



KOHART
accounting, p.a.

November 30, 2015

To the Board of Directors
The Willow Domestic Violence Center, Inc.

We have audited the financial statements of The Willow Domestic Violence Center, Inc. for the year ended June 30, 2015, and have issued our report thereon dated November 30, 2015. Professional standards require that we provide you with the following information related to our audit.

Our Responsibilities under U.S. Generally Accepted Auditing Standards and Government Auditing Standards

As stated in our engagement letter dated June 8, 2015, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with modified cash basis of accounting. Our audit of the financial statements does not relieve you or management of your responsibilities.

As part of our audit, we considered the internal control of The Willow Domestic Violence Center, Inc. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of The Willow Domestic Violence Center, Inc.'s compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our tests was not to provide an opinion on compliance with such provisions.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by The Willow Domestic Violence Center, Inc. are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the fiscal year ending June 30, 2015. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about

future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was:

Management's estimate of the depreciation is based on estimated useful life of an asset. We evaluated the key factors and assumptions used to develop depreciation in determining that it is reasonable in relation to the financial statements taken as a whole.

The disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The Organization does not have any particularly sensitive disclosures affecting the financial statements.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated November 12, 2014.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

The overall accounting records were found to be in excellent order. We have enjoyed working with organization personnel on the annual audit and look forward to a continuing professional association. We would be happy to make ourselves available to organization personnel or board members if any questions arise as a result of this year's examination.

This information is intended solely for the use of Board of Directors and management of The Willow Domestic Violence Center, Inc. and is not intended to be and should not be used by anyone other than these specified parties.

Cordially,

Kohart Accounting, PA

Kohart Accounting, PA
A Professional Association
Certified Public Accountant

THE WILLOW DOMESTIC VIOLENCE CENTER, INC.
LAWRENCE, KANSAS

FINANCIAL STATEMENTS
For the years ended June 30, 2015 and 2014

and

INDEPENDENT AUDITORS' REPORT



KOHART
accounting, p.a.

A Professional Association • Certified Public Accountant

THE WILLOW DOMESTIC VIOLENCE CENTER, INC.

Lawrence, Kansas

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditors' Report on Financial Statements	1-2
Financial Statements	
Statements of Financial Position	3
Statements of Activities	4
Statements of Functional Expenses	5
Statements of Cash Flows	6
Notes to Financial Statements	7-13



To the Board of Directors
The Willow Domestic Violence Center, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of The Willow Domestic Violence Center, Inc. (a nonprofit organization), as of June 30, 2015 and 2014; 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 audit. We conducted our audit 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.

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 The Willow Domestic Violence Center, Inc. as of June 30, 2015 and 2014 and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Kohart Accounting, PA

Kohart Accounting, PA
A Professional Association
Certified Public Accountant

November 30, 2015

THE WILLOW DOMESTIC VIOLENCE CENTER, INC.
Lawrence, Kansas

STATEMENTS OF FINANCIAL POSITION

As of June 30, 2015 and 2014

Assets	<u>2015</u>	<u>2014</u>
Current assets		
Cash	\$ 150,066	\$ 132,916
Grants receivable	89,805	46,168
Unconditional promises to give	<u>37,026</u>	<u>29,198</u>
Total current assets	276,897	208,282
Investments		
Sustainability Fund	27,203	11,952
Property and equipment, net	81,839	100,315
Loan costs, net	<u>-</u>	<u>588</u>
	<u><u>\$ 385,939</u></u>	<u><u>\$ 321,137</u></u>
 Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 3,125	\$ 1,660
Accrued compensation	25,870	20,727
Accrued payroll	30,068	22,984
Grant overpayment	3,236	3,242
Note payable, current portion	<u>-</u>	<u>6,569</u>
Total current liabilities	62,299	55,182
Note payable, net of current portion	<u>-</u>	<u>31,392</u>
Total liabilities	62,299	86,574
Net Assets		
Unrestricted	286,614	205,365
Temporarily restricted	<u>37,026</u>	<u>29,198</u>
Total net assets	<u>323,640</u>	<u>234,563</u>
Total liabilities and net assets	<u><u>\$ 385,939</u></u>	<u><u>\$ 321,137</u></u>

The accompanying notes to financial statements
are an integral part of this statement.

