



SHENANDOAH WOMEN'S CENTER, INC.
d/b/a
EASTERN PANHANDLE EMPOWERMENT CENTER

FINANCIAL STATEMENTS

For the Years Ended June 30, 2019 and 2018

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**INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

To the Board of Directors
Shenandoah Women's Center, Inc.
d/b/a Eastern Panhandle Empowerment Center

Report on the Financial Statements

We have audited the accompanying financial statements of Shenandoah Women's Center, Inc., d/b/a Eastern Panhandle Empowerment Center ("EPEC"), (a nonprofit organization), which comprise the statements of financial position as of June 30, 2019 and 2018, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Shenandoah Women's Center, Inc. as of June 30, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The

accompanying schedules of federal awards and state grant receipts and expenditures 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 and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 16, 2020, on our consideration of EPEC's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering EPEC's internal control over financial reporting and compliance.

Decker & Company PLLC

January 16, 2020

Eastern Panhandle Empowerment Center
 STATEMENTS OF FINANCIAL POSITION
 June 30, 2019 and 2018

ASSETS			
	<u>2019</u>	<u>2018</u>	
Current Assets			
Cash	\$ 252,155	\$ 166,702	
Grants receivable	107,369	145,974	
Golf tournament receivable	430	14,394	
Prepaid expenses	<u>6,637</u>	<u>6,990</u>	
Total current assets	<u>366,591</u>	<u>334,060</u>	
Property and equipment, net	<u>71,772</u>	<u>66,007</u>	
Total assets	<u>\$ 438,363</u>	<u>\$ 400,067</u>	
LIABILITIES			
Current Liabilities			
Current maturities of notes payable	\$ 5,589	\$ 5,360	
Accounts payable	19,024	16,760	
Accrued wages	25,485	21,368	
Accrued payroll taxes	5,750	6,652	
Accrued compensated absences	<u>12,865</u>	<u>10,059</u>	
Total current liabilities	<u>68,713</u>	<u>60,199</u>	
Long-term Liabilities			
Notes payable (net of current portion)	<u>37,555</u>	<u>43,330</u>	
Total liabilities	<u>106,268</u>	<u>103,529</u>	
NET ASSETS			
Without donor restrictions	306,786	292,401	
With donor restrictions	<u>25,309</u>	<u>4,137</u>	
Total net assets	<u>332,095</u>	<u>296,538</u>	
Total liabilities and net assets	<u>\$ 438,363</u>	<u>\$ 400,067</u>	

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

Eastern Panhandle Empowerment Center
 STATEMENTS OF ACTIVITIES
 For the year ended June 30, 2019

	Without Donor Restriction	With Donor Restriction	Total
REVENUES AND SUPPORT			
Federal financial assistance	\$ 574,596	\$ -	\$ 574,596
State financial assistance	279,378	-	279,378
Federated agencies	951	-	951
Donations - individual and corporate	92,787	26,736	119,523
In-kind donations	125,107	-	125,107
Bequests	4,020	-	4,020
Special events (net of \$14,122 direct expenses)	4,260	-	4,260
Other income	10,511	-	10,511
Net assets released from restriction:			
Satisfaction of purpose restriction	5,564	(5,564)	-
Total revenues and support	1,097,174	21,172	1,118,346
EXPENSES			
Program services			
Protective Services for Adults and Children - Domestic Violence Services	552,344	-	552,344
Foundation for Rape and Information Services	21,586	-	21,586
Sexual Assault Service Program (SASP)	31,704	-	31,704
Violence Against Women	16,025	-	16,025
LAV	6,242	-	6,242
CDBG	3,714	-	3,714
Victims of Crime Assistance	315,707	-	315,707
Total program services	947,322	-	947,322
Supporting services			
Management and general	96,782	-	96,782
Fundraising	38,685	-	38,685
Total supporting services	135,467	-	135,467
Total expenses	1,082,789	-	1,082,789
Change in net assets	14,385	21,172	35,557
Net assets, beginning of year	292,401	4,137	296,538
Net assets, end of year	\$ 306,786	\$ 25,309	\$ 332,095

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

Eastern Panhandle Empowerment Center
STATEMENTS OF ACTIVITIES
For the year ended June 30, 2018

