

**SHENANDOAH WOMEN'S CENTER, INC.**

FINANCIAL STATEMENTS

For the Year Ended June 30, 2011

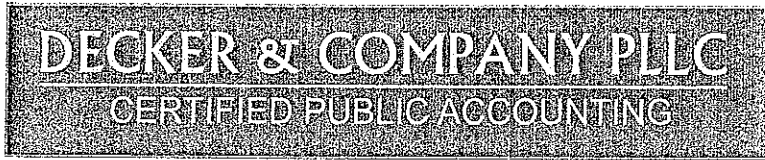
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Warm Springs Business Centre • 64 Warm Springs Avenue • Martinsburg, WV 25404

**INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

To the Board of Directors  
Shenandoah Women's Center, Inc  
Martinsburg, West Virginia

We have audited the accompanying statement of financial position of the Shenandoah Women's Center, Inc. (a nonprofit organization) as of June 30, 2011 and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. 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 and the standards applicable to financial audits contained in *Governmental 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Shenandoah Women's Center, Inc. as of June 30, 2011, and the changes in its net assets and its cash flows for the year then in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated November 11, 2011, on our consideration of the Organization'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 controls over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying schedule of expenditures of federal awards and the schedule of state receipts and expenditures on pages 13 - 15 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements or to the financial statements themselves, and additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

*Decker & Company PLLC*

November 11, 2011

Shenandoah Women's Center, Inc.  
STATEMENT OF FINANCIAL POSITION  
June 30, 2011

<b>ASSETS</b>	
<b>Current Assets</b>	
Cash	\$ 17,391
Grants receivable	52,935
Prepaid expenses and deposits	<u>5,739</u>
<b>Total current assets</b>	<u>76,065</u>
Property and Equipment, net	<u>170,934</u>
<b>Total assets</b>	<u><u>\$ 246,999</u></u>

<b>LIABILITIES</b>	
<b>Current Liabilities</b>	
Current maturities of notes payable	\$ 7,390
Accounts payable	6,581
Accrued wages	16,130
Accrued payroll taxes	6,810
Accrued compensated absences	<u>6,980</u>
<b>Total current liabilities</b>	<u>43,891</u>
<b>Long-term Liabilities</b>	
Notes payable (net of current portion)	<u>90,585</u>
<b>Total liabilities</b>	<u>134,476</u>

<b>NET ASSETS</b>	
Unrestricted	<u>112,523</u>
<b>Total net assets</b>	<u>112,523</u>
<b>Total liabilities and net assets</b>	<u><u>\$ 246,999</u></u>

The accompanying notes are an integral part of the financial statements

Shenandoah Women's Center, Inc  
STATEMENT OF ACTIVITIES  
June 30, 2011

	Unrestricted	Temporarily Restricted	Total
<b>REVENUES AND SUPPORT</b>			
Federal financial assistance	\$ 292,161	\$ -	\$ 292,161
State financial assistance	226,479	-	226,479
Federated agencies	23,540	-	23,540
Donations - individual and corporate	33,567	-	33,567
In-Kind Donations	37,162	-	37,162
Bequests	750	-	750
Special events - net	22,435	-	22,435
Other income	6,208	-	6,208
<b>Total revenues and support</b>	<b>642,302</b>	<b>-</b>	<b>642,302</b>
<b>EXPENSES</b>			
<b>Program services</b>			
Protective Services for Adults and Children - Domestic Violence Services	320,962	-	320,962
Foundation for Rape and Information Services	26,380	-	26,380
Arrest	29,773	-	29,773
Violence Against Women	20,573	-	20,573
LAV	7,689	-	7,689
JAG	38,892	-	38,892
EFSP	2,825	-	2,825
Victims of Crime Assistance	86,189	-	86,189
<b>Total program services</b>	<b>533,283</b>	<b>-</b>	<b>533,283</b>
<b>Supporting services</b>			
Management and general	72,187	-	72,187
Fundraising	25,718	-	25,718
<b>Total supporting services</b>	<b>97,905</b>	<b>-</b>	<b>97,905</b>
<b>Total expenses</b>	<b>631,188</b>	<b>-</b>	<b>631,188</b>
<b>Change in net assets</b>	<b>11,114</b>	<b>-</b>	<b>11,114</b>
<b>Net assets, beginning of year</b>	<b>101,409</b>	<b>-</b>	<b>101,409</b>
<b>Net assets, end of year</b>	<b>\$ 112,523</b>	<b>\$ -</b>	<b>\$ 112,523</b>

