



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

FINANCIAL STATEMENTS

For the Years Ended June 30, 2020 and 2019

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**INDEPENDENT AUDITORS' 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, 2020 and 2019, 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, 2020 and 2019, 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 May 17, 2021, 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

May 17, 2021

Eastern Panhandle Empowerment Center
 STATEMENTS OF FINANCIAL POSITION
 June 30, 2020 and 2019

ASSETS			
Current Assets	2020	2019	
Cash	\$ 136,607	\$ 252,155	
Grants receivable	271,989	107,369	
Golf tournament receivable	-	430	
Prepaid expenses	<u>8,772</u>	<u>6,637</u>	
Total current assets	<u>417,368</u>	<u>366,591</u>	
Property and equipment, net	<u>94,389</u>	<u>71,772</u>	
Total assets	<u><u>\$ 511,757</u></u>	<u><u>\$ 438,363</u></u>	
LIABILITIES			
Current Liabilities			
Current maturities of notes payable	\$ 37,586	\$ 5,589	
Accounts payable	14,693	19,024	
Accrued wages	29,619	25,485	
Accrued payroll taxes	11,996	5,750	
Accrued compensated absences	<u>22,605</u>	<u>12,865</u>	
Total current liabilities	<u>116,499</u>	<u>68,713</u>	
Long-term Liabilities			
Notes payable (net of current portion)	<u>-</u>	<u>37,555</u>	
Total liabilities	<u>116,499</u>	<u>106,268</u>	
NET ASSETS			
Without donor restrictions	312,030	306,786	
With donor restrictions	<u>83,228</u>	<u>25,309</u>	
Total net assets	<u>395,258</u>	<u>332,095</u>	
Total liabilities and net assets	<u><u>\$ 511,757</u></u>	<u><u>\$ 438,363</u></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, 2020

	Without Donor Restriction	With Donor Restriction	Total
REVENUES AND SUPPORT			
Federal financial assistance	\$ 736,563	\$ -	\$ 736,563
State financial assistance	322,949	-	322,949
Federated agencies	25,397	-	25,397
Donations - individual and corporate	60,633	57,919	118,552
In-kind donations	113,092	-	113,092
Bequests	1,870	-	1,870
Special events (net of \$23,750 direct expenses)	6,699	-	6,699
Other income	5,665	-	5,665
Net assets released from restriction:			
Satisfaction of purpose restriction	-	-	-
Total revenues and support	1,272,868	57,919	1,330,787
EXPENSES			
Program services			
Protective Services for Adults and Children - Domestic Violence Services	605,012	-	605,012
Foundation for Rape and Information Services	35,702	-	35,702
Sexual Assault Service Program (SASP)	21,421	-	21,421
Violence Against Women	14,280	-	14,280
LAV	7,141	-	7,141
CDBG	7,141	-	7,141
Victims of Crime Assistance	428,424	-	428,424
Total program services	1,119,121	-	1,119,121
Supporting services			
Management and general	103,618	-	103,618
Fundraising	44,885	-	44,885
Total supporting services	148,503	-	148,503
Total expenses	1,267,624	-	1,267,624
Change in net assets	5,244	57,919	63,163
Net assets, beginning of year	306,786	25,309	332,095
Net assets, end of year	\$ 312,030	\$ 83,228	\$ 395,258

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 Pamhandle Empowerment Center
STATEMENTS OF FUNCTIONAL EXPENSES
For the year ended June 30, 2020