	Without Donor Restriction	With Donor Restriction	Total
REVENUES AND SUPPORT			
Federal financial assistance	\$ 503,393	\$ -	\$ 503,393
State financial assistance	260,109	-	260,109
Federated agencies	20,743	-	20,743
Donations - individual and corporate	52,396	5,652	58,048
In-kind donations	99,851	-	99,851
Bequests	2,950	-	2,950
Special events (net of \$12,707 direct expenses)	22,714	250	22,964
Other income	5,122	-	5,122
Net assets released from restriction:			
Satisfaction of purpose restriction	6,675	(6,675)	-
Total revenues and support	973,953	(773)	973,180
EXPENSES			
Program services			
Protective Services for Adults and Children - Domestic Violence Services	472,303	-	472,303
Foundation for Rape and Information Services	18,684	-	18,684
Sexual Assault Service Program (SASP)	30,974	-	30,974
Violence Against Women	23,421	-	23,421
LAV	8,459	-	8,459
CDBG	3,582	-	3,582
Victims of Crime Assistance	264,808	-	264,808
Total program services	822,231	-	822,231
Supporting services			
Management and general	88,625	-	88,625
Fundraising	33,829	-	33,829
Total supporting services	122,454	-	122,454
Total expenses	944,685	-	944,685
Change in net assets	29,268	(773)	28,495
Net assets, beginning of year	263,133	4,910	268,043
Net assets, end of year	\$ 292,401	\$ 4,137	\$ 296,538

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

Eastern Panhandle Empowerment Center
STATEMENTS OF FUNCTIONAL EXPENSES
For the year ended June 30, 2019

	Protective Services for Adults and Children - Domestic Violence Services	Foundation for Rape and Information Services	FRIS Sexual Assault Service Prog.	Violence Against Women	LAV	CDBG	Victims of Crime Assistance	Total Program Services	Management and General	Fundraising	Total
Advertising	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,798	\$ -	\$ 3,798
Audit and accounting	7,000	-	-	-	-	-	-	7,000	4,483	-	7,000
Bank fees	-	-	-	-	-	-	-	-	-	-	4,483
Client expense/ allowances	38,759	-	-	-	-	-	-	38,759	-	-	38,759
Conferences and training	23,468	-	-	-	-	-	-	23,468	-	-	23,468
Contracted services	1,500	-	-	-	-	-	-	1,500	-	-	1,500
Depreciation	7,463	-	-	-	-	-	-	7,463	829	-	8,292
Donations-in Kind items	125,107	-	-	-	-	-	-	125,107	-	-	125,107
Dues	684	-	-	-	-	-	-	684	-	-	684
Employee benefits	23,060	2,525	4,208	3,366	1,683	505	36,189	71,536	8,416	4,208	84,160
Equipment rents	-	-	-	-	-	-	-	-	-	-	-
and maintenance	7,017	-	-	-	-	-	-	7,017	369	-	7,386
Food	14,809	-	-	-	-	-	-	14,809	-	-	14,809
Insurance	9,864	-	-	-	-	-	-	9,864	519	-	10,383
Interest	1,616	-	-	-	-	-	-	1,616	179	-	1,795
Miscellaneous	-	-	-	-	-	-	-	-	2,029	-	2,029
Occupancy	59,062	-	-	-	-	-	-	59,062	3,108	-	62,170
Operating supplies	24,196	-	-	-	-	-	-	24,196	2,846	1,423	28,465
Postage	300	-	-	-	-	-	-	300	599	300	1,199
Printing and publications	594	-	-	-	-	-	-	594	1,167	593	2,374
Salaries and wages	165,386	19,061	27,496	12,659	4,559	3,209	279,518	511,888	60,222	30,111	602,221
Security	3,654	-	-	-	-	-	-	3,654	-	-	3,654
Telephone	10,248	-	-	-	-	-	-	10,248	8,198	2,050	20,496
and communications	28,557	-	-	-	-	-	-	28,557	-	-	28,557
Travel	-	-	-	-	-	-	-	-	-	-	-
Total	\$ 552,344	\$ 21,586	\$ 31,704	\$ 16,025	\$ 6,242	\$ 3,714	\$ 315,707	\$ 947,322	\$ 96,762	\$ 38,685	\$ 1,082,789

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

Eastern Panhandle Empowerment Center
STATEMENTS OF FUNCTIONAL EXPENSES
For the year ended June 30, 2018