The accompanying notes are an integral part of the financial statements

Shenandoah Women's Center, Inc.  
STATEMENT OF FUNCTIONAL EXPENSES  
For the year ended June 30, 2010

	Protective Services for Adults and Children - Domestic Violence Services	Foundation for Rape and Information Services	Arrest	Violence Against Women	LAV	JAG	EFSP	Victims of Crime Assistance	Total Program Services	Management and General	Fundraising	Total
Advertising	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,092	\$ -	\$ 3,092
Audit and accounting	5,715	-	-	-	-	-	-	-	5,715	635	-	6,350
Client expense allowances	2,206	-	-	-	-	-	-	-	2,206	-	-	2,206
Conferences and training	6,753	-	-	-	-	-	-	-	6,753	-	-	6,753
Contracted services	1,416	-	-	-	-	-	-	-	1,416	1,486	-	1,416
Depreciation	13,371	-	-	-	-	-	-	-	13,371	-	-	14,857
Donations-In Kind Items	37,162	-	-	-	-	-	-	-	37,162	-	-	37,162
Dues	869	-	-	-	-	-	-	-	869	869	-	1,738
Employee benefits	21,240	3,207	3,617	2,501	935	4,729	-	10,479	46,708	5,495	2,748	54,951
Equipment rents	-	-	-	-	-	-	-	-	-	-	-	-
and maintenance	8,663	-	-	-	-	-	-	-	8,663	963	-	9,626
Food	5,103	-	-	-	-	-	2,825	-	7,928	-	-	7,928
Insurance	7,798	-	-	-	-	-	-	-	7,798	867	-	8,665
Interest	4,499	-	-	-	-	-	-	-	4,499	500	-	4,999
Miscellaneous	-	-	-	-	-	-	-	-	-	2,972	-	2,972
Occupancy	27,498	-	-	-	-	-	-	-	27,498	3,055	-	30,553
Operating supplies	3,901	-	-	-	-	-	-	-	3,901	459	229	4,589
Postage	209	-	-	-	-	-	-	-	209	417	208	834
Printing and publications	371	-	-	-	-	-	-	-	371	741	370	1,482
Salaries and wages	153,457	23,173	26,130	18,072	6,754	34,163	-	75,710	337,459	41,386	19,851	398,696
Security	1,912	-	-	-	-	-	-	-	1,912	-	-	1,912
Telephone	-	-	-	-	-	-	-	-	-	-	-	-
and communications	11,562	-	-	-	-	-	-	-	11,562	9,250	2,312	23,124
Travel	7,257	-	26	-	-	-	-	-	7,283	-	-	7,283
<b>Total</b>	<b>\$ 320,962</b>	<b>\$ 26,380</b>	<b>\$ 29,773</b>	<b>\$ 20,573</b>	<b>\$ 7,689</b>	<b>\$ 38,892</b>	<b>\$ 2,825</b>	<b>\$ 86,189</b>	<b>\$ 533,283</b>	<b>\$ 72,187</b>	<b>\$ 25,718</b>	<b>\$ 631,188</b>

The accompanying notes are an integral part of the financial statements.

Shenandoah Women's Center, Inc.  
 STATEMENT OF CASH FLOWS  
 For the year ended June 30, 2011

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Change in net assets	\$ 11,114
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:	
Depreciation	14,857
Increase in grants receivable	(19,329)
Increase in prepaid expenses	(4,143)
Decrease in accounts payable and accrued wages and payroll taxes	(3,577)
Decrease in accrued compensated absences	<u>(4,327)</u>
<b>Net cash used in operating activities</b>	<u>(5,405)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Property and equipment additions	<u>(3,791)</u>
<b>Net cash used in investing activities</b>	<u>(3,791)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Principal payments on notes payable	(9,433)
Receipts from line of credit (net)	<u>20,000</u>
<b>Net cash provided by financing activities</b>	<u>10,567</u>
<b>Increase in cash and cash equivalents</b>	1,371
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<u>16,020</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u><u>\$ 17,391</u></u>
 <b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:</b>	
Interest paid	<u><u>\$ 4,999</u></u>

The accompanying notes are an integral part of the financial statements

Shenandoah Women's Center, Inc.  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2011

## **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### Organization and Nature of Activities

Shenandoah Women's Center, Inc is a non-stock, non-profit corporation organized under the laws of the State of West Virginia and has been determined by the Internal Revenue Service to be a tax-exempt organization under Internal Revenue Service Code Section 501(c)(3)

The Center's mission is to provide opportunities for all people of the Eastern Panhandle Region of West Virginia to lead a life free of domestic violence and sexual assault, and to retain the right and responsibility for their children

The Center relies on federal and state financial assistance to provide for its continuing operations.