	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	-	-	-	-	-	-	-	-	3,938	-	3,938
Audit and accounting	7,000	-	-	-	-	-	-	7,000	823	-	7,000
Bank fees	-	-	-	-	-	-	-	-	-	-	823
Client expense/ allowances	97,742	-	-	-	-	-	-	97,742	-	-	97,742
Conferences and training	19,295	-	-	-	-	-	-	19,295	-	-	19,295
Contracted services	1,635	-	-	-	-	-	-	1,635	-	-	1,635
Depreciation	10,297	-	-	-	-	-	-	10,297	1,144	-	11,441
Donations - In kind items	113,092	-	-	-	-	-	-	113,092	-	-	113,092
Dues	1,496	-	-	-	-	-	-	1,496	-	-	1,496
Employee benefits	23,792	4,249	2,549	1,699	850	850	50,984	84,973	8,416	4,208	97,597
Equipment rents and maintenance	7,388	-	-	-	-	-	-	7,388	389	-	7,777
Food	19,132	-	-	-	-	-	-	19,132	-	-	19,132
Insurance	9,371	-	-	-	-	-	-	9,371	493	-	9,864
Interest	1,084	-	-	-	-	-	-	1,084	121	-	1,205
Miscellaneous	-	-	-	-	-	-	-	-	713	-	713
Occupancy	58,040	-	-	-	-	-	-	58,040	3,055	-	61,095
Operating supplies	25,567	-	-	-	-	-	-	25,567	3,008	1,504	30,079
Postage	305	-	-	-	-	-	-	305	610	305	1,220
Printing and publications	279	-	-	-	-	-	-	279	559	279	1,117
Salaries and wages	176,138	31,453	18,872	12,581	6,291	6,291	377,440	629,066	74,008	37,004	740,078
Security	1,882	-	-	-	-	-	-	1,882	-	-	1,882
Telephone and communications	7,926	-	-	-	-	-	-	7,926	6,341	1,585	15,852
Travel	23,551	-	-	-	-	-	-	23,551	-	-	23,551
Total	\$ 605,012	\$ 35,702	\$ 21,421	\$ 14,280	\$ 7,141	\$ 7,141	\$ 428,424	\$ 1,119,121	\$ 103,618	\$ 44,885	\$ 1,267,624

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	1,187	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	\$ 1,082,769

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, 2020 and 2019

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 63,163	\$ 35,557
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	11,441	8,292
(Increase) decrease in grants receivable	(164,620)	38,606
Decrease in other receivable	430	13,965
(Increase) decrease in prepaid expenses	(2,135)	352
Increase in accounts payable and accrued expenses	6,049	1,361
Increase in accrued compensated absences	9,740	6,924
Net cash provided by (used in) operating activities	(75,932)	105,057
CASH FLOWS FROM INVESTING ACTIVITIES		
Property and equipment additions	(34,058)	(14,057)
Net cash used in investing activities	(34,058)	(14,057)
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on notes payable	(5,558)	(5,547)
Net cash used in financing activities	(5,558)	(5,547)
Increase (decrease) in cash and cash equivalents	(115,548)	85,453
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	252,155	166,702
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 136,607	\$ 252,155
 SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Interest paid	\$ 1,205	\$ 1,795

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

Eastern Panhandle Empowerment Center
NOTES TO FINANCIAL STATEMENTS (continued)
June 30, 2020 and 2019

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.

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.

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.

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, 2020 and 2019, 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, 2020 and 2019

PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at June 30:

	<u>2020</u>	<u>2019</u>
Land	\$ 11,775	\$ 11,775
Buildings and improvements	329,187	325,052
Equipment, furniture and fixtures	167,127	164,263
Vehicles	22,500	-
Accumulated depreciation	<u>(436,200)</u>	<u>(429,318)</u>
Net property and equipment	<u>\$ 94,389</u>	<u>\$ 71,772</u>

NOTES PAYABLE

Notes payable consisted of the following at June 30:

	<u>2020</u>	<u>2019</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; EPEC refinanced the loan in May 2021 to extend its term to May 25,	\$ <u>37,586</u>	\$ <u>43,144</u>
Total	<u>37,586</u>	43,144
Less current portion	<u>(37,586)</u>	<u>(5,589)</u>
Non current portion	\$ <u>-</u>	\$ <u>37,555</u>
Maturities of the note payable are as follows:		
For the year ended June 30:		
2021	\$ <u>37,586</u>	
Total	<u>\$ 37,586</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, 2020 and 2019 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. \$7,529 and \$7,337 total has been expensed for the years ended June 30, 2020 and 2019, respectively. Future minimum annual lease payments will be as follows: for the year ending June 30, 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, 2020 and 2019

OPERATING LEASES (continued)

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, 2020 and 2019 was \$10,200 and \$10,200, respectively.

