

**NORTHERN WEST VIRGINIA CENTER
FOR INDEPENDENT LIVING, INC.
(A NON-PROFIT ORGANIZATION)**

**FINANCIAL STATEMENTS WITH
ADDITIONAL INFORMATION**

YEAR ENDED SEPTEMBER 30, 2014

WITH INDEPENDENT AUDITOR'S REPORTS

DHHR - Finance

MAR 30 2015

Date Received

NORTHERN WEST VIRGINIA CENTER FOR INDEPENDENT LIVING, INC.
FINANCIAL STATEMENTS WITH ADDITIONAL INFORMATION
YEAR ENDED SEPTEMBER 30, 2014

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DHHR - Finance
MAR 30 2015
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Ware & Hall, PLLC

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Northern West Virginia Center for Independent Living, Inc.
Morgantown, West Virginia

Report on the Financial Statements

We have audited the accompanying financial statements of Northern West Virginia Center for Independent Living, Inc. (a non-profit organization), which comprise the statement of financial position as of September 30, 2014, and the related statements of activities, 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 judgement, 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 Northern West Virginia Center for Independent Living, Inc. as of September 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 schedules of support and revenue, expenses and changes in net assets and expenditures of federal and state awards 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 January 10, 2015, on our consideration of Northern West Virginia Center for Independent Living, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Northern West Virginia Center for Independent Living, Inc.'s internal control over financial reporting and compliance.

Huntington, West Virginia
January 10, 2015

Wan & Hall PLLC

DHHR - Finance

MAR 30 2015

Date Received

NORTHERN WEST VIRGINIA CENTER FOR INDEPENDENT LIVING, INC.
 STATEMENT OF FINANCIAL POSITION
 SEPTEMBER 30, 2014

ASSETS

CURRENT ASSETS

Cash	\$ 52,413
Grants receivable	256,401
Accounts receivable	7,000
Prepaid expenses	<u>4,335</u>
TOTAL CURRENT ASSETS	320,149

PROPERTY AND EQUIPMENT, NET

-0-

TOTAL ASSETS

\$ 320,149

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$ 123,647
Line-of-credit payable	23,111
Accrued payroll and payroll taxes	14,695
Deferred revenue	<u>130,552</u>
TOTAL CURRENT LIABILITIES	292,005

NET ASSETS

Unrestricted net assets	
Operations	27,144
Temporarily restricted	<u>1,000</u>
TOTAL NET ASSETS	28,144

TOTAL LIABILITIES AND NET ASSETS

\$ 320,149

NORTHERN WEST VIRGINIA CENTER FOR INDEPENDENT LIVING, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2014

UNRESTRICTED NET ASSETS

SUPPORT AND REVENUE

GRANTS

Federal/State/pass-through	\$ 758,453
Other grants and contributions	64,246
Program and other income	<u>5,197</u>
TOTAL UNRESTRICTED SUPPORT AND REVENUE	827,896

NET ASSETS RELEASED FROM RESTRICTIONS:

Restrictions satisfied by payments	<u>5,000</u>
TOTAL SUPPORT, REVENUE, AND RECLASSIFICATIONS	<u>832,896</u>

EXPENSES

PROGRAM SERVICES

Independent Living - State Grants Part B	49,969
Assistive Technology - WVATS	5,236
National Institute on Disability and Rehabilitation Research - DBTAC	10,382
Centers for Independent Living - DOE	180,336
Block Grants for Community Mental Health Services and Child Health Services Block Grants to the States - FS	83,466
Fair Housing Incentives Program - HUD	151,808
Educational and Training to End Violence Against and Abuse of Women With Disabilities - FRIS	2,346
Community Living Services Program -CLSP	138,243
Traumatic Brain Injury Program	79,455
Other Programs	<u>20,897</u>
TOTAL PROGRAM SERVICES	722,138

SUPPORTING SERVICES

Management and General	<u>110,821</u>
TOTAL EXPENSES	<u>832,959</u>

CHANGE IN UNRESTRICTED NET ASSETS (63)

TEMPORARILY RESTRICTED NET ASSETS

Contributions	1,000
Net assets released from restrictions	<u>(5,000)</u>

CHANGE IN TEMPORARILY RESTRICTED NET ASSETS (4,000)

CHANGE IN PERMANENTLY RESTRICTED NET ASSETS -0-

CHANGE IN NET ASSETS (4,063)

