

**ARIZONA WOMEN'S EDUCATION
AND EMPLOYMENT, INC.**

**FINANCIAL STATEMENTS AND
SINGLE AUDIT REPORTS**

YEARS ENDED JUNE 30, 2015 AND 2014

**ARIZONA WOMEN'S EDUCATION AND EMPLOYMENT, INC.
TABLE OF CONTENTS
YEARS ENDED JUNE 30, 2015 AND 2014**

INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
STATEMENTS OF FINANCIAL POSITION	3
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS	4
STATEMENTS OF FUNCTIONAL EXPENSES	5
STATEMENTS OF CASH FLOWS	6
NOTES TO FINANCIAL STATEMENTS	7
SINGLE AUDIT REPORTS	
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS <i>PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS</i>	15
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY OMB CIRCULAR A-133	17
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	20
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	22
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	23

INDEPENDENT AUDITORS' REPORT

Board of Directors
Arizona Women's Education and Employment, Inc.
Phoenix, Arizona

We have audited the accompanying financial statements of Arizona Women's Education and Employment, Inc., which comprise the statements of financial position as of June 30, 2015 and 2014, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the 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 the 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 auditors' 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.

Board of Directors
Arizona Women's Education and Employment, Inc.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Arizona Women's Education and Employment, Inc. as of June 30, 2015 and 2014, 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 Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 16, 2015, on our consideration of Arizona Women's Education and Employment, 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 result 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 Arizona Women's Education and Employment, Inc.'s internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Phoenix, Arizona
November 16, 2015

ARIZONA WOMEN'S EDUCATION AND EMPLOYMENT, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2015 AND 2014

	2015	2014
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 310,222	\$ 468,196
Grants Receivable	103,280	212,707
Contracts Receivable	15,200	43,270
Prepaid Expenses and Other Assets	8,759	11,334
Total Current Assets	437,461	735,507
PROPERTY AND EQUIPMENT, NET	39,114	35,067
TOTAL ASSETS	\$ 476,575	\$ 770,574
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 5,960	\$ 337
Accrued Payroll and Taxes	48,404	50,915
Accrued Vacation Payable	25,638	36,996
Deferred Revenue	78,605	76,675
Line of Credit	49,887	49,887
Current Maturities of Note Payable	-	24,829
Total Current Liabilities	208,494	239,639
NOTE PAYABLE, LESS CURRENT MATURITIES	-	3,582
Total Liabilities	208,494	243,221
NET ASSETS		
Unrestricted	65,902	285,776
Temporarily Restricted	202,179	241,577
Total Net Assets	268,081	527,353
TOTAL LIABILITIES AND NET ASSETS	\$ 476,575	\$ 770,574

See accompanying Notes to Financial Statements.

ARIZONA WOMEN'S EDUCATION AND EMPLOYMENT, INC.
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
YEARS ENDED JUNE 30, 2015 AND 2014

	2015			2014		
	Unrestricted Net Assets	Temporarily Restricted Net Assets	Total	Unrestricted Net Assets	Temporarily Restricted Net Assets	Total
SUPPORT AND REVENUES						
Contract and Grant Revenues	\$ 1,227,774	\$ -	\$ 1,227,774	\$ 1,244,654	\$ -	\$ 1,244,654
Contributions	72,738	52,608	125,346	315,566	61,027	376,593
Special Events Net of Direct Donor Benefit	348,075	-	348,075	276,416	-	276,416
In-Kind Contributions	245,257	-	245,257	155,182	-	155,182
Other Income	824	-	824	905	-	905
Total Support and Revenues Before Net Assets Released from Restrictions	1,894,668	52,608	1,947,276	1,992,723	61,027	2,053,750
Net Assets Released from Restrictions	92,006	(92,006)	-	74,531	(74,531)	-
Total Support and Revenues	1,986,674	(39,398)	1,947,276	2,067,254	(13,504)	2,053,750
FUNCTIONAL EXPENSES						
Program Services	1,359,326	-	1,359,326	1,317,505	-	1,317,505
Fund Raising	308,547	-	308,547	256,842	-	256,842
General and Administrative	538,675	-	538,675	573,055	-	573,055
Total Functional Expenses	2,206,548	-	2,206,548	2,147,402	-	2,147,402
CHANGES IN NET ASSETS	(219,874)	(39,398)	(259,272)	(80,148)	(13,504)	(93,652)
NET ASSETS - BEGINNING OF YEAR	285,776	241,577	527,353	365,924	255,081	621,005
NET ASSETS - END OF YEAR	\$ 65,902	\$ 202,179	\$ 268,081	\$ 285,776	\$ 241,577	\$ 527,353

See accompanying Notes to Financial Statements.