THE WILLOW DOMESTIC VIOLENCE CENTER, INC.

Lawrence, Kansas

STATEMENTS OF ACTIVITIES

For the years ended June 30, 2015 and 2014

	2015			2014
	Unrestricted	Temporarily Restricted	Total	Summarized
Revenue				
Contributions	\$ 172,433	\$ -	\$ 172,433	\$ 128,582
Federal grant income	322,664	-	322,664	295,334
State grant income	336,007	-	336,007	265,546
Local grant income	35,288	-	35,288	24,920
United Way	35,218	37,026	72,244	72,097
Fundraising	19,485	-	19,485	15,625
Special events	20,906	-	20,906	13,266
Miscellaneous	442	-	442	1,859
Investment income	(572)	-	(572)	363
Assets released from restrictions	29,198	(29,198)	-	-
Total revenues	971,069	7,828	978,897	817,592
Expenditures				
Program services	659,895	-	659,895	566,123
Management and general	165,259	-	165,259	150,171
Fundraising	64,666	-	64,666	69,165
Total expenditures	889,820	-	889,820	785,459
Change in Net Assets	81,249	7,828	89,077	32,133
Net assets, beginning of year	205,365	29,198	234,563	202,430
Net assets, end of year	\$ 286,614	\$ 37,026	\$ 323,640	\$ 234,563

The accompanying notes to financial statements
are an integral part of this statement.

THE WILLOW DOMESTIC VIOLENCE CENTER, INC.

Lawrence, Kansas

STATEMENTS OF FUNCTIONAL EXPENSES

For the years ended June 30, 2015 and 2014

	2015				2014
	Program Services	Management and General	Fundraising	Total	Summarized
Salaries	\$ 402,854	\$ 105,473	\$ 48,870	\$ 557,197	\$ 480,260
Payroll taxes	35,068	9,181	4,254	48,503	44,066
Employee benefits	38,716	10,137	4,697	53,550	49,947
Rent	26,567	2,952	-	29,519	29,077
Telecommunications	12,064	1,340	-	13,404	13,384
Office expense	11,205	4,083	153	15,441	9,497
Repairs and maintenance	14,049	1,561	-	15,610	8,759
Utilities	15,129	1,681	-	16,810	16,159
Program supplies	5,154	-	-	5,154	1,198
Food and household	12,601	-	-	12,601	11,514
Client expenses	17,488	-	-	17,488	11,640
Postage	-	1,252	-	1,252	1,186
Printing and copying	8,305	-	-	8,305	1,349
Advertising	750	960	-	1,710	534
Fundraising supplies	-	-	5,400	5,400	17,344
Travel	10,580	2,262	-	12,842	10,129
Meetings and conferences	3,375	1,542	144	5,061	1,606
Insurance	6,977	10,630	846	18,453	16,421
Dues and fees	1,822	941	176	2,939	1,580
Outside services	12,745	4,290	126	17,161	29,183
Interest	1,775	-	-	1,775	2,530
Amortization	588	-	-	588	117
Depreciation	22,083	6,974	-	29,057	27,979
Total Expenses	<u>\$ 659,895</u>	<u>\$ 165,259</u>	<u>\$ 64,666</u>	<u>\$ 889,820</u>	<u>\$ 785,459</u>

The accompanying notes to financial statements
are an integral part of this statement

