

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

FINANCIAL STATEMENTS

For the Year Ended June 30, 2013

DHHR - Finance

DEC 14 2013

Date Received

## CONTENTS

	<u>Page</u>
<b>INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION</b>	3-4
<b>FINANCIAL STATEMENTS</b>	
Statement of financial position	5
Statement of activities	6
Statement of functional expenses	7
Statement of cash flows	8
Notes to Financial Statements	9-12
<b>SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS</b>	14-15
<b>SCHEDULE OF STATE GRANT RECEIPTS AND EXPENDITURES</b>	16
<b>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 <i>GOVERNMENT AUDITING STANDARDS</i></b>	17-18

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

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

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

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

**Report on the Financial Statements**

We have audited the accompanying financial statements of Shenandoah Women's Center, Inc (a nonprofit organization), which comprise the statement of financial position as of June 30, 2013, and the related statements of activities, functional expenses, and cash flows for the year 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, 2013, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***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 is presented for purposes of

additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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 November 6, 2013, on our consideration of Shenandoah Women's Center, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the 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 Shenandoah Women's Center, Inc.'s internal control over financial reporting and compliance.

*Decker & Company PLLC*

November 6, 2013

DHHR - Finance

SEP 14 2013

Date Received

Shenandoah Women's Center, Inc.  
 STATEMENT OF FINANCIAL POSITION  
 June 30, 2013

<b>ASSETS</b>	
<b>Current Assets</b>	
Cash	\$ 178,034
Grants receivable	33,493
Prepaid expenses and deposits	<u>9,744</u>
<b>Total current assets</b>	<u>221,271</u>
Property and equipment, net	<u>110,052</u>
<b>Total assets</b>	<u><u>\$ 331,323</u></u>
<b>LIABILITIES</b>	
<b>Current Liabilities</b>	
Current maturities of notes payable	\$ 8,153
Accounts payable	3,742
Accrued wages	13,470
Accrued payroll taxes	5,588
Accrued compensated absences	<u>9,610</u>
<b>Total current liabilities</b>	<u>40,563</u>
<b>Long-term Liabilities</b>	
Notes payable (net of current portion)	<u>74,888</u>
<b>Total liabilities</b>	<u>115,451</u>
<b>NET ASSETS</b>	
Unrestricted	215,297
Temporarily restricted	<u>575</u>
<b>Total net assets</b>	<u>215,872</u>
<b>Total liabilities and net assets</b>	<u><u>\$ 331,323</u></u>

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

Shenandoah Women's Center, Inc.  
STATEMENT OF ACTIVITIES  
June 30, 2013

	Unrestricted	Temporarily Restricted	Total
<b>REVENUES AND SUPPORT</b>			
Federal financial assistance	\$ 232,863	\$ -	\$ 232,863
State financial assistance	270,509	-	270,509
Federated agencies	14,890	-	14,890
Donations - individual and corporate	27,473	300	27,773
In-Kind Donations	99,520	-	99,520
Bequests	2,900	-	2,900
Special events (net of \$11,743 direct expenses)	18,820	25	18,845
Other income	1,117	-	1,117
Net assets released from restriction: Satisfaction of purpose restriction	-	-	-
<b>Total revenues and support</b>	<b>668,092</b>	<b>325</b>	<b>668,417</b>
<b>EXPENSES</b>			
<b>Program services</b>			
Protective Services for Adults and Children - Domestic Violence Services	373,258	-	373,258
Foundation for Rape and Information Services	16,592	-	16,592
Arrest	29,522	-	29,522
Violence Against Women	12,431	-	12,431
LAV	4,955	-	4,955
JAG	19,758	-	19,758
Victims of Crime Assistance	59,256	-	59,256
<b>Total program services</b>	<b>515,772</b>	<b>-</b>	<b>515,772</b>
<b>Supporting services</b>			
Management and general	58,903	-	58,903
Fundraising	22,619	-	22,619
<b>Total supporting services</b>	<b>81,522</b>	<b>-</b>	<b>81,522</b>
<b>Total expenses</b>	<b>597,294</b>	<b>-</b>	<b>597,294</b>
<b>Change in net assets</b>	<b>70,798</b>	<b>325</b>	<b>71,123</b>
<b>Net assets, beginning of year</b>	<b>144,499</b>	<b>250</b>	<b>144,749</b>
<b>Net assets, end of year</b>	<b>\$ 215,297</b>	<b>\$ 575</b>	<b>\$ 215,872</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, 2013