NET ASSETS BEGINNING OF YEAR 32,207

NET ASSETS END OF YEAR \$ 28,144

NORTHERN WEST VIRGINIA CENTER FOR INDEPENDENT LIVING, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED SEPTEMBER 30, 2014

CASH FLOWS FROM OPERATING ACTIVITIES:	
Change in net assets	\$ (4,063)
Adjustments to reconcile change in net assets to net cash (used in) operating activities:	
Depreciation	478
(Increase) decrease in operating assets:	
Grants receivable	(180,557)
Accounts receivable	(6,000)
Prepaid expenses	5,800
Increase (decrease) in operating liabilities:	
Accounts payable	85,144
Accrued payroll and payroll taxes	5,008
Deferred revenue	<u>(41,539)</u>
NET CASH (USED IN) OPERATING ACTIVITIES	<u>(135,729)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Net increase in line-of-credit	<u>134</u>
NET CASH PROVIDED BY FINANCING ACTIVITIES	<u>134</u>
NET (DECREASE) IN CASH	(135,595)
CASH AT BEGINNING OF YEAR	<u>188,008</u>
CASH AT END OF YEAR	\$ <u>52,413</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION	
Cash paid during the year for:	
Interest	\$ <u>1,283</u>
Income Taxes	\$ <u>-0-</u>

NORTHERN WEST VIRGINIA CENTER FOR INDEPENDENT LIVING, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF ACTIVITIES - Northern West Virginia Center For Independent Living, Inc. is a non-profit corporation located in Morgantown, West Virginia, and was incorporated under the laws of the State of West Virginia on April 22, 1993. The primary purpose of the Center is to provide services necessary to enable West Virginians with disabilities to reach their goals for independent living and to enhance and promote equal access across northern West Virginia. The Center's Board of Directors shall at all times include a majority of disabled individuals. The Center's major sources of support are grants from federal and state agencies to fund core services including independent living skills, training, information and referral, individual and systems advocacy, and peer support.

ACCOUNTS RECEIVABLE - Accounts receivable are carried at their estimated collectible amounts. Accounts receivable are periodically evaluated for collectibility. Once it is determined by management that the account will not be collectible, it is charged-off as bad debts.

PROPERTY AND EQUIPMENT - Property and equipment purchased is stated at cost. Property and equipment donated to the Organization is stated at the estimated fair value at the date of receipt. The Organization has adopted a policy to capitalize all property and equipment over \$2,500 and a useful life of more than one year. Maintenance, repairs and minor renewals are charged to operations when incurred. When property and equipment is sold or otherwise disposed of, the asset account and related accumulated depreciation account are relieved, and any gain or loss is included in operations.

Property and equipment acquired by Northern West Virginia Center for Independent Living, Inc. is considered to be owned by Northern West Virginia Center for Independent Living, Inc. However, funding sources may maintain a reversionary interest in the property and equipment purchased with grant monies as well as the right to determine the use of any proceeds from the sale of these assets.

DEPRECIATION - The cost of property and equipment is depreciated over the estimated useful lives of the related assets. Depreciation is computed on the straight line method. The useful lives of property and equipment for purposes of computing depreciation are:

Resource Center Equipment	3 to 7 years
Furniture and Equipment	3 to 5 years
Leasehold Improvements	5 years

REVENUE AND EXPENSE RECOGNITION - The financial statements have been prepared on the accrual basis of accounting. Grants restricted for specific purposes are reported as revenue when qualifying expenses have been incurred. Grants received in advance of incurring qualifying expenses are recorded as deferred revenue. The revenue from fee for service contracts is recognized in the accompanying financial statements when the services have been performed.

NORTHERN WEST VIRGINIA CENTER FOR INDEPENDENT LIVING, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

DEFERRED REVENUE

Deferred revenue represents unexpended funds received as of September 30, 2014. Deferred revenue are funds owed to funding sources or are approved for use in ongoing or future programs.

INCOME TAXES

Northern West Virginia Center For Independent Living, Inc. is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Management believes the Organization is no longer subject to income tax examination for years prior to 2011.

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

CONTRIBUTIONS

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted depending on the existence and/or nature of any donor restrictions. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are received. Gifts of long-lived assets received without stipulation about how long the asset must be used or other donor restriction are recorded as unrestricted support.

CASH AND CASH EQUIVALENTS

For purposes of the statement of cash flows, the Organization considers all unrestricted highly liquid investments with an original maturity of three months or less to be cash equivalents.

ADVERTISING COSTS

Advertising costs totaling \$7,860 for the year ended September 30, 2014 are charged to operations when incurred.