ARIZONA WOMEN'S EDUCATION AND EMPLOYMENT, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
YEARS ENDED JUNE 30, 2015 AND 2014

	2015				2014			
	Program Services	Fund Raising	General and Administrative	Total	Program Services	Fund Raising	General and Administrative	Total
Payroll Expenses								
Salaries	\$ 699,785	\$ 92,462	\$ 308,008	\$ 1,100,255	\$ 718,160	\$ 76,570	\$ 295,649	\$ 1,090,379
Payroll Taxes and Employee Benefits	83,821	23,116	24,852	131,789	124,212	19,143	45,235	188,590
Total Payroll Expenses	783,606	115,578	332,860	1,232,044	842,372	95,713	340,884	1,278,969
Client Support	325,719	-	-	325,719	248,093	-	-	248,093
Insurance	13,693	-	4,710	18,403	10,394	-	3,146	13,540
Miscellaneous	-	81,897	9,886	91,783	-	63,566	4,062	67,628
Operating Services and Conferences	69,419	-	25,097	94,516	21,173	-	32,671	53,844
Rent	53,038	-	24,697	77,735	50,278	-	21,905	72,183
Professional Fees and Outside Services	73,616	83,396	115,068	272,080	110,393	79,431	137,340	327,164
Office Supplies, Printing and Copying	29,584	27,676	17,120	74,380	24,585	18,132	23,444	66,161
Telephone and Utilities	7,366	-	2,869	10,235	6,932	-	3,235	10,167
Total Functional Expenses before Depreciation	1,356,041	308,547	532,307	2,196,895	1,314,220	256,842	566,687	2,137,749
Depreciation	3,285	-	6,368	9,653	3,285	-	6,368	9,653
TOTAL FUNCTIONAL EXPENSES	\$ 1,359,326	\$ 308,547	\$ 538,675	\$ 2,206,548	\$ 1,317,505	\$ 256,842	\$ 573,055	\$ 2,147,402

See accompanying Notes to Financial Statements.

ARIZONA WOMEN'S EDUCATION AND EMPLOYMENT, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2015 AND 2014

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in Net Assets	\$ (259,272)	\$ (93,652)
Adjustments to Reconcile Changes in Net Assets to Net Cash Used by Operating Activities:		
In-Kind Contributions from Donated Property and Equipment	(12,250)	-
Depreciation	9,653	9,653
Changes in Cash Resulting from Changes in:		
Grants Receivable	109,427	33,821
Contracts Receivable	28,070	(20,444)
Advances to Vendors	-	15,000
Prepaid Expenses and Other Assets	2,575	3,225
Accounts Payable	5,623	(15,293)
Accrued Payroll and Taxes	(2,511)	(4,476)
Accrued Vacation Payable	(11,358)	(2,503)
Deferred Revenue	1,930	(7,858)
	<u>(128,113)</u>	<u>(82,527)</u>
Net Cash Used by Operating Activities		
CASH FLOWS USED IN INVESTING ACTIVITIES		
Purchases of Property and Equipment	<u>(1,450)</u>	<u>(7,339)</u>
CASH FLOWS USED IN FINANCING ACTIVITIES		
Payments on Note Payable	<u>(28,411)</u>	<u>(23,084)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(157,974)	(112,950)
Cash and Cash Equivalents - Beginning of Year	<u>468,196</u>	<u>581,146</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 310,222</u>	<u>\$ 468,196</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash Paid for Interest	<u>\$ 3,672</u>	<u>\$ 5,426</u>
SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING ACTIVITIES		
Acquisition of Equipment from In-Kind Contributions	<u>\$ 12,250</u>	<u>\$ -</u>

See accompanying Notes to Financial Statements.

ARIZONA WOMEN'S EDUCATION AND EMPLOYMENT, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Arizona Women's Education and Employment, Inc. (AWEE) is an Arizona not-for-profit corporation organized in July 1981. AWEE's purpose is to help people achieve economic independence. AWEE provides pre-employment job readiness training, marketable skills, employment services and support to individuals located primarily in the Phoenix metropolitan and Prescott areas. These services enable people to overcome barriers to employment.