	Protective Services for Adults and Children - Domestic Violence Services	Foundation for Rape and Information Services	Arrest	Violence Against Women	LAV	JAG	Victims of Crime Assistance	Total Program Services	Management and General	Fundraising	Total
Advertising	\$ 6,000	-	-	-	-	-	-	6,000	2,225	-	2,225
Audit and accounting	-	-	-	-	-	-	-	315	315	-	6,315
Bank Fees	-	-	-	-	-	-	-	1,783	1,783	-	1,783
Client expense/ allowances	3,245	-	-	-	-	-	-	3,245	-	-	3,245
Conferences and training	4,028	-	-	-	-	-	-	4,028	-	-	4,028
Contracted services	2,093	-	-	-	-	-	-	2,093	-	-	2,093
Depreciation	9,554	-	-	-	-	-	-	9,554	1,062	-	10,616
Donations-In Kind items	99,520	-	-	-	-	-	-	99,520	-	-	99,520
Dues	1,375	-	-	-	-	-	-	1,375	458	-	1,833
Employee benefits	18,800	1,760	3,160	1,320	520	2,120	6,320	34,000	4,000	2,000	40,000
Equipment rents	-	-	-	-	-	-	-	-	-	-	-
and maintenance	5,996	-	-	-	-	-	-	5,996	316	-	6,312
Food	1,221	-	-	-	-	-	-	1,221	-	-	1,221
Insurance	7,426	-	-	-	-	-	-	7,426	391	-	7,817
Interest	3,718	-	-	-	-	-	-	3,718	413	-	4,131
Miscellaneous	-	-	-	-	-	-	-	-	1,203	-	1,203
Occupancy	27,056	-	-	-	-	-	-	27,056	1,424	-	28,480
Operating supplies	4,577	-	-	-	-	-	-	4,577	540	270	5,387
Postage	231	-	-	-	-	-	-	231	460	230	921
Printing and publications	1,302	-	-	-	-	-	-	1,302	2,604	1,302	5,208
Salaries and wages	158,716	14,832	26,362	11,111	4,435	17,638	52,936	286,030	33,740	16,825	336,595
Security	1,921	-	-	-	-	-	-	1,921	-	-	1,921
Telephone and communications	9,962	-	-	-	-	-	-	9,962	7,969	1,992	19,923
Travel	6,517	-	-	-	-	-	-	6,517	-	-	6,517
<b>Total</b>	<b>\$ 373,258</b>	<b>\$ 16,592</b>	<b>\$ 29,622</b>	<b>\$ 12,431</b>	<b>\$ 4,955</b>	<b>\$ 19,758</b>	<b>\$ 59,256</b>	<b>\$ 515,772</b>	<b>\$ 58,903</b>	<b>\$ 22,619</b>	<b>\$ 597,294</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, 2013

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Change in net assets	\$ 71,123
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	10,616
Increase in grants receivable	(96)
Increase in prepaid expenses	(3,923)
Increase in accounts payable and accrued wages and payroll taxes	2,772
Increase in accrued compensated absences	<u>2,629</u>
<b>Net cash provided by operating activities</b>	<u>83,121</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Property and equipment additions	<u>(13,415)</u>
<b>Net cash used in investing activities</b>	<u>(13,415)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Principal payments on notes payable	<u>(7,231)</u>
<b>Net cash used in financing activities</b>	<u>(7,231)</u>
<b>Increase in cash and cash equivalents</b>	62,475
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<u>115,559</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u><u>\$ 178,034</u></u>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:</b>	
Interest paid	<u><u>\$ 4,131</u></u>

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



Shenandoah Women's Center, Inc.  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2013

**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 operating since 1977. The Organization'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 Organization relies on federal and state financial assistance to provide for its continuing operations

Basis of Accounting

The financial statements of the Organization 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 restricted net assets at June 30, 2013

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, 2013

**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, 2013, 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 affect 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

The Shenandoah Women's Center, Inc. is a not-for-profit organization and is exempt from federal income taxes under Internal Revenue Code Section 501c(3) and files its information returns in the United States federal jurisdiction. These information returns for the years ended June 30, 2011, 2012, and 2013 are generally subject to examination for three years after they were filed.

