 2017 and June 30, 2016, balances up to \$250,000 were insured by the FDIC, the remaining \$82,140 and \$112,811 were insured and uncollateralized.

NOTE 3 – PROPERTY AND EQUIPMENT

The following is a summary of property and equipment for the years ended June 30, 2017 and 2016:

	June 30, <u>2017</u>	June 30, <u>2016</u>
Building	\$ 332,840	308,459
Equipment	<u>133,499</u>	<u>133,499</u>
	466,339	441,958
Less accumulated depreciation	<u>(338,415)</u>	<u>(320,267)</u>
	<u>\$ 127,924</u>	<u>121,691</u>

Depreciation expense for the years ended June 30, 2017 and 2016 was \$18,148 and \$16,474 respectively.

NOTE 4 – LEASE

USAFV renewed into a five year lease with Ounalashka Corporation in January 2017 for land on which the building housing the administrative offices and temporary shelter is located. Payments on the lease are \$500 per month resulting in total lease payments of \$6,000 each for the years ended June 30, 2017 and 2016. The fair value of the lease for 2017 and 2016 is \$8,617 and the difference of \$2,617 is donated by Ounalashka Corporation.

UNALASKANS AGAINST SEXUAL ASSAULT AND FAMILY VIOLENCE

Notes to Financial Statements, Continued

Minimum annual lease payments are as follows:

	<u>Amount</u>	
	<u>2017</u>	<u>2016</u>
Years ending June 30:		
2017	\$ -	6,000
2018	6,000	6,000
2019	6,000	6,000
2020	<u>6,000</u>	<u>6,000</u>
Total	\$ <u>18,000</u>	<u>24,000</u>

USAFV entered into a one year lease with Dutch Properties, LLC, Alaska in May 2010 for property known as DH Intersea mall #214. During May 2011, the lease transitioned to a month to month basis. For the years ended June 30, 2017 and 2016, the monthly payments were \$579, which totaled to \$6,949 each year.

USAFV entered into a month to month basis lease with Ounalashka Corporation in March 2011 for mini-storage space. Rent payments per month were \$75 and 60 resulting in total lease payments of \$900 and \$720 for the years ended June 30, 2017 and 2016, respectively.

NOTE 5 – CONTINGENCIES

Amounts received or receivable from grants are subject to audit and adjustment. Any disallowed claims, including amounts already collected, would become a liability of Unalaskans Against Sexual Assault and Family Violence. Management believes that the likelihood of such an event is remote.

NOTE 6 – GRANTS

A summary of government grant revenue for the years ended June 30 follows:

	<u>2017</u>	<u>2016</u>
Federal:		
U.S. DOJ through Alaska Institute for Justice	\$ 19,044	7,464
OVW through Alaska Network On Domestic Violence and Sexual Assault	76,370	6,837
State of Alaska:		
Council on Domestic Violence and Sexual Assault	213,595	196,862
Local:		
City of Unalaska Operating	224,013	192,845
City of Unalaska Capital Grant	-	-
Other:		
Aleutian Pribilof Islands Association	10,924	15,536
Alaska Housing Finance Corporation	27,985	27,570
Miscellaneous	<u>1,500</u>	<u>15,000</u>
	\$ <u>573,431</u>	<u>462,114</u>

UNALASKANS AGAINST SEXUAL ASSAULT AND FAMILY VIOLENCE

Notes to Financial Statements, Continued

NOTE 7 – DONATED GOODS AND SERVICES

Donated personnel services of \$27,107 and \$14,454 were recognized as in-kind contributions and expenses during the fiscal years ended June 30, 2017 and 2016. Donated commodities are valued based on the fair value at the date of contribution and are recorded as in-kind goods in the financial statements. Donated goods of \$25,954 and \$30,850 were recognized as in-kind goods during the fiscal years ended June 30, 2017 and 2016. All donations benefited program services.

NOTE 8 – ECONOMIC DEPENDENCY

USAFV received 86% and 85% for the year ended June 30, 2017 and 2016, respectively, of its support and revenue from government grants. A significant reduction in this support would have a substantial impact on USAFV.

NOTE 9 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 19, 2017 the date which the financial statements were available for issue. No events were identified that would require disclosure according to generally accepted accounting principles.