THE WILLOW DOMESTIC VIOLENCE CENTER, INC.
Lawrence, Kansas

STATEMENTS OF CASH FLOWS
For the years ended June 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Cash flows from operating activities		
Reconciliation of changes in net assets to net cash provided (used) by operating activities:		
Increase (decrease) in net assets	\$ 89,077	\$ 32,133
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	29,057	27,979
Amortization	588	117
Unrealized (gain) or loss	704	(195)
(Increase) decrease in:		
Grants receivable	(43,637)	22,229
Promises to give	(7,828)	(9,198)
Increase (decrease) in:		
Accounts payable	1,465	(8,715)
Accrued payroll	7,084	2,643
Accrued compensation	5,143	2,053
Grant overpayments	(6)	3,242
Net cash provided (used) by operating activities	<u>81,646</u>	<u>72,288</u>
Cash flows from investing activities		
Purchase of marketable securities	(15,866)	(10,054)
Reinvestment of investment income	(89)	(80)
Sale of certificate of deposit		17,937
Purchase of depreciable assets	(10,580)	(9,372)
Net cash provided (used) by investing activities	<u>(26,535)</u>	<u>(1,569)</u>
Cash flows from financing activities		
Debt reduction	(37,961)	(6,179)
Net cash provided (used) by financing activities	<u>(37,961)</u>	<u>(6,179)</u>
Net increase (decrease) in cash for period	17,150	64,540
Cash as of beginning of period	<u>132,916</u>	<u>68,376</u>
Cash as of end of period	<u>\$ 150,066</u>	<u>\$ 132,916</u>
<u>Supplemental Information</u>		
Interest paid	<u>\$ 1,775</u>	<u>\$ 2,933</u>
Income taxes paid	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes to financial statements
are an integral part of this statement

THE WILLOW DOMESTIC VIOLENCE CENTER, INC.
Lawrence, Kansas

NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies

Nature of the Organization – The Willow Domestic Violence Center, Inc., formerly Lawrence Women's Transitional Care Services, Inc., was organized in 1977 to provide emergency shelter for women and children in Douglas, Franklin, and Jefferson County, Kansas who have been victims of domestic violence or are in transition. Other services include free room and board for up to thirty days and support counseling when required. Government grants are the primary source of revenue for the Organization.

Financial Statement Presentation – Net assets and revenues, gains and losses are classified on donor imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted – Resources over which the board of directors has discretionary control.

Temporarily Restricted – Resources subject to donor imposed restrictions which will be satisfied by actions of the Organization or passage of time.

Basis of Accounting – The Organization prepares its financial statements in accordance with generally accepted accounting principles, which involves the application of accrual accounting; consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred.

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

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 will affect the reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Any adjustments applied to estimated amounts are recognized in the year in which such adjustments are determined.

Cash and Cash Equivalents – The Organization considers highly liquid investments purchased with an initial maturity of three months or less to be cash and cash equivalents. At times, amounts may exceed FDIC insured limits.

Generally accepted auditing standards state that cash available for current unrestricted use need not be reported separately from cash received with donor-imposed restrictions that is also available for current use.

THE WILLOW DOMESTIC VIOLENCE CENTER, INC.
Lawrence, Kansas

NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies (continued)

Income Taxes – The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and, therefore, has no provision for federal income taxes. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(1). Income determined to be unrelated business taxable income (UBTI) would be taxable.

The Organization follows the accounting standards for uncertain tax positions. The Organization's policy prescribes a recognition threshold and measurement principles for the financial statement recognition and measurement of tax positions taken or expected to be taken on a tax return that are not certain to be realized. The implementation of this policy had no impact on the Organization's financial statements.

The Organization files as a tax-exempt organization. As of June 30, 2015, its 2011 through 2013 fiscal year tax returns are open for examination by the IRS.

Property and Equipment– Property and equipment in excess of \$500 with a life that benefits future periods has been capitalized at cost. Repairs and maintenance are charged to operations when incurred. Betterments and renewals that extend the life of assets are capitalized. When property and equipment are sold or otherwise disposed of, the assets account and related accumulated depreciation account are removed, and any gain or loss is included in operations. Depreciation is computed on a straight line method over the following useful life of the asset:

Buildings and Improvements	10 – 39 years
Furniture and Equipment	3 – 10 years

Contributions – The Organization accounts for contributions in accordance with accounting standards. Contributions received are recorded as increases in unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Restricted support, where restrictions are met in the same period as the donation is made, is shown as additions to unrestricted support.

Unconditional Promises to Give – Unconditional promises to give represent the United Way funding allocation to be received during the second half of the calendar year. At June 30, 2015, the amount is considered fully collectible. The amount is recorded as temporarily restricted due to the time restriction.