FUNCTIONAL CLASSIFICATION OF EXPENSES

The cost of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefitted.

NORTHERN WEST VIRGINIA CENTER FOR INDEPENDENT LIVING, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2014

NOTE 2 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following at September 30, 2014:

Resource Center Equipment	\$	14,870
Furniture and Equipment		44,661
Leasehold Improvements		<u>24,577</u>
		84,108
Less: Accumulated Depreciation		<u>(84,108)</u>
Property and Equipment, Net	\$	<u><u>-0-</u></u>

Depreciation expense for the year ended September 30, 2014 totaled \$478.

NOTE 3 - LINE OF CREDIT

Line of credit to a bank, maximum amount \$40,000, interest is payable monthly at a variable rate of 1% above the Wall Street Journal U.S. prime rate (5.0% at September 30, 2014), due September, 2015, unsecured.	\$	23,111
Less current maturities included in current liabilities		<u>(23,111)</u>
Long-term portion	\$	<u><u>-0-</u></u>

Interest expense for the year ended September 30, 2014 totaled \$1,283.

At September 30, 2014, the Organization had \$16,889 remaining unused on the line of credit as disclosed above.

NOTE 4 - OPERATING LEASES

Northern West Virginia Center for Independent Living, Inc. leases facilities under operating leases expiring in fiscal year ending September 30, 2016. These leases can, however, be cancelled based on the lack of adequate funding levels. Total rent expense charged to operations during the year ended September 30, 2014 amounted to \$27,789.

Certain operating leases provide for renewal options. In the normal course of business, operating leases are generally renewed or replaced by other leases.

Northern West Virginia Center for Independent Living, Inc. also leases storage space on a quarterly and monthly basis. Total rent expense charged to operations during the year ended September 30 2014 amounted to \$3,893.

Northern West Virginia Center for Independent Living, Inc. also leases copiers and postage machines under operating leases expiring in fiscal year ending September 30, 2015. Total rent expense charged to operations during the year ended September 30, 2014 amounted to \$5,768.

NORTHERN WEST VIRGINIA CENTER FOR INDEPENDENT LIVING, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2014

NOTE 4 - OPERATING LEASES (CONTINUED)

Minimum future rental payments under non-cancelable operating leases total \$4,114 for the fiscal year ending September 30, 2015.

NOTE 5 - RETIREMENT PLAN

The organization sponsors a tax-sheltered annuity deferred compensation plan (403(b) plan). Under the plan, the Organization contributes 4% of the salary of each eligible employee. Additionally, employees are permitted to make elective deferrals from their salary up to amounts allowed under federal law. Contributions totaling \$8,014 were charged to operations during the fiscal year ended September 30, 2014.

NOTE 6 - CONCENTRATION OF CREDIT RISK

Northern West Virginia Center for Independent Living, Inc. provides various services to individuals with disabilities in northern West Virginia on a third-party reimbursement basis. The Organization bills the various funding sources in accordance with contractual agreements without requiring collateral or any other security. Grants and other receivables have been adjusted for all known uncollectible accounts. An allowance for bad debts has not been set up as the amount is not considered material.

The Organization maintains all of its cash balances with a local financial institution. At September 30, 2014, accounts at this financial institution were insured by the Federal Deposit Insurance Corporation up to \$250,000. The Organization had no bank balances in excess of the FDIC coverage at this financial institution at September 30, 2014.

NOTE 7 - CONTINGENCIES

In the normal course of operations, the Organization receives grant funds from various federal and state agencies. The grant programs are subject to audit by the granting authorities for the purpose of ensuring compliance with the conditions of the awards. Any liability for the reimbursement which may arise as a result of these audits is not believed to be material.

NOTE 8 - CONTRIBUTED SERVICES

The Organization receives contributed services for its Fair Housing Initiatives Program in the nature of program development and support. No amounts have been recognized in the statement of activities because the criteria for recognition under the Not For Profit Topic of the FASB Accounting Standards Codification have not been satisfied.

NORTHERN WEST VIRGINIA CENTER FOR INDEPENDENT LIVING, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2014

NOTE 9 - CONCENTRATION OF GRANT REVENUE SOURCE

The Organization is funded primarily by Grant Awards from the U. S. Department of Education, U.S. Department of Housing and Urban Development, West Virginia Department of Health and Human Resources, and West Virginia Division of Rehabilitation Services. Revenues recognized under grant awards from these agencies totaled \$279,546, \$179,497, \$170,597 and \$157,190, respectively for the year ended September 30, 2014. A significant reduction in the level of funding from these sources, if it were to occur, may have a material effect on the Organization's operations.