### Basis of Accounting

The financial statements of the Center have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

### Basis of Presentation

Financial statement presentation follows the requirements of the Not-for-Profit Presentation of Financial Statements Topic of the FASB Accounting Standards Codification. Under the Standards, the Organization 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. There were no permanently or temporarily restricted net assets at June 30, 2011.

### Revenue Recognition

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

All donor-restricted contributions are 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.

### Contributed Services

The Organization receives a substantial amount of services donated by its volunteers in carrying out the Organization's mission. No amounts have been reflected in the financial statements for those services since they do not meet the criteria for recognition under the Not-for-Profit Entities Revenue Recognition Topic of the FASB Accounting Standards Codification.

### Grants

Grants received by the Organization to provide for operations represent exchange transactions whereby the Organization must provide services as outlined in the related grant agreements. As such, these grants are not considered contributions and are not subject to the provisions of the Not-for-Profit Entities Revenue Recognition Topic of the FASB Accounting Standards Codification.

### Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.



Shenandoah Women's Center, Inc  
NOTES TO FINANCIAL STATEMENTS (continued)  
June 30, 2011

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Grants Receivable

Grants receivable are stated at the amount management expects to collect based on requisitions submitted to grantor agencies. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual receivables from grants. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to the applicable grants receivable. The allowance for doubtful accounts at June 30, 2011, was \$0.

Property and Equipment

Property and equipment is carried at cost or, if donated, at the approximate fair market value at the date of donation. All property and equipment is depreciated using the straight-line method over the estimated useful lives of the assets.

The Organization's policy is to capitalize all property and equipment costs in excess of \$500.

When material in amount, interest related to construction projects is capitalized as a cost of the project.

Estimates

In preparing financial statements in conformity with U.S. generally accepted accounting principles, management must make estimates based on future events that effect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities as of the date of the financial statements, and revenues and expenses during the reporting period. Actual results could differ from these estimates.

**CASH**

All of the Organization's cash accounts are FDIC insured. Cash balances in excess of FDIC insurance limits, if any, are uncollateralized. Management considers this to be a normal business risk.

**PROPERTY AND EQUIPMENT**

Property and equipment consisted of the following at June 30, 2011:

Land	\$ 33,875
Buildings and improvements	396,801
Equipment, furniture and fixtures	129,963
Accumulated depreciation	(389,705)
Net property and equipment	<u>\$ 170,934</u>

**NOTES PAYABLE**

Notes payable at June 30, 2011, consisted of the following:

City of Martinsburg, Martinsburg, West Virginia; term note dated August 4, 1981 in the original amount of \$117,200; 1.0% interest rate; payable in monthly installments of \$331, including principal and interest to August, 2016; secured by deed of trust on the Organization's shelter	\$ 19,666
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Shenandoah Women's Center, Inc  
NOTES TO FINANCIAL STATEMENTS (continued)  
June 30, 2011

**NOTES PAYABLE (continued)**

BB&T, Martinsburg, West Virginia; term note dated September 24, 1997 in the original amount of \$60,000; this loan was refinanced May 25, 2011 in the amount of \$78,600; variable interest rate of prime plus 1% with a floor of 5.25%; payable in 59 monthly installments of \$635, including principal and interest with the balance due by May 25, 2016, secured by a deed of trust on the Organization's office building.	\$ <u>78,309</u>
Total	97,975
Less current portion	( 7,390)
Noncurrent portion	\$ <u>90,585</u>

Maturities of notes payable are as follows:

For the year ending June 30:		
	2012	\$ 7,390
	2013	7,621
	2014	7,864
	2015	8,117
	2016	8,382
	Thereafter	<u>58,601</u>
	Total	\$ <u>97,975</u>

**LINE OF CREDIT**

The Organization has a \$25,000 line of credit agreement with a local bank as of June 30, 2011. The agreement calls for a variable interest rate of prime plus 0.75% with a floor of 5% and matures on May 25, 2013. The balance outstanding at June 30, 2011 was \$0.

**EQUIPMENT OPERATING LEASES**

The Organization has entered into multi-year leases for copier machines. The leases are accounted for as operating leases and \$7,483 has been expensed for the year ended June 30, 2011.

**CONCENTRATION**

The Organization receives approximately 50 percent of its total support and revenues from various grants from or through the West Virginia Department of Health and Human Resources.

