

TUG VALLEY RECOVERY SHELTER ASSOCIATION, INC.

FINANCIAL STATEMENTS

JUNE 30, 2014

DHHR - Finance

MAY 16 2016

Date Received

TUG VALLEY RECOVERY SHELTER ASSOCIATION, INC.  
FINANCIAL STATEMENTS  
JUNE 30, 2014

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## FINANCIAL INFORMATION

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Tug Valley Recovery Shelter Association, Inc.

### Report on the Financial Statements

We have audited the accompanying financial statements of Tug Valley Recovery Shelter Association, Inc., (a nonprofit organization), which comprise the statement of financial position as of June 30, 2014, 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 Tug Valley Recovery Shelter Association, Inc., as of June 30, 2014, 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

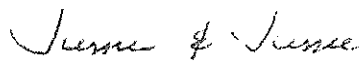
### Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of statements of grant receipts as required by State of West Virginia Department of Health and Human Resources 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 June 30, 2015, on our consideration of Tug Valley Recovery Shelter Association, Inc., 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 Tug Valley Recovery Shelter Association, Inc., internal control over financial reporting and compliance.

Jessie & Jessie, A.C.



Williamson, WV 25661

June 30, 2015

DHHR - Finance

MAY 16 2016

Date Received

Tug Valley Recovery Shelter Association, Inc.  
Statement of Financial Position  
June 30, 2014

**Assets**

Current Assets:

Cash and Cash Equivalents \$ 169,013.87

Fixed Assets:

Building \$ 132,111.00

Building Improvements 20,517.42

Computers & Printers 9,590.57

Equipment 75,812.03

Furniture 54,205.55

Total Fixed Assets 292,236.57

Accumulated Depreciation (236,093.00)

Net Fixed Assets 56,143.57

Other Assets:

Prepaid Insurance \$ 1,146.00

Prepaid Workers Compensation 2,538.28

Total Other Assets 3,684.28

Total Assets \$ 228,841.72

**Liabilities**

Current Liabilities:

Payroll Taxes Payable \$ 1,871.59

Christmas Club Liability 130.00

Accrued Vacation / Sick Pay 29,685.52

Total Liabilities \$ 31,687.11

**Net Assets**

Balance July 1, 2013 \$ 198,305.43

Adjustment (20,465.77)

Net Asset Increase 19,314.95

Balance June 30, 2014 197,154.61

Total Liabilities and Net Assets \$ 228,841.72

See Accompanying Notes and Accountants Report

Tug Valley Recovery Shelter Association, Inc.  
Statement of Activities For the Year Ended  
June 30, 2014

**Income**

Restricted	\$ 224.85	
Unrestricted	11,729.99	
Fundraising	11,258.84	
Federal Grants	125,518.42	
Private Grants	24,900.00	
State Grants	<u>293,996.08</u>	
Total Income		\$ 467,628.18

**Expenses**

Advertising	\$ 323.50	
Bank Service Charges	73.56	
Building Maintenance	4,895.85	
Client Aid	2,032.23	
Law Enforcement	49,500.74	
Dues & Subscriptions	3,124.21	
Depreciation Expense	743.00	
Fundraising Expenses	204.53	
Insurance	1,701.00	
Salaries and Wages	307,439.66	
FICA Tax	23,519.14	
Health Insurance	8,997.18	
Unemployment Compensation	2,282.65	
Workers Compensation	4,983.05	
Postage And Delivery	1,235.28	
Accounting	4,000.00	
Computer Repairs	2,059.47	
Supplies	9,921.63	
Pager	45.15	
Training and Travel	4,072.52	
Utilities	<u>17,178.11</u>	
Total Expenses		<u>448,332.46</u>

Change in Net Assets Before Interest Income	\$ 19,295.72
Interest Income	<u>19.23</u>

Change in Net Assets \$ 19,314.95

See Accompanying Notes And Accountants Report

Tug Valley Recovery Shelter Association, Inc.  
Statement of Cash Flows  
For the Year Ended  
June 30, 2014

