

**TASK FORCE ON DOMESTIC VIOLENCE
HOPE INC.**

**INDEPENDENT AUDITOR'S REPORT AND
RELATED FINANCIAL STATEMENTS**

JUNE 30, 2017

DHHR - Finance

JUL 16 2018

Date Received

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Tetrick & Bartlett, PLLC

**Certified Public Accountants
Consultants**

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Task Force on Domestic Violence, HOPE, Inc.
Fairmont, West Virginia

Report on the Financial Statements

We have audited the accompanying financial statements of Task Force on Domestic Violence, HOPE, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2017, 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 Task Force on Domestic Violence, HOPE, Inc. as of June 30, 2017, 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 federal awards and schedule of state funds and notes to the schedule of federal awards and schedule of state funds 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 March 26, 2018, on our consideration of Task Force on Domestic Violence, HOPE, 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 solely 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 the effectiveness of Task Force on Domestic Violence, HOPE, Inc. 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 Task Force on Domestic Violence, HOPE, Inc.'s internal control over financial reporting and compliance.

J. Luke Baker, PCAA

Clarksburg, West Virginia
March 26, 2018

DHHR - Finance

JUL 16

Date Rec

**TASK FORCE ON DOMESTIC VIOLENCE
HOPE, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2017**

ASSETS

CURRENT ASSETS

Cash	\$ 51,630
Grants and Contracts Receivable	187,431
Prepaid Assets	9,514
TOTAL CURRENT ASSETS	<u>248,575</u>

OTHER ASSETS

Investments - BB&T Brokerage Account	33,677
Investments - Stock	50,273
Investments - Mutual Fund	96,682
TOTAL OTHER ASSETS	<u>180,632</u>

RESTRICTED ASSETS

Cash	1,000
Investments - Mutual Fund	10,012
TOTAL RESTRICTED ASSETS	<u>11,012</u>

PLANT AND EQUIPMENT

Construction Work in Progress	1,330,778
Leasehold Improvements	109,227
Furniture and Fixtures	64,777
Equipment	253,694
Less: Accumulated Depreciation	(356,257)
NET PLANT AND EQUIPMENT	<u>1,402,219</u>

TOTAL ASSETS	<u>\$ 1,842,438</u>
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts Payable	\$ 15,762
Employee Withholdings Payable	5,333
TOTAL CURRENT LIABILITIES	<u>21,095</u>

LONG TERM LIABILITIES

SALP Loan (See Note 17)	125,000
TOTAL LONG TERM LIABILITIES	<u>125,000</u>

NET ASSETS

Unrestricted - Undesignated	844,699
Unrestricted - Designated	180,632
Permanently Restricted	671,012
TOTAL NET ASSETS	<u>1,696,343</u>

TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,842,438</u>
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See accompanying notes and independent auditor's report.