	Protective Services for Adults and Children - Domestic Violence Services	Foundation for Rape and Information Services	FRIS Sexual Assault Service Prog.	Violence Against Women	LAV	CDBG	Victims of Crime Assistance	Total Program Services	Management and General	Fundraising	Total
Advertising	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,670	\$ -	\$ 3,670
Audit and accounting	6,650	-	-	-	-	-	-	6,650	350	-	7,000
Bank fees	-	-	-	-	-	-	-	-	4,263	-	4,263
Client expense/allowances	27,660	-	-	-	-	-	-	27,660	-	-	27,660
Conferences and training	16,782	-	-	-	-	-	-	16,782	-	-	16,782
Contracted services	1,560	-	-	-	-	-	-	1,560	-	-	1,560
Depreciation	7,393	-	-	-	-	-	-	7,393	821	-	8,214
Donations-In Kind Items	99,851	-	-	-	-	-	-	99,851	-	-	99,851
Employee benefits	19,156	2,394	3,592	2,993	1,198	419	30,110	59,862	7,043	3,521	70,428
Equipment rentals	-	-	-	-	-	-	-	-	-	-	-
and maintenance	6,230	-	-	-	-	-	-	6,230	328	-	6,558
Food	20,728	-	-	-	-	-	-	20,728	-	-	20,728
Insurance	7,812	-	-	-	-	-	-	7,812	411	-	8,223
Interest	2,239	-	-	-	-	-	-	2,239	249	-	2,488
Miscellaneous	-	-	-	-	-	-	-	-	2,665	-	2,665
Occupancy	63,248	-	-	-	-	-	-	63,248	3,329	-	66,577
Operating supplies	11,933	-	-	-	-	-	-	11,933	1,404	702	14,039
Postage	287	-	-	-	-	-	-	287	575	288	1,150
Printing and publications	259	-	-	-	-	-	-	259	518	259	1,036
Salaries and wages	143,305	16,250	27,382	20,428	7,261	3,163	234,698	452,527	53,239	26,619	532,385
Security	4,993	-	-	-	-	-	-	4,993	-	-	4,993
Telephone and communications	12,200	-	-	-	-	-	-	12,200	9,760	2,440	24,400
Travel	20,017	-	-	-	-	-	-	20,017	-	-	20,017
Total	\$ 472,303	\$ 18,694	\$ 30,974	\$ 23,421	\$ 8,459	\$ 3,562	\$ 264,808	\$ 822,231	\$ 88,625	\$ 33,829	\$ 944,685

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

Eastern Panhandle Empowerment Center
STATEMENTS OF CASH FLOWS
For the years ended June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 35,557	\$ 28,495
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	8,292	8,214
(Increase) decrease in grants receivable	38,606	(47,150)
(Increase) decrease in other receivable	13,965	(14,393)
(Increase) decrease in prepaid expenses	352	(3,411)
Increase in accounts payable and accrued expenses	1,361	207
Increase in accrued compensated absences	<u>6,924</u>	<u>6,983</u>
Net cash provided by (used in) operating activities	<u>105,057</u>	<u>(21,055)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Property and equipment additions	<u>(14,057)</u>	<u>-</u>
Net cash used in investing activities	<u>(14,057)</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on notes payable	<u>(5,547)</u>	<u>(4,914)</u>
Net cash used in financing activities	<u>(5,547)</u>	<u>(4,914)</u>
Increase (decrease) in cash and cash equivalents	85,453	(25,969)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>166,702</u>	<u>192,671</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 252,155</u>	<u>\$ 166,702</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Interest paid	<u>\$ 1,795</u>	<u>\$ 2,488</u>

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

Eastern Panhandle Empowerment Center
NOTES TO FINANCIAL STATEMENTS (continued)
June 30, 2019 and 2018

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Nature of Activities

Shenandoah Women's Center, Inc., d/b/a Eastern Panhandle Empowerment Center ("EPEC"), is a non-stock, non-profit corporation organized under the laws of the State of West Virginia. EPEC'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.

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

Basis of Accounting

The financial statements of EPEC 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, EPEC is required to report information regarding its financial position and activities according to two classes of net assets: with donor restriction and without donor restriction.

New Accounting Standards Update

In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14 - *Not for Profit Entities (Topic 958): Presentation of Financial Statements for Not for Profit Entities*. The ASU amends the current reporting model for not for profit organizations and enhances their disclosures. EPEC has adopted this ASU as of and for the year ended June 30, 2019 with retrospective application for the financial statements for the year ended June 30, 2018. As a result, EPEC changed its presentation of its net assets classes and expanded the disclosures as required by the ASU.