**Operating Activities**

Increase in Net Assets	\$ 19,314.95
Adjustment to reconcile increase(decrease) in net assets to net cash provided by operating activities	
Depreciation	743.00
Receivables	34,396.02
Other Assets	(2,095.95)
Liabilities	(2,819.00)
Fund Balance - Adjustment	<u>(14,820.23)</u>
Net cash provided by operating activities	\$ 34,718.79
Net Cash Increase for the period	34,718.79
Cash at beginning of period	<u>134,295.08</u>
Cash at the end of the period	<u><u>\$ 169,013.87</u></u>

See Accompanying Notes And Accountants Report



Tug Valley Recovery Shelter Association, INC.

Notes to the Financial Statements

For the Year Ended June 30, 2014

**NOTE 1. DESCRIPTION OF THE SHELTER**

Tug Valley Recovered Shelter, Inc. (Shelter) provides temporary shelter services for battered women and their children in a safe, supporting environment. While in the Shelter these services include rooms, meals, medicine, clothing, if needed, counseling and referral services, and assistance with relocation. The Shelter also provides short-term crisis intervention services and follow-up services, such as case management and counseling. Shelter Services are available to all victims of domestic violence, but primarily target the citizens of Mingo and Logan County in West Virginia and Pike County in Kentucky.

**NOTE 2. SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Financial Reporting**

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America, whereby revenues are recognized when earned and expenses are recognized when incurred.

**Basis of Presentation**

FASB ASC 958-210-45-9 (formerly SFAS No. 117) requires net assets to be classified as unrestricted, temporarily restricted, and permanently restricted based on their nature and existence or absence of donor restrictions. In addition, the Shelter is required to present a Statement of Cash Flows.

Pledges are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Pledges receivable are recognized when the donor makes a promise to give to the Shelter that is, in substance, unconditional. Pledges that are restricted by the donor are reported as increases in unrestricted net assets if the restricted expire in the fiscal year in which the pledges are recognized. All other donor-restricted pledges are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are classified to unrestricted net assets.

## **Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

## **Cash**

For the purposes of the Statement of Cash Flows, cash equivalents include all monies in banks, escrow account donated securities intended for liquidation, time deposits, certificates of deposit with remaining maturity of three months or less and all highly liquid debt instruments with original maturity dates at three months or less.

## **Grants Receivable**

Management considers grants receivable fully collectable at June 30, 2014.

## **Donated Services**

Donated services are valued at the estimated fair labor market value.

## **Property and Equipment**

Property and equipment are recorded at cost. Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Depreciation is computed using the straight-line method over the estimated useful life of the respective assets and is considered a cost of operations. The Shelter does not have a policy for the capitalization of assets.

## **Revenues, Gains, and Other Support**

Contributions of cash and other assets are reported as temporarily restricted net assets if they are received with donor stipulations that limit the use of the donated asset. When a donor restriction expires, that is when a stipulated time or purpose restriction ends in the same year in which the contributions are received, the contribution is classified as unrestricted contributions. Temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions upon expiration. In-kind contributions received with donor-imposed restrictions are recognized and recorded at fair market value at the time of donation.

Donations are received from various businesses throughout the community and State.

Grants are recorded as support when received or when the right to specific funds has been determined. Restricted grants are reported as earned when expenses are incurred in compliance with restrictions. Grants received, but not earned, at the end of the accounting period are reported as deferred revenue.

### **Income Taxes**

The Tug Valley Recovery Shelter Association, Inc., is a not-for-profit organization and has been recognized as tax exempt pursuant to Section 501(c)(3) of the Internal Revenue Code.

### **Compensated Absences**

Compensated absences are those for which employees have a right to receive consideration for expected future absences. Compensated absences should be accounted for in accordance with the provisions of the FASB ASC 710-10 (formerly SFAS No. 43). Generally an employer is not required to accrue for any obligation unless the employee's rights to compensated absences either vest or carry forward to future periods. Also, no liability is required for nonvesting right to sick pay.