Basis of Presentation

AWEE's financial statements are presented in accordance with the American Institute of Certified Public Accountants (AICPA) Not-For-Profit Industry Guidance within the Financial Accounting Standards Board (FASB) Codification (Guidance). Under the Guidance, AWEE is required to report information regarding the financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Unrestricted Net Assets

Unrestricted net assets are those currently available at the discretion of the Board for use in AWEE's operations, in accordance with its bylaws. Restricted net assets received and expended in the same year are classified as unrestricted.

Temporarily Restricted Net Assets

Temporarily restricted net assets are those which are subject to donor-imposed stipulations that will be met by AWEE and/or the passage of time.

Permanently Restricted Net Assets

Permanently restricted net assets are those which represent permanent endowments where it is stipulated by donors that the principal remain in perpetuity and only the income is available as unrestricted or temporarily restricted, as per the endowment agreements. At June 30, 2015 and 2014, AWEE had no permanently restricted net assets.

Use of Estimates in the Preparation of Financial Statements

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

ARIZONA WOMEN'S EDUCATION AND EMPLOYMENT, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions

Under the Audit Guide, contributions, grants, and bequests including unconditional promises to give, are recognized as revenues in the period received. Conditional promises to give are not recognized until they become unconditional, that is when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value. Contributions of services are recognized at their fair value if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

Cash and Cash Equivalents

AWEE considers all liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair value in the statements of financial position. Investment income (including interest and dividends) and unrealized gains and losses are reported in the statements of activities and changes in net assets.

Grants and Contracts Receivable

Grants and contracts receivable consist primarily of amounts due from various agencies for services performed and are unsecured. Grants and contracts receivable are stated at the amount management expects to collect. Contributions receivable represent unconditional promises to give that are acknowledged in writing by donating parties. Management believes that all grants and contracts receivable at June 30, 2015 and 2014, were collectible.

Property and Equipment

Property and equipment are initially recorded at cost if purchased, or at fair value at the date of gift if donated. Such donations are reported as unrestricted support unless the donor has restricted the donated assets to a specific purpose. Maintenance and repairs are charged to operations when incurred. Betterments and renewals in excess of \$2,500 are capitalized. When property and equipment are sold or otherwise disposed of, the asset account and related accumulated depreciation account are relieved, and any gain or loss is included in operations. Depreciation is provided using the straight-line method over estimated useful lives, which range from three to five years.

ARIZONA WOMEN'S EDUCATION AND EMPLOYMENT, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of Long-Lived Assets

AWEE reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell.

Deferred Revenue

Deferred revenue consists of cash received in advance and is recognized as the related qualifying expenditure is incurred.

Revenue Recognition

Revenue from exchange type contracts are recognized as the related qualifying expenditures are incurred.

Donated Items

Non-cash in-kind contributions are recorded as both revenue and an asset or expense at the estimated fair value in the financial statements if, among other things, AWEE would typically need to purchase these products or services if they were not provided by donation.

Special Events Revenue

AWEE conducts special events in which a portion of the gross proceeds paid by the participant represents payments for the direct cost of the benefits received by the participant at the event. Unless a verifiable, objective means exists to demonstrate otherwise, the fair value of direct costs provided at special events is measured at the actual cost to AWEE. The direct costs of the special events which ultimately benefit the donor rather than AWEE are netted in special events support and revenues on the statements of activities and changes in net assets.

Allocation of Functional Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities and changes in net assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The allocation methods used are based on square footage, full-time equivalents, and other appropriate methods, and are subject to a certain degree of estimation by management.

ARIZONA WOMEN'S EDUCATION AND EMPLOYMENT, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

AWEE qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and therefore, there is no provision for federal or state corporate income taxes. In addition, AWEE qualifies for the charitable contribution deduction under Section 170 of the Code and has been classified as an organization that is not a private foundation under Section 509(a)(2). Income determined to be unrelated business taxable income (UBTI) would be taxable.

Management believes that AWEE had no uncertain tax positions as of June 30, 2015 and 2014.

NOTE 2 GRANTS RECEIVABLE

Grants receivable consist of the following:

	2015	2014
Arizona Diversity Business Development Center	\$ 13,119	\$ 4,806
Attorney General	24,868	22,439
City of Phoenix Adult Services	65,293	35,557
Department of Labor/Bridges to Jobs	-	149,905
Total	\$ 103,280	\$ 212,707

NOTE 3 PROPERTY AND EQUIPMENT

A summary of property and equipment follows:

	2015	2014
Computer Equipment and Software	\$ 152,576	\$ 138,877
Furniture and Fixtures	32,188	32,188
Total	184,764	171,065
Less Accumulated Depreciation	(145,650)	(135,998)
Property and Equipment, Net of Accumulated Depreciation	\$ 39,114	\$ 35,067

Depreciation expense was \$9,653 for each of the years ended June 30, 2015 and 2014, respectively.

