

TUG VALLEY RECOVERY SHELTER ASSOCIATION, INC
FINANCIAL STATEMENTS
JUNE 30, 2021

DHHR FINANCE

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Tug Valley Recovery Shelter

"Helping Rebuild Dreams...One Family at a Time!"



August 22, 2022

West Virginia of Health and Human Resources
Bureau for Children and Families, Office of Operations
Division of Grants and Contracts
350 Capitol Street, Room 730
Charleston, WV 25301-3711

To Whom It May Concern,

Please find enclosed fiscal year 2020-2021 Audit for the Tug Valley Recovery Shelter. I apologize for being so late in getting this to you for review. I am hopeful that you will find our program to be in accordance of DHHR regulations. If not please contact me immediately.

As always, I appreciate all you do for myself and this agency. Hope your day is great and all is well with you
And yours.

Very truly yours,



Kim Ryan, Director

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PO Box 677
Williamson, WV 25661
304-235-6121
304-235-6167



TUG VALLEY RECOVERY SHELTER ASSOCIATION, INC.
FINANCIAL STATEMENTS
JUNE 30, 2021

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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, 2021, 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, 2021, 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 July 28, 2022, 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.
Jessie & Jessie, A.C.

Williamson, WV, 25661
July 28, 2022

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Tug Vall Recovery Shelter Association, Inc
Statement of Financial Position
At June 30, 2021

ASSETS

Current Assets:

Cash and Cash Equivalents	\$ 85,962.80
Grants Receivable	<u>83,554.96</u>
Total Current Assets	\$ 169,517.76

Fixed Assets:

Building	\$ 132,111.00
Building Improvements	20,517.42
Computers	15,330.43
Equipment	82,840.23
Furniture	26,261.48
Less: Accumulated Depreciation	<u>(272,224.00)</u>
Total Fixed Assets	\$ 4,836.56

TOTAL ASSETS \$ 174,354.32

LIABILITIES & NET ASSETS

Current Liabilities:

Accrued Wages	\$ 4,257.08
Payroll Taxes Payable	2,235.81
Accrued Liabilities	27,374.42
Line of Credit	<u>8,229.79</u>
Total Current Liabilities	\$ 42,097.10

Net Assets:

Without Donor Restrictions	\$ 132,257.22
With Donor Restriction	<u>-</u>
Total Net Assets	\$ 132,257.22

TOTAL LIABILITIES & NET ASSETS \$ 174,354.32

Tug Valley Recovery Shelter Association, Inc
Statement of Activities
For the Year Ended June 30, 2021

PUBLIC SUPPORT & REVENUE:

Public Support:

Contributions	\$ 21,655
Federal Grants	237,345
State Grants	<u>242,683</u>

Total Public Support \$ 501,683

Revenue:

Interest Income	<u>\$ 19</u>
Total Revenue	\$ 19

Total Public Support & Revenue \$ 501,702

FUNCTIONAL EXPENSES :

Program Services	\$ 454,115
Administrative	46,699
Fundraising	<u>-</u>
Total Functional Expenses	\$ 500,814

Change in net assets \$ 888

Tug Valley Recovery Shelter Association, Inc
Statement of Functional Expenses
For the Year Ended June 30, 2021

	Program			Total
	Services	Administrative	Fundraising	Expenses
Bank Charge	\$ -	\$ 5	\$ -	\$ 5
Building Maintenance		4,418		4,418
Client Aid	843			843
Law Enforcement	12,595			12,595
Dues and Subscriptions		6,818		6,818
Depreciation	3,029			3,029
Insurance		4,783		4,783
Interest Expense		574		574
Miscellaneous		1,195		1,195
Salaries and Wages	403,822			403,822
Fica Tax	30,567			30,567
Unemployment Tax	2,768			2,768
Workers Compensation	492			492
Postage and Delivery		1,300		1,300
Accounting		3,500		3,500
Computer Repairs		130		130
Equipment Repairs		537		537
Supplies		9,270		9,270
Utilities		13,690		13,690
Training and Travel	-	478	-	478
	<u>-</u>	<u>478</u>	<u>-</u>	<u>478</u>
Totals	<u>\$ 454,115</u>	<u>\$ 46,699</u>	<u>\$ -</u>	<u>\$ 500,814</u>

See accompanying Notes and Accountants Reports

Tug Valley Recovery Shelter Association, Inc
Statement of Cash Flows
For the Year Ended June 30, 2021

Cash Flow from Operating Activities	
Change in net assets	\$ 888
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Depreciation	3,029
Changes in assets and liabilities:	
Decrease(increase)	
Grants Receivable	(18,537)
Increase(decrease)	
Accrued Wages	1,245
Payroll Taxes Payable	(428)
Accrued Liabilities	(3,353)
Line of Credit	<u>(2,152)</u>
Net cash provided by operating activities	\$ (19,309)
Cash Flow from Investing Activities	-
Cash Flow from Financing Activities	-
Net increase (decrease) in cash	(19,309)
Cash and Cash Equivalents at beginning of the year	<u>105,272</u>
Cash and cash equivalents at end of the year	<u>\$ 85,963</u>

See accompanying Notes and Accountants Reports

Tug Valley Recovery Shelter Association, Inc.