NOTE 10 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes or periods:

Peer support	\$ <u>1,000</u>
Total	\$ <u>1,000</u>

Net assets were released from restriction during 2014 by incurring expenses satisfying the purpose specified by the donor as follows:

Operating costs of Elkins office	\$ <u>5,000</u>
Total restrictions released	\$ <u>5,000</u>

NOTE 11 - SUBSEQUENT EVENTS

Management has reviewed events occurring subsequent to September 30, 2014 through January 10, 2015 (the date the financial statements were available to be issued) for possible adjustment to, or disclosure in, the accompanying financial statements as required by the Subsequent Events Topic of the FASB Accounting Standards Codification.

ADDITIONAL INFORMATION

NORTHERN WEST VIRGINIA CENTER FOR INDEPENDENT LIVING, INC.
 SCHEDULE OF SUPPORT AND REVENUE,
 EXPENSES AND CHANGES IN NET ASSETS
 YEAR ENDED SEPTEMBER 30, 2014

	Independent Living-State Grants <u>Part B</u>	Assistive Technology <u>WVATS</u>	National Institute on Disability and Rehabilitation <u>Research - DBTAC</u>
SUPPORT AND REVENUE			
Grant revenue -			
federal/state/pass-through	\$ 63,766	\$ 5,236	\$ 8,482
Other grants and contributions	-0-	-0-	-0-
Program and other income	<u>-0-</u>	<u>-0-</u>	<u>292</u>
TOTAL SUPPORT AND REVENUE	<u>63,766</u>	<u>5,236</u>	<u>8,774</u>
EXPENSES			
Salaries and benefits	39,245	-0-	10,382
Travel and training	342	-0-	-0-
Consumable supplies	362	-0-	-0-
Vehicles, equipment and property	1,164	5,236	-0-
Contractual and consultants	4,729	-0-	-0-
Communications	1,362	-0-	-0-
Specific assistance to individuals	-0-	-0-	-0-
Printing and publications	53	-0-	-0-
Occupancy	5,730	-0-	-0-
Indirect costs	9,404	-0-	2,488
Other	<u>1,375</u>	<u>-0-</u>	<u>-0-</u>
TOTAL EXPENSES	<u>63,766</u>	<u>5,236</u>	<u>12,870</u>
INCREASE (DECREASE) IN NET ASSETS	-0-	-0-	(4,096)
NET ASSETS BEGINNING OF YEAR	-0-	-0-	-0-
TRANSFER IN (OUT)	<u>-0-</u>	<u>-0-</u>	<u>4,096</u>
NET ASSETS END OF YEAR	\$ <u><u>-0-</u></u>	\$ <u><u>-0-</u></u>	\$ <u><u>-0-</u></u>

<u>Centers for Independent Living - DOE</u>	<u>Block Grants For Community Mental Health Services and Maternal and Child Health Services Block Grants to the States - FS</u>	<u>Fair Housing Initiatives Program - HUD</u>
\$ 223,676	\$ 83,006	\$ 179,497
-0-	-0-	-0-
<u>-0-</u>	<u>460</u>	<u>-0-</u>
<u>223,676</u>	<u>83,466</u>	<u>179,497</u>
114,706	-0-	59,860
14,941	-0-	15,927
4,516	-0-	7,690
3,094	-0-	1,744
13,067	-0-	59,832
9,247	-0-	3,696
10,715	83,466	1,774
828	-0-	184
15,264	-0-	7,780
27,486	-0-	14,343
<u>9,812</u>	<u>-0-</u>	<u>6,667</u>
<u>223,676</u>	<u>83,466</u>	<u>179,497</u>
-0-	-0-	-0-
754	-0-	-0-
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
\$ <u>754</u>	\$ <u>-0-</u>	\$ <u>-0-</u>

NORTHERN WEST VIRGINIA CENTER FOR INDEPENDENT LIVING, INC.
SCHEDULE OF SUPPORT AND REVENUE, EXPENSES AND CHANGES IN NET ASSETS
YEAR ENDED SEPTEMBER 30, 2014