ARIZONA WOMEN'S EDUCATION AND EMPLOYMENT, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

NOTE 4 LEASE AND RENTAL COMMITMENTS

AWEE rents office space for all of their locations. Rent on the downtown Phoenix office lease is \$3,359 per month and the lease expires on June 30, 2016. AWEE also leases office space in Prescott. Rent on the Prescott office lease is \$1,290 per month and the lease expires on September 30, 2017.

AWEE utilizes office and classroom space in Phoenix for which it does not pay rent or pays rent at less than market value. The market value of these rents is recorded as in-kind contributions and rent expense in the accompanying financial statements (see Note 7).

AWEE leases copy machines and software under non-cancelable operating leases for approximately \$508 per month, excluding copier charges, and the lease expires on March 31, 2017.

The future lease payments are as follows:

<u>Year Ended June 30,</u>	<u>Amount</u>
2016	\$ 61,872
2017	8,436
2018	-
Total	<u>\$ 70,308</u>

Facility rental and equipment lease expense charged to operations was \$61,404 and \$60,851 for the years ended June 30, 2015 and 2014, respectively.

NOTE 5 LINE OF CREDIT

AWEE has a \$100,000 line-of-credit with MidFirst Bank, secured by software and assets. The line-of-credit matures on November 19, 2015, charges interest at prime plus 1.45% (4.70%, at June 30, 2015 and 2014) and had a balance of \$49,887 and \$49,887 as of June 30, 2015 and 2014, respectively. Management is in the process of extending that line of credit.

NOTE 6 NOTE PAYABLE

A summary of the note payable follows:

	<u>2015</u>	<u>2014</u>
Note payable to MidFirst Bank; original amount of \$89,137; payable in monthly installments of \$2,176, which includes interest at a fixed rate of 7.25% through August 2015. The note payable was paid off during 2015.	\$ -	\$ 28,411

ARIZONA WOMEN'S EDUCATION AND EMPLOYMENT, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

NOTE 7 IN-KIND CONTRIBUTIONS

AWEE received the following in-kind contributions:

	2015	2014
Rent	\$ 17,004	\$ 12,600
Clothing	175,590	111,906
Services	40,413	30,676
Property and Equipment	12,250	-
Total	\$ 245,257	\$ 155,182

The in-kind contributions are shown as revenues and expenses within the statements of activities and changes in net assets and benefited the programs of AWEE.

NOTE 8 TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consist of the following:

	2015	2014
Time Restricted	\$ 24,069	\$ 84,817
Purpose Restricted		
Education Related	100,000	100,000
Other	78,110	56,760
Total	\$ 202,179	\$ 241,577

The net assets released from restrictions during the years ended June 30, 2015 and 2014, related to purpose and time restrictions.

NOTE 9 MAJOR REVENUE SOURCE

For the years ended June 30, 2015 and 2014, revenue from two funders totaled \$546,375 (28%) and revenue from two funders totaled \$840,557 (41%), respectively. Amounts due from the two grant agencies were \$65,293 and \$195,199 at June 30, 2015 and 2014, respectively.

If the contracts from grant agencies are not renewed, AWEE's revenue could be reduced in future years.

ARIZONA WOMEN'S EDUCATION AND EMPLOYMENT, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 10 RETIREMENT PLAN

AWEE maintains a 401(k) plan covering all eligible full-time employees. Employees are eligible to contribute to the plan after a 90-day probation period. Contributions to the 401(k) plan are made by the participants to their individual accounts through payroll withholding. The plan provides for an employer matching contribution in the amount of 25% of the participants' elective deferral limited to 5% of the participants' compensation. The matching contributions vest at a rate of 25% annually and are fully vested at the end of the fourth year. AWEE contributed \$5,220 and \$4,388 to the plan during the years ended June 30, 2015 and 2014, respectively, which is included in payroll taxes and employee benefits in the accompanying statements of functional expenses.

NOTE 11 CONCENTRATION OF CREDIT RISKS

AWEE maintains all of its cash with banks located in Arizona. Balances on deposits are insured by the Federal Deposit Insurance Corporation (FDIC) up to specified limits. Balances in excess of FDIC limits are uninsured. As of June 30, 2015 and 2014, there were no cash balances at financial institutions which exceeded the balance insured by the FDIC.