**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, 2013:

Land	\$ 11,775
Buildings and improvements	353,901
Equipment, furniture and fixtures	148,644
Accumulated depreciation	<u>(404,268)</u>
Net property and equipment	<u>\$ 110,052</u>

Shenandoah Women's Center, Inc.  
 NOTES TO FINANCIAL STATEMENTS (continued)  
 June 30, 2013

**NOTES PAYABLE**

Notes payable at June 30, 2013, 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	\$ 12,059
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>\$ 70,982</u>
Total	83,041
Less current portion	<u>(8,153)</u>
Noncurrent portion	<u>\$ 74,888</u>

Maturities of notes payable are as follows:

For the year ending June 30:	2014	\$ 7,864
	2015	8,117
	2016	8,382
	2017	4,796
	2018	5,054
	Thereafter	<u>48,828</u>
	Total	<u>\$ 83,041</u>

**LINE OF CREDIT**

The Organization has a \$25,000 line of credit agreement with a local bank as of June 30, 2013. The agreement calls for an interest rate of 5 % and matures in May 2014. The balance outstanding at June 30, 2013 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 \$5,456 has been expensed for the year ended June 30, 2013. Future minimum annual lease payments will be as follows: for the years ended June 30, 2014 - 2016, the amount will be \$4,320 per year and for the year ended June 30, 2017 the amount will be \$2,520.

**CONCENTRATION**

The Organization receives approximately 40 percent of its total support and revenues from various grants from or through the West Virginia Department of Health and Human Resources.

Shenandoah Women's Center, Inc  
NOTES TO FINANCIAL STATEMENTS (continued)  
June 30, 2013

**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.

**TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets are available for the following purposes at June 30, 2013:

New baby cribs	\$250
Yogi Fund	<u>325</u>
Total Temporarily Restricted Net Assets	<u>\$575</u>

**IN-KIND DONATIONS**

The Organization 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 \$99,520 for the year.

**SUBSEQUENT EVENTS**

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through November 06, 2013, 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, 2013

<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 Health and Human Services/Foundation for Rape and Information Services Sexual Assault Service Program	16 017	20,411
Department of Justice/WV Coalition Against Domestic Violence Legal Assistance for Victims	16 524	4,037
Department of Justice/WV Division of Criminal Justice Services Victims of Crime Assistance	16 575	61,100
Department of Justice/WV Division of Criminal Justice Services Justice Assistance Grant	16 579	17,526
Department of Justice/WV Division of Criminal Justice Services Stop Violence Against Women	16 589	13,281
Department of Health and Human Services/Foundation for Rape and Information Services Sexual Assault Program/Arrest	16 590	33,932
FEMA/Emergency Food and Shelter National Board Program Grant	895600-007	1,256
Department of Health and Human Services/WV Department of Health and Human Resources Family Violence Prevention	93 671	66,786
Department of Health and Human Services/Foundation for Rape and Information Services Preventive Health and Health Services Block Grant	93 991	<u>9,534</u>
Total		\$ <u>232,863</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, 2013

**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, 2013 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, 2013

<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 # G120017	\$ 245,509	\$ 245,509
WV Foundation for Rape Information and Services/WVFRIS Grant # W-12-007	<u>25,000</u>	<u>25,000</u>
 Total	 <u>\$ 270,509</u>	 <u>\$ 270,509</u>





Warm Springs Business Center • 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, 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. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2013, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 6, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Shenandoah Women's Center Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Shenandoah Women's Center Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency in internal control, described below that we consider a significant deficiency

**13-1 Condition:** 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.

**Criteria:** A documented system of accounting policies and procedures is necessary to provide personnel structure to initiate, authorize, process, and report financial transactions on a consistent basis

Effect: Outdated policies and procedures may lead to inconsistent initiation, authorization, processing and reporting of financial transactions as well as a deterioration of internal controls.

Recommendation: We recommend that the accounting policies and procedures manual is updated to current practices as soon as possible.

Response: We concur with the recommendation. The Organization has already started the process for updating its policies and procedures

#### Compliance and Other Matters

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

#### The Organization's Response to Findings

Shenandoah Women's Center Inc.'s response to the findings identified in our audit is described above. Shenandoah Women's Center Inc.'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*

November 6, 2013

**DHHR - Finance**

DEC -4 2013

**Date Received**