**FUNCTIONAL ALLOCATION OF EXPENSES**

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

Shenandoah Women's Center, Inc.  
NOTES TO FINANCIAL STATEMENTS (continued)  
June 30, 2011

**SUBSEQUENT EVENTS**

On July 21, 2011, the Organization sold for \$20,000 a house and lot that was donated to it in 2007 which had a book value at the time of sale of \$60,385

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through November 11, 2011, the date the financial statements were available to be issued

SUPPLEMENTAL INFORMATION

Shenandoah Women's Center, Inc  
 SCHEDULE OF EXPENDITURES AND FEDERAL AWARDS  
 For the year ended June 30, 2011

<u>Federal Grantor/Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>
Department of Housing and Urban Development Community Development Block Grant	14 218	\$ 5,000
Department of Justice/WV Division of Criminal Justice Services Sexual Assault Service Program	16.017	3,756
Department of Justice/WV Coalition Against Domestic Violence Legal Assistance for Victims	16 524	8,419
Department of Justice/WV Division of Criminal Justice Services Victims of Crime Assistance	16 575	83,645
Department of Justice/WV Division of Criminal Justice Services Stop Violence Against Women	16 589	33,109
Department of Justice/WV Division of Criminal Justice Services Sexual Assault Program/Arrest	16 590	30,870
Department of Justice/WV Division of Criminal Justice Services Recovery Act Justice Assistance	16 803	33,985
Department of Health and Human Services/WV Department of Health and Human Resources Family Violence Prevention	93 671	66,064
Department of Health and Human Services/Foundation for Rape and Information Services Preventive Health and Health Services Block Grant	93 991	17,667
Department of Health and Human Services/Foundation for Rape and Information Services Preventive Health and Health Services Block Grant	93 136	7,646
Emergency Food and Shelter National Board Emergency Food and Shelter Program	97 024	<u>2,000</u>
Total		\$ <u>292,161</u>

The accompanying notes are an integral part of this statement

Shenandoah Women's Center, Inc.  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the year ended June 30, 2011

**NOTE 1:**

**BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Shenandoah Women's Center, Inc. under programs of the federal government for the year ended June 30, 2011 and is prepared in accordance with the accrual basis of accounting under U.S. generally accepted accounting principles. Because the Schedule presents only a selected portion of the operations of the Shenandoah Women's Center, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Shenandoah Women's Center, Inc.

Shenandoah Women's Center, Inc.  
SCHEDULE OF STATE GRANT RECEIPTS AND EXPENDITURES  
For the year ended June 30, 2011

<u>State Grantor/Program</u>	<u>Grant Receipts</u>	<u>Grant Expenditures</u>
WV Department of Health and Human Services Protective Services for Victims of Domestic Violence Grant # G110174	\$ 226,479	\$ 226,479

**DECKER & COMPANY PLLC**  
**CERTIFIED PUBLIC ACCOUNTING**

Warms Springs Business Centre • 64 Warm Springs Avenue • Martinsburg, WV 25404

**INDEPENDENT AUDITORS' 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**

To the Board of Directors  
Shenandoah Women's Center, Inc.

We have audited the financial statements of the Shenandoah Women's Center, Inc (a nonprofit organization) as of and for the year ended June 30, 2011, and have issued our report thereon dated November 11, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Shenandoah Women's Center, Inc 's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting

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

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described below that we consider to be significant deficiencies in internal control over financial reporting. 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

- **Finding 2011-1:** The Organization's accounting policies and procedures manual should be updated to reflect the current policies, procedures, and personnel positions that are in place and operating as accounting controls
- **Response:** Management is in the process of updating the accounting policies and procedures manual to reflect its current practices
- **Finding 2011-2:** The monthly bank reconciliations do not indicate if someone other than the preparer has reviewed and approved the bank reconciliations for accuracy, completeness and as a fraud prevention measure
- **Response:** The treasurer of the board of directors has recently begun reviewing and approving the monthly bank reconciliations



- **Finding 2011-3:** There is no review and approval process in place for the Organization's payroll function. One individual is summarizing the employee pay period hours, entering time into the payroll software, running the payroll reports, and creating and performing the direct deposit transaction without someone else reviewing and documenting their approval each pay period.
- **Response:** Management will put in place a policy to have someone from management review and document their approval of payroll each pay period before the payroll process is complete.

The Organization's response to each of the findings is identified above. We did not audit the Organization's responses and, accordingly, we express no opinion on them.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free of 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*.

This report is intended solely for the information and use of management, the Board of Directors, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Decker & Company PLLC*

November 11, 2011