NOTE 12 COMMITMENTS AND CONTINGENCIES

AWEE participates in a number of federal and state-assisted grant and contract programs which are subject to financial and compliance audits. Accordingly, AWEE's compliance with applicable grant or contract requirements may be determined at some future date. The amount, if any, of expenditures or fees for units of service which may be disallowed by the granting or contracting agencies cannot be determined at this time, although AWEE's management expects such amounts, if any, to be immaterial.

AWEE may be contingently liable in respect to claims incidental to the ordinary course of its operations. In the opinion of management, the effect of such matters will not have a material adverse effect on AWEE's financial position, operations, or liquidity. Therefore, no provision has been made in the accompanying financial statements for losses, if any, that might result from the ultimate outcome of these matters.

NOTE 13 SUBSEQUENT EVENTS

AWEE evaluated subsequent events through November 16, 2015, the date the financial statements were available to be issued. Events or transactions occurring after June 30, 2015, but prior to November 16, 2015, that provided additional evidence about conditions that existed at June 30, 2015, have been recognized in the financial statements for the year ended June 30, 2015. Events or transactions that provided evidence about conditions that did not exist at June 30, 2015 but arose before the financial statements were available to be issued have not been recognized in the financial statements for the year ended June 30, 2015.

SINGLE AUDIT REPORTS



**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**

Audit Committee
Arizona Women's Education and Employment, Inc.
Phoenix, Arizona

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 Arizona Women's Education and Employment, Inc. which comprise the statement of financial position as of June 30, 2015, and the related statements of activities and changes in net assets, 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 November 16, 2015.

Internal Control Over Financial Reporting

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

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

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

Audit Committee
Arizona Women's Education and Employment, Inc.

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Phoenix, Arizona
November 16, 2015



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY OMB CIRCULAR A-133

Audit Committee
Arizona Women's Education and Employment, Inc.
Phoenix, Arizona

Report on Compliance for each Major Federal Program

We have audited Arizona Women's Education and Employment, Inc.'s compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on Arizona Women's Education and Employment, Inc.'s major federal program for the year ended June 30, 2015. Arizona Women's Education and Employment, Inc.'s major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance of Arizona Women's Education and Employment, Inc.'s major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 federal program occurred. An audit includes examining, on a test basis, evidence about Arizona Women's Education and Employment, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the federal programs. However, our audit does not provide a legal determination of Arizona Women's Education and Employment, Inc.'s compliance.

Opinion on each Major Federal Program

In our opinion, Arizona Women's Education and Employment, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2015.

Report on Internal Control Over Compliance

Management of Arizona Women's Education and Employment, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Arizona Women's Education and Employment, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on its major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for its major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 Arizona Women's Education and Employment, Inc.'s internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal 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 federal 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 federal 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.

Purpose of this Report

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 result of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of Arizona Women's Education and Employment, Inc. as of and for the year ended June 30, 2015, and have issued our report thereon dated November 16, 2015, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 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 schedule of expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Phoenix, Arizona
November 16, 2015

ARIZONA WOMEN'S EDUCATION AND EMPLOYMENT, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2015

Section II – Financial Statement Findings

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

Section III – Federal Award Findings

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

Section IV – Prior Year Findings and Questioned Costs Relating to Federal Awards

There were no findings in the prior year that were required to be reported in accordance with Section 510(a) of OMB Circular A-133.

**ARIZONA WOMEN'S EDUCATION AND EMPLOYMENT, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2015**

Federal Grant/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures
U.S. Department of Labor:			
Direct Assistance:			
Small Business Administration - Office of Women's Business Ownership	59.043	SBAHQ-14-W-0051	\$ 69,798
Reintegration of Ex-Offenders - Adult Generation 5	17.270	PE232041260A4	243,793
Passed-through			
Passed-through City of Phoenix:			
Workforce Investment Act - Adult Activities	17.258	133977-002	300,000 *
Passed-through the AZ Diversity Business Development Center:			
H1B TST - Project MADE	17.268	HG-22695-12-60-A-4	<u>148,561</u>
Total U.S. Department of Labor			<u>762,152</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u><u>\$ 762,152</u></u>

* Indicates a major program for the fiscal year ended June 30, 2015.

**ARIZONA WOMEN'S EDUCATION AND EMPLOYMENT, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2015**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Arizona Women's Education and Employment, Inc. and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

Catalog of Federal Domestic Assistance (CFDA)

The program titles and CFDA numbers were obtained from the Catalog of Federal Domestic Assistance.