At June 30, 2014 the Shelter accrued a liability for compensated absences of \$29,685.52.

### **Net Asset Classification**

Net assets of Shelter and changes therein are classified and reported as follows:

Unrestricted Net Assets – Unrestricted net assets that are not subject to donor-imposed stipulations.

Temporarily and Permanently Restricted Net Assets – Net assets subject to donor-imposed stipulations that will be met either by actions of The Tug Valley Recovery Shelter Association, Inc., and/or the passage of time.

### **NOTE 3. CASH**

Cash is deposited in the federal deposit insured bank accounts.

Cash Deposits in bank checking accounts	<u>\$ 169,013.87</u>
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Custodial credit risk is the risk that in the event of bank failure, the Shelter's deposits may not be returned. The Shelter's deposits at June 30, 2014, were fully covered by Federal Depository Insurance Corporation (FDIC).

**NOTE 4. CHANGES IN PROPERTY AND EQUIPMENT**

The following schedule shows the estimated useful life of the property and equipment, its cost, accumulated depreciation and net book value.

Buildings and improvements	15 to 39 years	\$152,628
Computers and printers	3 to 10 years	9,591
Furniture and fixtures	3 to 10 years	54,206
Equipment	3 to 10 years	<u>75,812</u>
Total Fixed Assets		\$292,237
Less: accumulated depreciation		<u>(236,093)</u>
Net property and equipment		<u>\$ 56,144</u>

For the year ended June 30, 2014 depreciation expense was \$743.00

**NOTE 5. DONATED SERVICES AND OTHER IN-KIND CONTRIBUTIONS**

A number of unpaid volunteers have made significant contributions of their time to develop the Shelter's programs. The donated services do not require specialized skills therefore the fair market value of the donated services are not recognized in the financial statements

**NOTE 6. CONTINGENCIES**

The Shelter receives a majority of its support from the Federal Government, the State of West Virginia, and other local granting agencies. Any significant reduction in the level of support from these supporting agencies could have a material effect on the Shelter's programs and activities.

**NOTE 7. RISK MANAGEMENT**

The Shelter is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. The Shelter carries umbrella (General Liability) insurance for these various risks.

The Shelter provides insurance coverage to employees for job-related injuries through BrickStreet Mutual Insurance Company. Liabilities are reported when it is probable a loss has occurred and the amount of the loss can be reasonably estimated.

**NOTE 8. SUBSEQUENT EVENTS**

The Sheiter has evaluated subsequent events through June 30, 2015, the date the financial statements were available to be issued. No material subsequent events have occurred through this date that required recognition or disclosure in these financial statements.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors of Tug Valley Recovery Shelter Association, 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 Tug Valley Recovery Shelter Association Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2014, 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 June, 30 2015.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Tug Valley Recovery Shelter Association, 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 Tug Valley Recovery Shelter Association, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Tug Valley Recovery Shelter Association, Inc.'s internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses.

2014-001 Organization has a lack of segregation of duties.

2014-002 Organization does not maintain a detailed schedule of fixed assets..

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.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Tug Valley Recovery Shelter Association, 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.

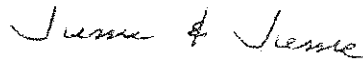
### Purpose of this Report

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.

Jessie & Jessie, A.C.

Williamson, WV 25661

June, 30 2015



DHHR - Finance

MAY 16 2016

Date Received

TUG VALLEY RECOVERY  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Segregation of Duties

2014-001

**CONDITION:**

It was noted that the responsibilities for approving, executing, and recording transactions and custody of the resulting assets arising from the transactions were not assigned to different individuals.

**CRITERIA:**

Proper internal control dictates responsibility for approving, executing and recording transactions should rest with different individuals. Custody of resulting assets should also be assigned to individuals with no responsibilities in the above named areas.

**CAUSE:**

The Organization has not implemented proper control procedures to sufficiently segregate duties.