Revenue Recognition

Contributions received are recorded as support with donor restriction or without donor restriction, depending on the existence and/or nature of any donor restrictions.

All donor-restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Contributed Services

EPEC receives a substantial amount of services donated by its volunteers in carrying out its 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 EPEC to provide for operations represent exchange transactions whereby EPEC 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.

Eastern Panhandle Empowerment Center
NOTES TO FINANCIAL STATEMENTS (continued)
June 30, 2019 and 2018

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and Cash Equivalents

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

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, 2019 and 2018, was \$0. Changes in the valuation allowance have not been material to the financial statements.

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.

EPEC'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.

Income Tax Status

EPEC is a not-for-profit organization and is exempt from federal income taxes under Internal Revenue Code Section 501(c)(3) and files its information returns in the United States federal jurisdiction. The information returns are subject to examination by the IRS generally for three years after they are filed.

Expenses by Nature and Function

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include employee benefits, salaries and wages, operating supplies and telephone and communications which are allocated on the basis of time and effort studies. Other allocated expenses are based on specific identification of purpose and use when possible.

CASH

EPEC's cash accounts are FDIC insured up to \$250,000. Cash balances in excess of FDIC insurance limits are uncollateralized and management considers this to be a normal business risk.

Eastern Panhandle Empowerment Center
NOTES TO FINANCIAL STATEMENTS (continued)
June 30, 2019 and 2018

PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at June 30:

	<u>2019</u>	<u>2018</u>
Land	\$ 11,775	\$ 11,775
Buildings and improvements	325,052	310,995
Equipment, furniture and fixtures	164,263	164,263
Accumulated depreciation	<u>(429,318)</u>	<u>(421,026)</u>
Net property and equipment	<u>\$ 71,772</u>	<u>\$ 66,007</u>

NOTES PAYABLE

Notes payable consisted of the following at June 30:

	<u>2019</u>	<u>2018</u>
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 and refinanced May 18, 2016 in the amount of \$59,274; interest rate of 4.24%; payable in 59 monthly installments of \$609, including principal and interest with the balance due by May 25, 2021, secured by a deed of trust on EPEC's office building.	\$ <u>43,144</u>	\$ <u>48,690</u>
Total	43,144	48,690
Less current portion	<u>(5,589)</u>	<u>(5,360)</u>
Non current portion	<u>\$ 37,555</u>	<u>\$ 43,330</u>

Maturities of the note payable are as follows:

For the year ended June 30:

2019	\$ 5,589
2020	5,831
2023	<u>31,724</u>
Total	<u>\$ 43,144</u>

LINE OF CREDIT

EPEC has a \$25,000 line of credit agreement with a local bank. The agreement calls for an variable interest rate at 0.750% points above index and matures in May 2021. The balance outstanding at June 30, 2019 and 2018 was \$0.

OPERATING LEASES

EPEC has entered into a multi-year lease for a copier machine which expires in December 2021. The lease is accounted for as an operating lease. \$7,337 total has been expensed for the years ended June 30, 2019 and 2018, respectively. Future minimum annual lease payments will be as follows: for the years ending June 30, 2020-2021, the amount will be \$4,797 per year. For the year ending June 30, 2022, the amount will be \$2,399.

Eastern Panhandle Empowerment Center
NOTES TO FINANCIAL STATEMENTS (continued)
June 30, 2019 and 2018

OPERATING LEASES (continued)

On March 22, 2015, EPEC entered into a lease agreement for office space in Berkeley Springs, West Virginia. Rent is \$400 per month. EPEC leased on a monthly basis, ending in February 2019. The rental expense for the years ended June 30, 2019 and 2018 were \$3,600 and \$4,800, respectively.

EPEC entered into a lease agreement for office space in Charles Town, West Virginia in February 2017. Rent was \$1,150 per month until May 2018, with all remaining payments until March 2020 being \$850 per month. The rental expense for the year ended June 30, 2019 and 2018 was \$10,200 and \$13,200, respectively. Future minimum annual lease payments will be \$7,650 for the year ending June 30, 2020.

In addition, on March 1, 2019, EPEC entered into a lease agreement for office space in Berkeley Springs, West Virginia. Rent is \$650 per month. The leasing period began March 2019 and ends in February 2020. The rental expense for the years ended June 30, 2019 and 2018 were \$2,600 and \$0, respectively.

CONCENTRATION

EPEC receives approximately 75 percent of its total support and revenues from various federal and state grants.

EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE

As discussed in the Notes, EPEC adopted ASU 2016-14 as of and for the year ended June 30, 2019 with retrospective application for the financial statements for the year ended June 30, 2018. Changes in net assets as a result of adopting the ASU are as follows:

	Previously <u>Reported</u>	ASU 2016-14 <u>Implementation</u>	<u>As Adjusted</u>
Unrestricted as of June 30, 2018	\$ 292,401	\$ (292,401)	\$ -
Temporarily restricted as of June 30, 2018	4,137	(4,137)	-
Without donor restrictions as of July 1, 2018	-	292,401	292,401
With donor restrictions as of July 1, 2018	<u>-</u>	<u>4,137</u>	<u>4,137</u>
Total net assets	\$ <u>296,538</u>	\$ <u>-</u>	\$ <u>296,538</u>

NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following purposes at June 30:

	<u>2019</u>	<u>2018</u>
New baby cribs	\$ 250	\$ 250
Yogi fund	325	325
Playground equipment	460	460
New mattress fund	509	509
Shelter night fund	-	3,943
Capital campaign fund	<u>23,765</u>	<u>(1,350)</u>
Total net assets with donor restrictions	\$ <u>25,309</u>	\$ <u>4,137</u>

Eastern Panhandle Empowerment Center
NOTES TO FINANCIAL STATEMENTS (continued)
June 30, 2019 and 2018

AVAILABILITY OF FINANCIAL ASSETS

At June 30, 2019, EPEC has \$359,954 of financial assets available within one year of the statement of financial position to meet cash needs which consist of \$252,155 of cash and \$107,799 of grant & other receivables. \$25,309 of those financial assets are subject to donor restrictions which leaves EPEC \$334,645 of financial assets available within one year of the statement of financial position to meet cash needs for general expenditures. The organization has set a goal of having financial assets on hand to meet 4 months of normal operating expenses, which are, on average, around \$360,000. As part of its liquidity management, EPEC has a policy to structure its financial assets to be available as general expenditures, liabilities, and other obligations become due. Should an unforeseen liquidity need arise, the organization could draw upon its available \$25,000 line of credit or would seek funds from the general public.

IN-KIND DONATIONS

EPEC tracks the amount of In-kind donations it receives for the year. The In-kind donations are mainly comprised of items such as: food, clothing, furniture, household products, toiletries, and other small items that would be consumed or distributed in a short period of time. Accordingly, there is an offsetting expense for In-kind donations equal to the amount of revenue recorded in the fiscal year as it has been determined that the economic life is less than one year. The amount recognized as revenue and recorded as expense was \$125,107 and \$99,851 for the years June 30, 2019 and 2018, respectively.

SUBSEQUENT EVENTS

In preparing these financial statements, EPEC has evaluated events and transactions for potential recognition or disclosure through January 16, 2020, the date the financial statements were available to be issued.

SUPPLEMENTAL INFORMATION

Eastern Panhandle Empowerment Center
SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
For the year ended June 30, 2019

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Total Federal Expenditures</u>
U.S. Department of Health and Human Services			
Passed through Foundation for Rape and Information Services			
Sexual Assault Service Program	16.017		\$ 28,143
Campus Sexual Assault Program	16.525		3,000
Preventive Health Block Grant	93.136		24,682
Passed through WV Department of Health and Human Services			
Family Violence Prevention	93.671		68,286
Total U.S. Department of Health and Human Services			<u>124,111</u>
U.S. Department of Housing and Urban Development			
Community Development Block Grant	14.218		6,000
Total U.S. Department of Housing and Urban Development			<u>6,000</u>
U.S. Department of Justice			
Passed through WV Division of Criminal Justice Services			
Victims of Crime Assistance	16.575		422,919
Stop Violence Against Women	16.589		17,786
Passed through WV Regional Jail and Correctional Facility			
Prison Rape Elimination Act	16.735		2,530
Total U.S. Department of Transportation			<u>443,235</u>
FEMA			
Passed through Emergency Food and Shelter National Board Program Grant			
Total FEMA		895600-007	<u>1,250</u>
			<u>1,250</u>
Total Expenditures of Federal Awards			\$ <u>574,596</u>

The accompanying notes are an integral part of this statement.