THE WILLOW DOMESTIC VIOLENCE CENTER, INC.
Lawrence, Kansas

NOTES TO FINANCIAL STATEMENTS

Note 1 - Summary of Significant Accounting Policies (continued)

Donated Materials and Services – No amounts have been reflected in the financial statements for donated services. However, the Organization relies on local volunteers to achieve its objective of serving the domestic violence counseling needs of Douglas, Franklin and Jefferson County, Kansas. The Willow Domestic Violence Center, Inc. has calculated the amount of donated services based on the average social care wages provided by the leadership network for nonprofits, Independent Sector, multiplied by the amount of hours contributed. This amounted to 10,917 hours for a total value of \$201,423 for the 2015 fiscal year.

The Organization occupies an office building located at 1920 Moodie under an annual agreement with the City of Lawrence. No rent is paid for the use of the building. The Organization has estimated the approximate fair value of the annual rental to be \$26,676 and it is included in contributions and expenses in the statement of activities.

Fair Value Measurements - The Organization categorizes its assets and liabilities measured at fair value into a three-level hierarchy on the priority of the inputs to the valuation technique used to determine fair value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level I) and the lowest priority to unobservable inputs (Level III). If the inputs used in the determination of the fair value measurement fall within different levels of the hierarchy, the categorization is based on the lowest input that is significant to the fair value measurement. Assets and liabilities valued at fair value are categorized based on the inputs to the valuation techniques as follows:

Level I – Inputs that utilize quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access. Fair values for these instruments are estimated using pricing models or quoted prices of securities with similar characteristics.

Level II – Inputs that include quoted prices for similar assets and liabilities in active markets and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

Level III – Inputs that are unobservable inputs for the asset or liability, which are typically based on an entity's own assumptions, as there is little, if any, related market activity. Fair values for these instruments are estimated using appraised value.

Subsequent to initial recognition, the Organization may remeasure the carrying value of assets and liabilities measured on a nonrecurring basis to fair value. Adjustments to fair value usually result when certain assets are impaired. Such assets are written down from their carrying amounts to their fair value.

Professional standards allow entities the irrevocable option to elect to measure certain financial instruments and other items at fair value for the initial and subsequent measurement on an instrument-by-instrument basis.

THE WILLOW DOMESTIC VIOLENCE CENTER, INC.
Lawrence, Kansas

NOTES TO FINANCIAL STATEMENTS

Note 1 – Summary of Significant Accounting Policies (continued)

Fair values are measured using independent pricing models or other model-based valuation techniques such as appraised values, adjusted for security's credit rating, prepayment assumptions, and other factors such as credit loss assumptions. The Organization does not have any assets or liabilities that are valued using Level II or Level III inputs.

Note 2 – Fixed Assets

Property and equipment are summarized by major classifications at June 30, 2015 as follows:

	<u>2015</u>	<u>2014</u>
Building	\$ 133,453	\$ 133,453
Land	14,828	14,828
Building Improvements	177,513	176,118
Furniture and Equipment	<u>117,627</u>	<u>108,441</u>
	443,421	432,840
Less Accumulated Depreciation	<u>(361,582)</u>	<u>(332,525)</u>
	<u><u>\$ 81,839</u></u>	<u><u>\$ 100,315</u></u>

Depreciation for the year ended June 30, 2015 and 2014 was \$29,057 and \$27,979, respectively.

Note 3 – Cash and Credit Risk

The Organization's cash balances are maintained in bank deposit accounts. The balances of these accounts were not in excess of federal insurance limits. The Organization opened an investment account with Charles Schwab and as of June 30, 2015, the investment account has a balance of \$27,203 which is not covered by FDIC.

Note 4 – Temporarily Restricted Net Assets

Temporarily restricted net assets represent contributions received with donor or grantor imposed restrictions as to the use of the funds or due to donor imposed time restrictions. Temporarily restricted net assets consist of the following as of June 30, 2015:

Time restricted funds	<u>\$ 37,026</u>
-----------------------	------------------

Temporarily restricted net assets totaling \$29,198 were released from restriction during the fiscal year.