**EFFECT:**

Internal control structure elements do not reduce to a relatively low level the risk that errors and irregularities, in amounts that would be material in relation to the financial statements, may occur and not be detected in a timely manner.

**RECOMMENDATION:**

The Organization should distribute among the accounting staff the duties of approving, executing and recording transactions to the extent as being economically practicable.

**AUDITED AGENCY'S RESPONSE:**

We have segregated duties as much as possible with our limited number of staff.



TUG VALLEY RECOVERY  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Fixed Asset Schedule  
2014 – 002

**CONDITION:**

We determined during our examination that the Organization did not maintain the detailed information at June 30, 2014 for fixed assets.

**CRITERIA:**

Property internal controls dictate that all that a fixed asset schedule should be maintained.

**CAUSE:**

The Organization has failed to maintain a detailed fixed asset schedule as of June 30, 2014.

**EFFECT:**

Fixed assets and the associated depreciation expense were not properly recorded.

**RECOMMENDATION:**

The Organization officials should maintain a detailed fixed asset report with depreciation expense calculations.

**AUDITED AGENCY'S RESPONSE:**

The Organization will produce a fixed asset schedule.

OTHER MATTERS

Tug Valley Recovery Shelter Association, Inc.  
 Statement of Grant Receipts and Expenditures  
 For the Year ended June 30, 2014

DHHR - Finance

MAY 16 2016

<b>Grant Number:</b>	<b>Grantee Name:</b>
G140305	West Virginia Department of Health and Human Resources
<b>Grantee FEIN:</b>	<b>WFVIMS Vendor #:</b> <b>Contact Phone Number:</b>
31-1053367	29245 304-235-6121
<b>Grantee Mailing Address:</b>	
PO BOX 677 Williamson, WV 25661	
<b>Total Grant Amount:</b>	<b>Period Covered:</b>
\$260,714.00	July 01, 2013 - June 30, 2014

**Grants Receipts**

Invoice Number	Invoice Period Covered	Invoice Amount	Date Received	Amount Received
	July 1, 2013		8/26/2013	13,094.00
	August 1, 2013		9/11/2013	13,094.00
	September 1, 2013		9/12/2013	13,094.00
	October 1, 2013		1/2/2014	14,403.00
	November 1, 2013		4/8/2014	35,839.00
	December 1, 2013		4/8/2014	14,403.00
	January 1, 2014		4/17/2014	37,803.00
	February 1, 2014		4/11/2014	16,367.00
	March 1, 2014		4/11/2014	16,367.00
	April 1, 2014		4/11/2014	43,041.00
	May 1, 2014		5/20/2014	21,605.00
	June 1, 2014		6/23/2014	21,604.00
<b>Total Grant Receipts:</b>				<b>260,714.00</b>

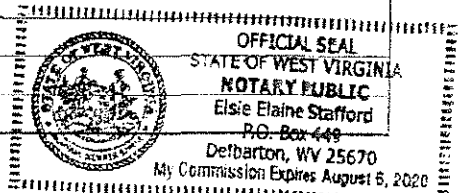
**Grant Expenditures**

Expenditures	Description/Examples	Amount Expended
Personnel	Salaries and Wages	226,777.00
Fringe Benefits (Payroll Taxes)		30,162.00
Building Maintenance and Repairs		2,217.00
<b>Total Grant Expenditures:</b>		<b>259,156.00</b>

Ending Funds Balance (Receipts - Expenditures): 1,558.00

*This is to certify that I have reviewed the Statement of Grant Receipts and Expenditures submitted herewith and, to the best of my knowledge and belief, said statement represents all financial activities related to the receipt, use and expenditure of funds granted by the State of West Virginia, Department of Health and Human Resources to Tug Valley Recovery Shelter Association, Inc. and that the expenditures reported were for the purposes intended and in compliance with the applicable laws, regulations and terms and conditions of the grant documents. The Statement of Grant Receipts and Expenditures is presented on the accrual basis of accounting and is supported by our financial records and related documentation.*