**TASK FORCE ON DOMESTIC VIOLENCE
HOPE, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
SUPPORT & RECLASSIFICATIONS				
Contributions	\$ 24,375	\$ 60,584	\$ -	\$ 84,959
VOCA	-	288,588	-	288,588
WV Budget Digest	-	180,380	-	180,380
West Virginia Foundation for Rape and Information Services, Inc. (FRIS)	152,556	-	-	152,556
In-Kind Donation - Occupancy	150,540	-	-	150,540
STOP Violence Against Women Formula Grant	-	68,344	-	68,344
Family Violence	-	68,151	-	68,151
United Way of Harrison County	-	67,594	-	67,594
State General	-	67,081	-	67,081
Family Protection	-	28,322	-	28,322
Rural Outreach	25,317	-	-	25,317
United Way of Marion County	-	20,800	-	20,800
Avon Grant	20,000	-	-	20,000
Emergency Shelter Grant Program	10,000	-	-	10,000
Doddridge County Commission	10,000	-	-	10,000
Legal Assistance	8,391	-	-	8,391
Other Grants and Awards	5,557	-	-	5,557
United Way of Lewis County	-	4,500	-	4,500
Marion County Commission	3,000	-	-	3,000
United Way Summit	-	1,244	-	1,244
United Way of Monongalia & Preston County	-	223	-	223
EFSP	-	-	-	-
Net Assets Released From Donor Restriction	871,869	(871,869)	-	-
TOTAL SUPPORT & RECLASSIFICATIONS	<u>1,281,605</u>	<u>-</u>	<u>-</u>	<u>1,281,605</u>
REVENUE				
Investment Income	10,821	-	-	10,821
USDA	1,582	-	-	1,582
Other Revenue	918	-	-	918
Fundraising	270	-	-	270
Membership	75	-	-	75
TOTAL REVENUE	<u>13,686</u>	<u>-</u>	<u>-</u>	<u>13,686</u>
TOTAL SUPPORT & RECLASSIFICATIONS AND REVENUE	<u>1,295,271</u>	<u>-</u>	<u>-</u>	<u>1,295,271</u>
EXPENSES				
Counseling Program Expense	482,705	-	-	482,705
Shelter Program Expense	397,070	-	-	397,070
Management and General	295,914	-	-	295,914
TOTAL EXPENSES	<u>1,175,689</u>	<u>-</u>	<u>-</u>	<u>1,175,689</u>
CHANGE IN NET ASSETS	<u>119,582</u>	<u>-</u>	<u>-</u>	<u>119,582</u>
NET ASSETS - BEGINNING OF PERIOD	<u>905,749</u>	<u>-</u>	<u>671,012</u>	<u>1,576,761</u>
NET ASSETS - END OF PERIOD	<u>\$ 1,025,331</u>	<u>\$ -</u>	<u>\$ 671,012</u>	<u>\$ 1,696,343</u>

See accompanying notes and independent auditor's report.

**TASK FORCE ON DOMESTIC VIOLENCE
HOPE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2017**

	<u>PROGRAM SERVICES</u>		<u>FUND RAISING</u>	<u>MANAGEMENT AND GENERAL</u>	<u>TOTAL</u>
	<u>SHELTER</u>	<u>COUNSELING</u>			
Salaries	\$ 184,882	\$ 381,273	\$ -	\$ 132,293	\$ 678,428
In-Kind Donation - Occupancy	150,540	-	-	-	150,540
Benefits	19,215	41,387	-	62,573	123,175
Payroll Taxes	18,109	37,583	-	13,008	68,698
Pass Through Grant	-	-	-	62,577	62,577
Utilities	4,780	10,039	-	1,116	15,935
Telephone	-	4,677	-	4,677	9,354
Insurance	2,541	5,100	-	830	8,471
Audit & Accounting	-	-	-	8,215	8,215
Travel	1,297	3,371	-	1,815	6,483
Training	1,695	3,163	-	791	5,649
Supplies	4,852	-	-	-	4,852
Office	1,235	2,536	-	346	4,117
Equipment Maintenance	1,217	2,273	-	588	4,058
Printing	984	1,664	-	585	3,213
Rent	-	2,661	-	507	3,168
Shelter Supplies	3,162	-	-	-	3,162
Communication	-	1,382	-	1,393	2,785
Client Assistance	2,291	-	-	-	2,291
Other	639	1,501	-	-	2,140
Postage	538	816	-	439	1,793
Dues	-	625	-	-	625
	<u>395,937</u>	<u>480,081</u>	<u>-</u>	<u>291,731</u>	<u>1,167,729</u>
TOTAL BEFORE DEPRECIATION					
DEPRECIATION	<u>1,133</u>	<u>2,644</u>	<u>-</u>	<u>4,183</u>	<u>7,960</u>
TOTALS	<u>\$ 397,070</u>	<u>\$ 482,705</u>	<u>\$ -</u>	<u>\$ 295,914</u>	<u>\$ 1,175,689</u>

See accompanying notes and independent auditor's report.