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, 2020 and 2019 were \$7,800 and \$2,600, respectively.

CONCENTRATION

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

NET ASSETS WITH DONOR RESTRICTIONS

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

	<u>2020</u>		<u>2019</u>
New baby cribs	\$ 250	\$	250
Yogi fund	325		325
Playground equipment	460		460
New mattress fund	509		509
Shelter night fund	3,773		-
Capital campaign fund	<u>77,911</u>		<u>23,765</u>
Total net assets with donor restrictions	<u>\$ 83,228</u>	\$	<u>25,309</u>

AVAILABILITY OF FINANCIAL ASSETS

At June 30, 2020, EPEC has \$408,596 of financial assets available within one year of the statement of financial position to meet cash needs which consist of \$136,607 of cash and \$271,989 of grants receivable. \$83,228 of those financial assets are subject to donor restrictions which leaves EPEC \$325,368 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 \$390,000. 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 \$113,092 and \$125,107 for the years June 30, 2020 and 2019, respectively.

Eastern Panhandle Empowerment Center
NOTES TO FINANCIAL STATEMENTS (continued)
June 30, 2020 and 2019

UNCERTAINTY

Since early 2020, the local and national economy has been negatively impacted by the effects of the worldwide coronavirus pandemic. EPEC is closely monitoring its operations, liquidity, and capital resources and is actively working to minimize the current and future impact of this unprecedented situation. As of the date of these financial statements, the full impact of EPEC's financial position is not known and therefore no adjustment has been made to these financial statements.

SUBSEQUENT EVENTS

In preparing these financial statements, EPEC has evaluated events and transactions for potential recognition or disclosure through May 17, 2021, the date the financial statements were available to be issued.

Eastern Panhandle Empowerment Center
SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
For the year ended June 30, 2020

<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		\$ 30,426
Campus Sexual Assault Program	16.525		3,000
Preventive Health Block Grant	93.136		24,775
Passed through WV Department of Health and Human Services			
Family Violence Prevention	93.671		68,833
Total U.S. Department of Health and Human Services			<u>127,034</u>
U.S. Department of Housing and Urban Development			
Community Development Block Grant	14.218		5,000
Total U.S. Department of Housing and Urban Development			<u>5,000</u>
U.S. Department of Justice			
Passed through WV Coalition Against Domestic Violence Legal Assistance for Victims			
Passed through WV Division of Criminal Justice Services			
Victims of Crime Assistance	16.575		561,645
Stop Violence Against Women	16.589		35,200
Passed through WV Regional Jail and Correctional Facility			
Prison Rape Elimination Act	16.735		5,684
Total U.S. Department of Transportation			<u>602,529</u>
FEMA			
Passed through Emergency Food and Shelter National Board Program Grant			
Total FEMA		895600-007	<u>2,000</u>
			<u>2,000</u>
Total Expenditures of Federal Awards			\$ <u>736,563</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, 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 Coalition Against Domestic Violence Legal Assistance for Victims			
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
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
For the years ended June 30, 2020 and 2019

(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, 2020 and 2019. 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, 2020

<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	\$ <u>322,949</u>	\$ <u>322,949</u>
Total	\$ <u>322,949</u>	\$ <u>322,949</u>

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, 2020 and 2019, 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 May 17, 2021.

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) as a basis for designing 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 as items 20-1 and 20-2 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*.

Eastern Panhandle Empowerment Center
SCHEDULE OF FINDINGS
For the year ended June 30, 2020

20-1 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 2019).

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.

20-2 Condition: EPEC's reconciliations contain multiple outstanding items older than 6 months. (Repeated finding from 2020).

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.