THE WILLOW DOMESTIC VIOLENCE CENTER, INC.
Lawrence, Kansas

NOTES TO FINANCIAL STATEMENTS

Note 5 – Investments

The Organization has adopted SFAS No. 124, “Accounting for Certain Investments Held by Not-for-Profit Organizations.” Under SFAS No. 124, investments in marketable securities with readily determinable fair values and all investments in securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are also reported in the statement of activities. The Organization’s investment account is held by Charles Schwab and consists of the following as of June 30, 2015:

	<u>Cost Basis</u>	<u>Fair Value</u>	<u>Unrealized Appreciation (Depreciation)</u>
Money market account	\$ 15,086	\$ 15,086	\$ -
Mutual funds	1,098	963	(135)
Equity stocks	<u>11,526</u>	<u>11,154</u>	<u>(372)</u>
	<u>\$ 27,710</u>	<u>\$ 27,203</u>	<u>\$ (507)</u>

Investment income is summarized as follows:

Interest/Dividend Income	\$ 132
Unrealized Gain (Loss)	<u>(704)</u>
	<u>\$ (572)</u>

The Board of Directors approved the establishment of a Sustainability Fund, which is comprised entirely of the Charles Schwab investment account. The Sustainability Fund was established to reduce the risk associated with an unexpected loss of funding, as the Organization is highly dependent on grant funds.

Note 6 – Fair Value Measurements

The Organization uses fair value measurements to record fair value adjustment to certain assets and to determine fair value disclosures. For additional information on how the Organization measures fair value, refer to Note 1 – Summary of Significant Accounting Principles. The Organization has assets that are valued using Level I inputs; there are no assets or liabilities valued using Level II or Level III inputs as of June 30, 2015.

The following table presents the fair value hierarchy, measuring fair value at quoted prices in active markets identical assets (Level I), significant other observable inputs (Level II), and significant

THE WILLOW DOMESTIC VIOLENCE CENTER, INC.
Lawrence, Kansas

NOTES TO FINANCIAL STATEMENTS

Note 6 – Fair Value Measurements (continued)

unobservable inputs (Level III). Assets measured at fair value on a non-recurring basis as of June 30, 2015 are as follows:

<u>Description</u>	<u>June 30, 2015</u>	<u>Level I</u>	<u>Level II</u>	<u>Level III</u>	<u>Total</u>
Securities	\$ 27,203	<u>\$ 27,203</u>	<u>-</u>	<u>-</u>	<u>\$ 27,203</u>

For the year ended June 30, 2015, no cumulative losses were computed as management had determined the assets and liabilities were not impaired.

Note 7 – Compensated Absences

The Organization provides for time off with pay for periods of time due to vacation or personal pursuits. Employees earn annual leave at a rate that varies depending on years of employment to a maximum of 176 hours. Any accrued annual leave is paid upon termination of employment. Annual leave is recorded in the statement of financial position as accrued compensation. As of June 30, 2015 and 2014, accrued compensation balances were \$25,870 and \$20,727, respectively.

Note 8 – Operating Leases

On June 1, 2010, the Organization entered into a lease agreement with the City of Lawrence for the sum of one dollar. The lease is an annual renewable lease with the Organization responsible for repairs, maintenance and utilities.

The Organization has also entered into a month-to-month lease agreement for Ottawa office space. Rent expense was \$2,400 for the year ended June 30, 2015.

Note 9 – Commitments

On December 27, 2007 the Organization entered into a four year Toshiba Copier lease and maintenance agreement, expiring December 27, 2011. A new one year maintenance only agreement was entered into on March 7, 2011, renewed annually. Lease and maintenance agreement payments for the year ended June 30, 2015 amounted to \$802.

THE WILLOW DOMESTIC VIOLENCE CENTER, INC.
Lawrence, Kansas

NOTES TO FINANCIAL STATEMENTS

Note 10 – Contingency

The Organization receives a substantial amount of its support from federal, state and local governments. A significant reduction in the level of this support, if this were to occur, may have an effect on the Organization's programs and activities.

Note 11 – Risk Management

The Organization is exposed to various risks of loss related to limited torts; thefts of, damage to and destruction of assets; errors and omissions and natural disasters. The Organization carries commercial insurance and has not incurred any losses in the past three years.

Note 12 – Subsequent Events

Management has evaluated subsequent events through November 30, 2015, the date in which the financial statements were available to be issued.