**TASK FORCE ON DOMESTIC VIOLENCE
HOPE, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2017**

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in Net Assets	\$ 119,582
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities	
Depreciation	7,960
(Increase) Decrease In:	
Grants and Contracts Receivable	(13,080)
Prepaid Assets	(3,066)
Increase (Decrease) In:	
Accounts Payable	(2,547)
Accrued Payroll	(20,575)
Employee Withholdings Payable	133
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>88,407</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of Equipment	(131,811)
Purchase of Investments	(14,712)
NET CASH (USED) BY INVESTING ACTIVITIES	<u>(146,523)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Issuance of Debt	12,500
NET CASH PROVIDED BY FINANCING ACTIVITIES	<u>12,500</u>
NET (DECREASE) IN CASH	(45,616)
CASH - BEGINNING OF PERIOD	<u>98,246</u>
CASH - END OF PERIOD	<u>\$ 52,630</u>
NON-CASH OPERATING ACTIVITIES	
In-Kind- Occupancy	<u>\$ 150,540</u>

See accompanying notes and independent auditor's report.

**TASK FORCE ON DOMESTIC VIOLENCE
HOPE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. GENERAL STATEMENT

Hope, Inc. operates a voluntary nonprofit organization located in Fairmont, West Virginia providing direct services to victims of domestic violence.

b. BASIS OF ACCOUNTING

The financial statements of Task Force on Domestic Violence, Inc. have been prepared on an accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

c. FINANCIAL STATEMENT PRESENTATION

The Organization has adopted FASB Standards Codification 958, Not-for-Profit Entities.

Grants and contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions would be 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 would be reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

d. REVENUE RECOGNITION

Unconditional grants and promises to give are recorded when the grant or promise is made. Conditional grants and promises to give are recorded when the related condition is met. Project income is recognized in the period received. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Donor-imposed restrictions that are fulfilled in the same period they are received are recorded as unrestricted support.

e. GRANTS AND CONTRACTS

Support received under grants and contracts with the State of West Virginia and other government agencies that require revenues to be billed down is recorded as public support when the related direct costs are incurred. Grants and contracts receivable represent amounts due for expenditures incurred prior to year end.

f. DONATED SERVICES

Donated services are recognized as contributions in accordance with FASB Standards Codification 958-605, if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. No services received by the Organization met these requirements.

See independent auditor's report.

**TASK FORCE ON DOMESTIC VIOLENCE
HOPE, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

g. CONTRIBUTIONS

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor.

h. INVESTMENTS

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values. Unrealized gains and losses are included in the change in net assets.

Estimated fair values of investments are based on quoted market prices. If quoted prices are not available, estimated fair values are based on quoted market prices of comparable investments.

The corporation holds units, which on occasion will hold derivative financial instruments (e.g. forwards, options, etc.) as a means to control interest rate and currency risks. Derivatives within the Corporations mutual funds are considered insignificant to the Corporation's financial statements.

i. PROPERTY AND EQUIPMENT

Land, buildings and equipment are stated at cost or fair market value at date of contribution. Depreciation is computed on a straight-line basis over the estimated useful lives of the respective assets. All assets are capitalized.

j. INCOME TAXES

Hope, Inc. is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code of 1986.

The organization's Forms 990 Return of organization exempt from income tax, for the years ending 2015, 2016 and 2017 are subject to examination by the IRS, generally for three years after they were filed.

k. ESTIMATES

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

l. CASH

All cash accounts are with F.D.I.C. insured institutions. For the purpose of the statement of cash flows, the Organization considers both restricted and unrestricted cash as well as short-term, highly liquid investments which are convertible into cash within ninety (90) days of purchase to be cash and cash equivalents. The Organization does not have a policy regarding collateralization with regards to their repurchase agreements, although it is a treasury management agreement.

See independent auditor's report.

**TASK FORCE ON DOMESTIC VIOLENCE
HOPE, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash for cash flow purposes is made up of the following accounts:

Cash		\$	52,630
		\$	<u>52,630</u>

m. RISK AND UNCERTAINTIES

The majority of the funding for the operation of the Task Force on Domestic Violence, Inc. comes as grants through the State of West Virginia. A loss or decrease in this funding could adversely affect the operation of the Organization. Per the DHHR Agreement, upon request by the Department, the Grantee shall account for and return in good condition, reasonable use, and wear excepted, all such equipment and supplies purchased with funds received under this grant agreement. This would create an economic hardship on the organization if this would be required.

n. SUBSEQUENT EVENTS

Subsequent events have been evaluated through March 26, 2018, which is the date the financial statements were available to be issued.