Notes to the Financial Statements

For the Year Ended June 30, 2021

NOTE 1. DESCRIPTION OF THE SHELTER

Tug Valley Recovery 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 with incurred.

Basis of Presentation

The Shelter is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. There were no net assets with donor restrictions at June 30, 2021.

A description of these net asset's categories are as follows:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed stipulations.

Net assets without donor restrictions - Net assets subject to donor-imposed stipulations that may be met by actions of the Shelter and/or the passage of time.

Functional Expenses

Salaries and related benefits are allocated among functional categories based upon the estimated amount of time spent for each function. All other expenses are either directly allocated or distributed based upon management's estimate of the relative functional activity.

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 accounts, 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

Grants receivable are \$83,554 at June 30, 2021.

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.

Income Taxes

The Tug Valley Recovery Shelter Association, Inc., is a not-for-profit Shelter 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 non vesting right to sick pay. At June 30, 2021 the Shelter accrued a liability for compensated absences of \$26,254.

Liquidity

The Shelter structures its financial assets to be available as its general expenditures, abilities and other obligations come due.

The following reflects the Shelters financial assets as of the date of the statement of financial position, all of which are available for general use within one year of the statement of financial position:

At June 30, 2021 - Cash \$85,962 Grants Receivable - \$83,555, a total of \$169,517.

Adoption of Recent Accounting Pronouncement

While there are many new accounting pronouncements issued that the Organization has adopted or will be adopting in the near future, the following pronouncements have the most direct impact on the Organization's financial statements.

In February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards update ("ASU") 2016-02, Leases (Topic 842), which when effective will require organizations to recognize assets and liabilities on the balance sheet for the rights and obligations created by the leases. A lessee will be required to recognize assets and liabilities for leases with terms that exceed twelve months. The standard will also require disclosures to help financial statement users better understand the amount, timing, and uncertainty of cash flows arising from leases. The required disclosures will provide additional information about the lease transaction amounts recorded in the financial statements. Due to the COVID-19 pandemic further described in Note N, the effective date of the pronouncement was delayed until this year ending June 30, 2022, with early adoption being permitted. The potential impact to the Organization's financial statements is currently being evaluated.

The Shelter adopted the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14, Not-for-Profit Entities (Topic 958) - Presentation of Financial Statements of Not-for-Profit Entities. This standard was issued by FASB to improve the previous net asset classification requirements and the information presented in financial statement and notes about a nonprofit entity's liquidity, financial performance, and cash flows. ASU 2016-14 reduces the number of net asset classification from three to two: with donor restrictions and without donor restrictions. The ASU also requires nonprofits to report quantitative and qualitative information about management and liquidity resources and availability of financial assets. As required by the ASU, the Shelter applied the requirements on a retrospective basis in the year of adoption. There has been no net asset impact as a result of this application.

In June 2018, the FASB issued ASU 2018-08 Not-for-Profit Entities (Topic 958-605) clarifying the accounting the accounting guidance for contributions received and contributions made to further improve the scope and the accounting guidance on revenue recognition, to assist entities in distinguishing between contributions (non-reciprocal) and exchange (reciprocal) transactions and to determine whether a contribution is conditional. Due to the COVID-19 pandemic the effective date of the pronouncement was delayed to the fiscal year ending June 30, 2021. The potential impact to the Organization's financial statements is currently not a material impact on the Organization's financial statements.

the Organization's financial statements.

New Accounting Pronouncements

FASB issued Accounting Standards Update ("ASU") No. 2020-07, Presentation and Disclosures by Not-for-Profit Entities for Contributed Non Financial Assets, which becomes effective for the June 30, 2022 year with early adoption permitted. This ASU focuses on improving transparency in the reporting of contributed nonfinancial assets and requires a separate line-item presentation on the statements of activities and additional disclosures.

The Shelter is in the process of evaluating the impact of this standard will have on future financial statements.

NOTE 3. CASH

Cash is deposited in the federal deposit insured bank accounts.

Cash Deposits in bank checking accounts \$ 85,962

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, 2019, 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	15,330
Furniture and fixtures	3 to 10 years	26,261
Equipment	3 to 10 years	<u>82,840</u>
		277,059
Less: accumulated depreciation:		<u>(272,224)</u>
Net property and equipment		<u>\$ 4,836</u>

For the year ended June 30, 2021 depreciation expense was \$3,029.

NOTE 5. LINE OF CREDIT

As of June 30, 2021 Tug Valley Recovery Shelter has a \$25,000 line of credit at First National Bank of Williamson. As of June 30, 2021 the interest rate on line of credit was 6% and the outstanding balance was \$8,337.

NOTE 6 . CONCENTRATIONS

The Shelter received a substantial portion of its support from federal and state grants in 2021. Any significant reduction in the level of supporting from these supporting agencies could have a material effect on the Shelter's programs and activities.

NOTE 7. 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 estimated value of the services provided was undetermined as of June 30, 2021.