Authorized Signature: <i>Kimberly Ryan</i>	Date: <i>7/10/2015</i>
Printed Name and Title: Kimberly Ryan, Executive Director	
Taken, sworn, and subscribed before me this <i>10</i> day of <i>July</i> , 2015	
Notary Public Signature: <i>Elsie Elaine Stafford</i>	
My Commission Expires: <i>August 6, 2020</i>	





Tug Valley Recovery Shelter Association, Inc.  
P.O. Box 677  
Williamson, West Virginia 25661

July 3, 2015

Jessie & Jessie, A.C.  
P.O. Box 1437  
Williamson, WV 25661

DHHR - Finance

MAY 16 2016

Date Received

This representation letter is provided in connection with your audit of the financial statements of Tug Valley Recovery Shelter Association, Inc., which comprise the statements of financial position as of June 30, 2014, and the related statements of activities, functional expenses, and cash flows or activities and cash flows for the June 30, 2014 then ended, and the related notes to the financial statements, for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of July 2, 2015, the following representations made to you during your audit.

#### **Financial Statements**

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated March 10, 2015, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP.
- 3) We acknowledge our responsibility for 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.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.

- 5) Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.
- 6) Related-party relationships and transactions have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
- 7) All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
  - a) We approve the attached adjusting journal entries.
- 8) The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole. A list of the uncorrected misstatements is attached to the representation letter.
- 9) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
- 10) Material concentrations have been appropriately disclosed in accordance with U.S. GAAP.
- 11) Guarantees, whether written or oral, under which the Organization is contingently liable, have been properly recorded or disclosed in accordance with U.S. GAAP.

**Information Provided**

- 12) We have provided you with:
  - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.
  - b) Additional information that you have requested from us for the purpose of the audit.
  - c) Unrestricted access to persons within the Organization from whom you determined it necessary to obtain audit evidence.
  - d) Minutes of the meetings of the governing board or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 13) All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- 14) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

15) We have no knowledge of any fraud or suspected fraud that affects the Organization and involves:

- a) Management.
- b) Employees who have significant roles in internal control, or
- c) Others where the fraud could have a material effect on the financial statements.

16) We have no knowledge of any allegations of fraud or suspected fraud affecting the Organization's financial statements communicated by employees, former employees, grantors, regulators, or others.

17) We have no knowledge of any instances of noncompliance or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements.

18) We have disclosed to you all known actual or possible litigation, claims, and assessment whose effects should be considered when preparing the financial statements.

19) We have disclosed to you the identity of the Organization's related parties and all the related-party relationships and transactions of which we are aware.

20) The Organization has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.

21) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us.

22) Tug Valley Recovery Shelter Association Inc. is an exempt organization under Section 501(c)(3) of the Internal Revenue Code. Any activities of which we are aware that would jeopardize the Organization's tax-exempt status, and all activities subject to tax on unrelated business income or excise or other tax, have been disclosed to you. All required filings with tax authorities are up-to-date.

23) We acknowledge our responsibility for presenting the financial statements in accordance with U.S. GAAP, and we believe financial statements, including its form and content, is fairly presented in accordance with U.S. GAAP. The methods of measurement and presentation of the Identify supplementary information have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.

Signature: [Handwritten Signature]  
Title: [Handwritten Title]

**DPHHR Finance**  
MAY 16 2016  
Date Received

Tug Valley Recovery Shelter  
 Adjusting Journal Entries  
 June 30, 2014

Journal Entry Number	Account	DR	CR
1	Grant Receivables		17,234.05
	Other Receivables		3,166.72
	Accounts Payable		1,166.28
	Accrued Wages		6,213.37
	Payroll Expenses - Other	6,111.95	
	Fund Balance	21,668.47	
	To Adjust Accounts that were incorrect from prior periods		
2	FICA Tax	1,202.70	
	Fund Balance		1,202.70
	To Adjust FICA Tax to correct amount		
3	Depreciation	743.00	
	Accumulated Depreciation		743.00
	To Record Depreciation		