2. INVESTMENTS

Investments as of June 30, 2017, are summarized as follows:

	Cost	Fair Market Value	Unrealized Gain (Loss)
Money Market	\$ 3,071	\$ 3,071	\$ -
Common Stock	30,640	57,071	26,431
Mutual Funds	151,188	130,502	(20,686)
TOTAL	<u>\$ 184,899</u>	<u>\$ 190,644</u>	<u>\$ 5,745</u>

The following schedule summarizes the investment return and its classification in the statement of activities for the year then ended June 30, 2017:

Interest and Dividends		\$	3,741
Capital Gain Distributions			14,300
Unrealized Loss			<u>(7,220)</u>
Total Investment Income	\$	\$	<u>10,821</u>

See Independent auditor's report.

**TASK FORCE ON DOMESTIC VIOLENCE
HOPE, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017**

3. PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

Construction Work In Progress	\$	1,330,778
Leasehold Improvements		109,227
Furniture and Fixtures		64,777
Equipment		<u>253,694</u>
TOTAL PROPERTY AND EQUIPMENT		1,758,476
Less accumulated depreciation		<u>(356,257)</u>
NET PROPERTY AND EQUIPMENT	\$	<u>1,402,219</u>

4. COMPENSATED ABSENCES

Accrued compensated absences are not included in these financial statements because the amounts cannot be reasonably estimated.

5. RETIREMENT PLAN

During fiscal year 1992, Hope Inc. established a Simplified Employee Pension (SEP) plan under Section 408 (k) of the Internal Revenue Code. The plan is non-contributory and is administered by American General. Under the plan, a predetermined contribution is made to the individual retirement account of each eligible employee, based on a percentage of their annual compensation. To be eligible an employee must be at least 21 years old, have worked at least 3 years of the immediately preceding 5 years, and not a member under a collective bargaining agreement or whose total compensation for the year is less than \$450. During fiscal year 2017, Hope, Inc. contributed a total of \$49,559 to the retirement plan.

6. DEPRECIATION

Assets are recorded at cost or fair market value at date of donation. Assets are being depreciated on a straight-line basis as follows:

			<u>Depreciation Expense</u>
Office Improvements	10-20 years	\$	5,791
Furniture and Fixtures	5-10 years		1,742
Equipment	5 years		<u>427</u>
		\$	<u>7,960</u>

Depreciation expense for the year totaled \$7,960.

See independent auditor's report.

**TASK FORCE ON DOMESTIC VIOLENCE
HOPE, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017**

7. OPERATING LEASE

The Organization signed a 36 month operating lease on December 28, 2016 for a copier. The lease requires monthly payments of \$220.

Minimum future payments are as follows:

2018	\$	2,640
2019		2,640
2020		<u>1,320</u>
Total	\$	<u>6,600</u>

The Organization rents office space in Doddridge County for \$68 per month. This is a month-to-month lease, and therefore is not included in minimum future payments.

Rent expense for the year was \$3,168 which includes \$0 of In-Kind Rent.

8. RELATED PARTY TRANSACTIONS

During the fiscal year Task Force on Domestic Violence, Hope, Inc. received a grant from WV Foundation for Rape and Information Services, Inc. for \$152,556. There was a receivable due from WV Foundation for Rape and Information Services, Inc. in the amount of \$46,594 as of June 30, 2017.

9. ADVERTISING COSTS

Task Force on Domestic Violence, Hope, Inc. expenses advertising costs as incurred.

10. DONATED MATERIALS AND FACILITIES

The facilities used by the Organization in Fairmont are leased for \$1 per year, on a year to year basis. The facilities at Lewis, Gilmer and Harrison Counties also receive In-Kind – Rent. The value of the facilities included in the financial statements and the corresponding disbursements for fiscal year June 30, 2017 is as follows:

Revenues (Contributions)	\$	<u>150,540</u>
Expenses (Occupancy)	\$	<u>150,540</u>

11. PERMANENTLY AND TEMPORARILY RESTRICTED ASSETS

As of June 30, 2017, the Organization has \$1,000 in cash and \$10,012 in a stock investment, and \$660,000 in a building that is permanently restricted. The income from this asset may be used for operations.