Eastern Panhandle Empowerment Center
SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
For the year ended June 30, 2018

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Total Federal Expenditures</u>
U.S. Department of Health and Human Services			
Passed through Foundation for Rape and Information Services			
Sexual Assault Service Program	16.017		\$ 30,347
Campus Sexual Assault Program	16.525		3,000
Preventive Health Block Grant	93.136		24,552
Passed through WV Department of Health and Human Services			
Family Violence Prevention	93.671		66,759
Total U.S. Department of Health and Human Services			<u>124,658</u>
U.S. Department of Housing and Urban Development			
Community Development Block Grant			
Total U.S. Department of Housing and Urban Development	14.218		5,000
			<u>5,000</u>
U.S. Department of Justice			
Passed through WV Coalition Against Domestic Violence			
Legal Assistance for Victims	16.524		2,719
Passed through WV Division of Criminal Justice Services			
Victims of Crime Assistance	16.575		325,576
Stop Violence Against Women	16.589		26,763
Passed through WV Regional Jail and Correctional Facility			
Prison Rape Elimination Act	16.735		17,060
Total U.S. Department of Transportation			<u>372,118</u>
FEMA			
Passed through Emergency Food and Shelter National Board Program Grant			
Total FEMA		895600-007	1,617
			<u>1,617</u>
Total Expenditures of Federal Awards			\$ <u>503,393</u>

The accompanying notes are an integral part of this statement.

Eastern Panhandle Empowerment Center
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
For the years ended June 30, 2019 and 2018

(1) Basis of Presentation

The accompanying Schedules of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the EPEC under programs of the federal government for the years ended June 30, 2019 and 2018. The information for the Schedule is presented in accordance with the requirements of Title 2 U.S. code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of EPEC, it is not intended to and does not present the financial position, changes in net assets, or cash flows of EPEC.

(2) Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. EPEC has elected to not use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

Eastern Panhandle Empowerment Center
SCHEDULE OF STATE GRANT RECEIPTS AND EXPENDITURES
For the year ended June 30, 2019

<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 # G170068	\$ 270,542	\$ 270,542
WV Foundation for Rape and Information Services Grant # W-16-007	<u>8,836</u>	<u>8,836</u>
Total	\$ <u>279,378</u>	\$ <u>279,378</u>



**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.
d/b/a Eastern Panhandle Empowerment Center

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 Shenandoah Women's Center Inc., d/b/a Eastern Panhandle Empowerment Center ("EPEC"), (a nonprofit organization), which comprise the statements of financial position as of June 30, 2019 and 2018, and the related statements of activities, and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated January 16, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered EPEC'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 EPEC's internal control. Accordingly, we do not express an opinion on the effectiveness of the EPEC'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 the 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify deficiencies in internal control, described in the accompanying schedule of findings that we consider to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether EPEC'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*.

The Organization's Response to Findings

EPEC's response to the findings identified in our audit is described in the accompanying schedule of findings. EPEC's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Decker & Company PLLC

January 16, 2020

Eastern Panhandle Empowerment Center
SCHEDULE OF FINDINGS
For the year ended June 30, 2019

19-1 Condition: EPEC's accounting procedures indicate there is a lack of segregation of duties in the receiving, depositing and recording of cash receipts and the receiving, disbursing and recording of cash disbursements. (Repeated finding from 2018, only finding from 2018).

Criteria: To provide effective internal controls it would be necessary to separate each of these duties as well as reconciling the bank statements.

Effect: EPEC has increased risk to the possibility of errors and irregularities to cash, receipts, and disbursements.

Cause: Limited number of staff.

Recommendation: Due to the limited number of accounting personnel, complete segregation of duties may not be practical. We recommend that EPEC continue to review and monitor the current assignment of accounting functions over cash, receipts, and disbursements to reduce the risk of errors and irregularities.

Audit Agency's Response: We concur with the recommendation. EPEC will review and monitor its assignment of accounting functions over cash, receipts, and disbursements.

19-2 Condition: EPEC's reconciliations contain multiple outstanding items older than 6 months.

Criteria: To provide effective internal controls over cash, it is necessary to regularly reconcile accounts and void old outstanding items.

Effect: EPEC has increased risk to the possibility of errors and irregularities to cash, receipts, and disbursements.

Cause: Lack of policy specifying procedures to deal with old reconciling items.

Recommendation: Set specific internal policy for dealing with older reconciling items and instruct employees on carrying out the policy in further periods.

Audit Agency's Response: We concur with the recommendation. EPEC will set specific internal policy for dealing with older reconciling items.