NOTE 8. 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 supporting from these supporting agencies could have a material effect on the Shelter's programs and activities.

NOTE 9. 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 a probable loss has occurred and the amount of the loss can be reasonable estimated.

NOTE 10. SUBSEQUENT EVENTS

Subsequent events have been evaluated through j, the date the financial statements were issued. The Shelter has concluded that no other material events have occurred that are not accounted for in the accompanying financial statements or disclosed in the accompanying notes.

**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 Trustees of
Tug Valley Recovery Shelter Association, Inc.
Williamson WV 25661

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., which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, and cash flows for the year then ended, and July 28, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Tug Valley Recovery Shelter Association, Inc., 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., internal control. Accordingly, we do not express an opinion on the effectiveness of the Tug Valley Recovery Shelter Association, Inc., 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiency in internal control, described in the accompanying schedule of findings as items 2020-01 that we consider to be material weakness.

Compliance and Other Matters

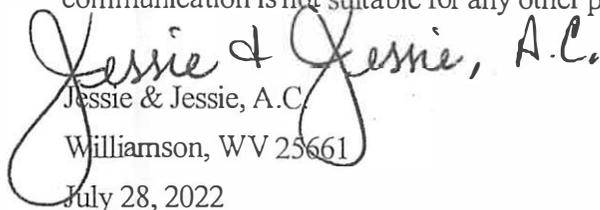
As part of obtaining reasonable assurance about whether Tug Valley Recovery Shelter Association, Inc., financial statements are free from material misstatement, we performed test so fits compliance with celiain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determinationof 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*.

Tug Valley Recovery Shelter Association, Inc. Response to Findings

Tug Valley Recovery Shelter Association, Inc., response to the findings identified in our audit is described in the accompanying schedule of findings and responses. Tug Valley Recovery Shelter Association, Inc., responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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
July 28, 2022

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Grant Number:

G200274

Grantee Name:

West Virginia Department of Health and Human Resources

Grantee FEIN:

31-1053367

WVFIMS Vendor #: Contact Phone Number:

29245

304-235-6121

Grantee Mailing Address:

PO BOX 677 Williamson, WV 25661

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Total Grant Amount:

\$267,599.00

Period Covered:

July 01, 2020 - June 30, 2021

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Grants Receipts

Invoice Number	Invoice Period Covered	Invoice Amount	Date Received	Amount Received
	July-20		9/17/2020	\$ 30,481.00
	August-20		10/19/2020	16,937.00
	September-20		10/19/2020	16,937.00
	October-20		10/20/2020	18,631.00
	November-20		12/10/2020	18,631.00
	Decemeber-20		1/27/2021	18,631.00
	January-21		1/14/2021	21,171.00
	February-21		2/11/2021	21,171.00
	March-21		3/17/2021	21,171.00
	April-21		4/9/2021	27,946.00
	May-21		5/17/2021	27,946.00
	June-21		6/9/2021	27,946.00
Total Grant Receipts:				\$ 267,599.00

Grant Expenditures

Expenditures	Description/Examples	Amount Expended
Personnel & Payroll Taxes	Salaries and Wages	\$ 235,503.00
Facility Expenses		7,481.00
Office Expenses		24,615.00
Total Grant Expenditures:		\$ 267,599.00

Ending Funds Balance (Receipts - Expenditures):

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:

Kimberly Ryan

Printed Name and Title:

Kimberly Ryan, Executive Director

Taken, sworn, and subscribed before me this

6th day of Aug, 2022

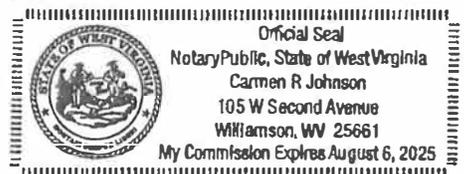
Notary Public Signature:

Carmen R. Johnson

My Commission Expires:

Aug. 6, 2025

Date:



Tug Valley Recovery Shelter Association, Inc
Schedule of Findings
Year Ended June 30, 2021

2021-01 Segregation of Duties

Condition - An inadequate segregation of duties exists with respect to cash transactions which results in inadequate control over cash collections, cash deposits and cash disbursements.

Criteria - Property internal control procedures require that various duties be segregated among different employees. The duties of collecting, recording, depositing, reconciling, and disbursing of monies should be separated. Segregation of duties helps prevent and detect any errors made and correct errors in a timely fashion.

Causes - The Tug Valley Recovery Shelter Association, Inc, has a limited staff, making it impossible to achieve a proper segregation of duties.

Effect - Without proper segregation of duties, the possibility of discrepancies occurring without being detected, or improper use of funds, is greatly increased.

Recommendation - Since there is a limited a staff at the Tug Valley Recovery Shelter Association Inc., there appears to be a limitation on what steps could be taken to properly segregate duties. The Board should take special care to review financial documents for possible discrepancies.

Audited Agency's Response - Due to the limited number of personnel, an adequate segregation of duties is not achievable and the costs of correcting the weakness would exceed the benefits derived.