See independent auditor's report.

**TASK FORCE ON DOMESTIC VIOLENCE
HOPE, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017**

12. FUNCTIONAL EXPENSES

Expenses are charged based on direct expenditures incurred. Other expenses that are common to program expenses and general or administrative expenses are allocated on a statistical basis.

13. FAIR VALUE MEASUREMENTS

FASB Standards Codification 820, Fair Value Measurements and Disclosures, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 Measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB Accounting Standards Codifications 820 are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the plan has the ability to access.

Level 2 - Inputs to the valuation methodology include

- i. Quoted prices for similar assets or liabilities in active markets;
- ii. Quoted prices for identical or similar assets or liabilities in inactive markets;
- iii. Inputs other than quoted prices that are observable for the asset or liability;
- iv. Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2017.

Money Market Funds: Valued using the amortized cost, in accordance with rules under the Investment Company Act of 1940.

See independent auditor's report.

**TASK FORCE ON DOMESTIC VIOLENCE
HOPE, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017**

13. FAIR VALUE MEASUREMENTS (CONTINUED)

Common Stock: Valued at the most recent repurchase of outstanding shares as treasury stock.

Mutual Funds: Valued at the net asset value (NAV) of shares held by the plan at year end.

The preceding method described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Organization's financial assets at fair value on a recurring basis as of June 30, 2017:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money Market Funds	\$ -	\$ 3,071	\$ -	\$ 3,071
Common Stock	57,071	-	-	57,071
Mutual Funds	130,502	-	-	130,502
Total Assets at Fair Value	\$ 187,573	\$ 3,071	\$ -	\$ 190,644

14. RISK MANAGEMENT

The Organization is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the Organization carries general liability insurance for these various risks. Amounts of settlements have not exceeded insurance coverage in the past three years.

15. GRANTS AND CONTRACTS RECEIVABLE

Grants and contracts receivable consist of the following:

VOCA	\$ 65,327
FRIS	46,594
Rural	5,151
Legal Assistance	2,098
STOP Violence Against Women	16,150
Emergency Shelter Grant Program	6,061
United Way of Harrison County	32,250
United Way of Marion County	11,550
United Way of Lewis County	2,250
Total Grants and Contracts Receivable	\$ 187,431

See independent auditor's report.

**TASK FORCE ON DOMESTIC VIOLENCE
HOPE, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2017**

16. RESTRICTED DONATION OF BUILDING

In June 2015, the Organization received a building from the City of Fairmont to provide the Organization with the new facilities in which to operate. The building and land associated with it appraised at a fair market value of \$660,000. The donation does provide restrictions concerning use of the property. The Organization must use the property for the sole purpose of housing and administrative offices. If at any point, the Organization ceases to use the property for its sole purpose of housing families, or the property is abandoned or vacated, the property will revert back to the City of Fairmont.

17. LONG TERM DEBT

In February 2016, the Organization received a \$125,000 promissory note with 0% interest from the WV Housing Development Fund. This is a forgivable loan as long as the following conditions are met:

- 1) The Organization uses the loan proceeds for renovation of 1611 Mary Lou Retton Drive
- 2) The Organization uses property for purpose of serving victims of domestic violence and sexual assault.

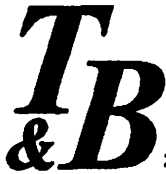
Failure to meet these conditions will result in default and the loan will be callable on a pro rata basis for each year the Organization has remained in compliance as of the yearly anniversary. The yearly anniversary begins on year after the final distribution.

All \$125,000 has been drawn down as of June 30, 2017.

18. BOARD DESIGNATED NET ASSETS

The Board of Directors of Hope, Inc. has designated \$10,012 of investments for future maintenance, renovations, additions to the building it leases, and/or purchase of a facility.

See independent auditor's report.



Tetrick & Bartlett, PLLC
Certified Public Accountants
Consultants

**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
Task Force on Domestic Violence, HOPE, Inc.
Fairmont, West Virginia

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 Task Force on Domestic Violence, HOPE, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2017, 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 March 26, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Task Force on Domestic Violence, HOPE, 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 Task Force on Domestic Violence, HOPE, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Task Force on Domestic Violence, HOPE, Inc.'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 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. 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Task Force on Domestic Violence, HOPE, 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*.

We noted certain matters that we reported to management of Task Force on Domestic Violence, HOPE, Inc. in a separate letter dated March 26, 2018.

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.

J. Duck, Bartlett, PA

Clarksburg, West Virginia
March 26, 2018

**TASK FORCE ON DOMESTIC VIOLENCE
HOPE, INC.
SCHEDULE OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2017**

<u>FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE</u>	<u>GRANT NUMBER</u>	<u>FINANCIAL AWARDS RECOGNIZED</u>
U.S. Department of Health and Human Services Administration for Children and Families		
WV Department of Health and Human Resources		
Family Violence Prevention and Services / Grants for Battered Women's Shelters - Grants to State and Indian Tribes	G170065	\$ 68,151
U.S. Department of Health and Human Services Center for Disease Control and Prevention		
WV Department of Health and Human Resources		
Injury Prevention and Control Research and State and Community Based Programs	W-16-004	12,280
Injury Prevention and Control Research and State and Community Based Programs	RR-16-004	15,221
Injury Prevention and Control Research and State and Community Based Programs	RR-17-004	<u>10,769</u>
Total U.S. Department of Health and Human Services		\$ <u>106,401</u>
U.S. Department of Housing and Urban Development Office of Community Planning and Development		
WV Office of Economic Opportunity		
Emergency Solutions Grant Program	ESG15-FAIR	\$ <u>10,000</u>
Total U.S. Department of Housing and Urban Development		\$ <u>10,000</u>
U.S. Department of Justice Office of Victims of Crime		
WV Division of Criminal Justice Service		
Crime Victim Assistance	15-VA-027	\$ 123,354
Crime Victim Assistance	15-VA-071	163,212
Rural VAWA DV Specialist	15-RVAW-03	25,317
U.S. Department of Justice Violence Against Women Office		

See accompanying notes the schedule of expenditures of federal awards and state funds and independent auditor's report.

**TASK FORCE ON DOMESTIC VIOLENCE
HOPE, INC.
SCHEDULE OF FEDERAL AWARDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2017**

<u>FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE</u>	<u>GRANT NUMBER</u>	<u>FINANCIAL AWARDS RECOGNIZED</u>
WV Division of Criminal Justice Service		
Rural Domestic Violence, Dating Violence, Sexual Assault, and Stalking Assistance Program	RAN-16-004	\$ 9,286
Rural Domestic Violence, Dating Violence, Sexual Assault, and Stalking Assistance Program	RAN-17-004	16,941
Legal Assistance for Victims	2015-WL-AX-0048	8,391
Violence Against Women Formula Grants	17-1624	40,041
Violence Against Women Formula Grants	17-1625	46,303
Sexual Assault Services Formula Program	SASP-15-004	521
Sexual Assault Services Formula Program	SASP-16-004	29,383
Sexual Assault Services Formula Program	SASP-17-004	21,686
Grants to Prevent, Detect, and Respond to Sexual Abuse of Persons Incarcerated	2013-RP-BX-0014	4,265
 WV Department of Health and Human Resources		
Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program	A-15-004	10,763
Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program	A-16-004	18,461
Grants to Reduce Domestic Violence, Dating Violence, Sexual Assault and Stalking on Campus	2016-WA-AX-0045	<u>3,000</u>
Total U.S. Department of Justice		\$ <u>520,924</u>
 U.S. Department of Agriculture		
Food and Nutrition Service		
National School Lunch Program	N/A	\$ <u>1,582</u>
Total U.S. Department of Agriculture		\$ <u>1,582</u>
TOTAL FEDERAL AWARDS		\$ <u>626,647</u>

See accompanying notes the schedule of expenditures of federal awards and schedule of state funds and independent auditor's report.

**TASK FORCE ON DOMESTIC VIOLENCE
HOPE, INC.
SCHEDULE OF STATE FUNDS
FOR THE YEAR ENDED JUNE 30, 2017**

<u>GRANTOR AGENCY/ PROGRAM TITLE</u>	<u>GRANT NUMBER</u>	<u>FINANCIAL AWARDS RECOGNIZED</u>
WV Department of Health and Human Resources		
Budget Digest	G170085	\$ 180,380
State General	G170085	67,061
Family Protection	G170085	<u>28,322</u>
TOTAL STATE FUNDS		\$ <u>275,763</u>

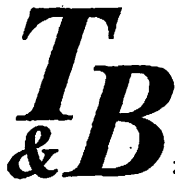
See accompanying notes to the schedule of federal awards and schedule of state funds and independent auditor's report.

**TASK FORCE ON DOMESTIC VIOLENCE
HOPE, INC.
NOTES TO THE SCHEDULE OF FEDERAL AWARDS AND SCHEDULE OF STATE FUNDS
FOR THE YEAR ENDED JUNE 30, 2017**

NOTE 1 BASIS OF PRESENTATION

The accompanying Schedule of Federal and State Funds is prepared on the accrual basis of accounting which is the same basis used in the preparation of the financial statements.

See independent auditor's report.



Tetrick & Bartlett, PLLC

**Certified Public Accountants
Consultants**

To the Board of Directors
Task Force on Domestic Violence, HOPE, Inc.
Fairmont, West Virginia

We have audited the financial statements of Task Force on Domestic Violence, HOPE, Inc. for the year ended June 30, 2017, and have issued our report thereon dated March 26, 2018. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated February 14, 2018. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Task Force on Domestic Violence, HOPE, Inc. are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the fiscal year ended June 30, 2017. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive accounting estimates affecting the financial statements were:

Management's estimate of the accumulated depreciation is based on historical performance. Management's estimate of allowance for doubtful accounts is based on historical cash collections. We evaluated the key factors and assumptions used to develop the accumulated depreciation, depreciation expense and allowance for doubtful accounts in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was:

The disclosure of capital assets and related accumulated depreciation in Note 3 to the financial statements.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated March 26, 2018.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or the financial statements themselves.

This information is intended solely for the use of the Board of Directors and management of Task Force on Domestic Violence, HOPE, Inc. and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

T. B. B. P. H. C.

Clarksburg, West Virginia
March 26, 2018



Tetrick & Bartlett, PLLC

**Certified Public Accountants
Consultants**

To the Board of Directors
Task Force on Domestic Violence, HOPE, Inc.
Fairmont, West Virginia

In planning and performing our audit of the financial statements of Task Force on Domestic Violence, HOPE, Inc. as of and for the year ended June 30, 2017, in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we considered Task Force on Domestic Violence, HOPE, Inc.'s internal control over financial reporting (internal control) as a basis for designing auditing 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 the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

However, during our audit we became aware of deficiencies in internal control other than significant deficiencies and material weaknesses as well as matters that are opportunities for strengthening internal controls, improving operating efficiency and reducing expenses. The memorandum that accompanies this letter summarizes our comments and suggestions regarding these matters. A separate report dated March 26, 2018, contains our communication of significant deficiencies or material weaknesses in the Organization's internal control. This letter does not affect our report dated March 26, 2018, on the financial statements of Task Force on Domestic Violence, HOPE, Inc.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various Organization personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

This communication is intended solely for the information and use of management and others within the Organization, and is not intended to be, and should not be, used by anyone other than those specified parties.

Sincerely,

Tetrick & Bartlett, PLLC

Clarksburg, West Virginia
March 26, 2018

MEMORANDUM

Examination of Form I-9 documents

While performing analytical review procedures during our audit, we noted that the Organization did not examine Form I-9 documents within 3 business days of the employees first day of employment. This occurred on all five (5) I-9's tested.

We recommend that the Organization put in place procedures to ensure that all Form I-9 documents are examined within 3 business days of the employees first day of employment.