	Education and Training To End Violence Against and Abuse of Women <u>With Disabilities - FRIS</u>	Community Living Services Program <u>CLSP</u>
SUPPORT AND REVENUE		
Grant revenue -		
federal/state/pass-through	\$ 2,760	\$ 157,190
Other grants and contributions	-0-	2,000
Program and other income	<u>213</u>	<u>-0-</u>
TOTAL SUPPORT AND REVENUE	<u>2,973</u>	<u>159,190</u>
EXPENSES		
Salaries and benefits	1,755	34,957
Travel and training	44	1,705
Consumable supplies	20	1,224
Vehicles, equipment and property	60	739
Contractual and consultants	242	3,182
Communications	49	793
Specific assistance to individuals	-0-	102,888
Printing and publications	6	25
Occupancy	330	4,361
Indirect costs	421	8,794
Other	<u>46</u>	<u>522</u>
TOTAL EXPENSES	<u>2,973</u>	<u>159,190</u>
INCREASE (DECREASE) IN NET ASSETS	-0-	-0-
NET ASSETS BEGINNING OF YEAR	-0-	-0-
TRANSFER IN (OUT)	<u>-0-</u>	<u>-0-</u>
NET ASSETS END OF YEAR	\$ <u><u>-0-</u></u>	\$ <u><u>-0-</u></u>

Traumatic Brain Injury Program	Other Programs	Total
\$ 34,840 44,615 <u>-0-</u>	\$ -0- 18,631 <u>4,232</u>	\$ 758,453 65,246 <u>5,197</u>
<u>79,455</u>	<u>22,863</u>	<u>828,896</u>
-0- -0- -0- -0- -0- -0- 79,455	406 (5) 1,224 -0- -0- 19 12,024	261,311 32,954 15,036 12,037 81,052 15,166 290,322
-0- -0- -0- <u>-0-</u>	-0- 5,000 96 <u>4,066</u>	1,096 38,465 63,032 <u>22,488</u>
<u>79,455</u>	<u>22,830</u>	<u>832,959</u>
-0-	33	(4,063)
-0-	31,453	32,207
<u>-0-</u>	<u>(4,096)</u>	<u>-0-</u>
\$ <u>-0-</u>	\$ <u>27,390</u>	\$ <u>28,144</u>

NORTHERN WEST VIRGINIA CENTER FOR INDEPENDENT LIVING, INC.
 SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
 YEAR ENDED SEPTEMBER 30, 2014

<u>Federal or State Grantor/Pass-Through Grantor/Program Title</u>	<u>Agency/ Pass-Through Number</u>
FEDERAL AWARDS	
Department of Education Centers for Independent Living	HI32A930085-13
Pass-Through West Virginia Division of Rehabilitation Services: Independent Living - State Grants Independent Living - State Grants	DRS130483 DRS140426
Pass-Through West Virginia University: Assistive Technology Assistive Technology	N/A N/A
Pass-Through TransCen, Inc.: National Institute on Disability Rehabilitation and Research	HI33A110017
TOTAL DEPARTMENT OF EDUCATION	
Department of Health and Human Services Pass-through West Virginia Department of Health and Human Resources: Block grants for Community Mental Health Services Maternal and Child Health Services Block Grants to the States	G140480 G140480
TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES	
Department of Housing and Urban Development Fair Housing Initiatives Program Fair Housing Initiatives Program	FH800G12052 FH800G13004
TOTAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT	

<u>Program Period</u>	<u>Program or Award Amount</u>	<u>Expenditures</u>
10/01/13 - 09/30/14	\$ 220,198	\$ 201,770
05/01/13 - 09/30/14	78,379	55,412
05/01/14 - 09/30/15	76,214	8,354
10/01/12 - 09/15/13	6,000	130
10/01/13 - 09/15/14	6,000	5,106
10/01/13 - 09/30/14	12,960	<u>8,482</u>
		<u>279,254</u>
10/01/13 - 09/30/14	23,000	9,049
10/01/13 - 09/30/14	12,000	<u>4,721</u>
		<u>13,770</u>
08/01/12 - 10/31/13	143,571	4,522
12/01/13 - 11/30/14	240,401	<u>174,975</u>
		<u>179,497</u>

**NORTHERN WEST VIRGINIA CENTER FOR INDEPENDENT LIVING, INC.
 SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
 YEAR ENDED SEPTEMBER 30, 2014**

<u>Federal or State Grantor/Pass-Through Grantor/Program Title</u>	<u>Agency/ Pass-Through Number</u>
FEDERAL AWARDS	
Department of Justice	
Pass-Through West Virginia Foundation for Rape Information and Services, Inc.:	
Education and training to end violence against and abuse of women with disabilities	N/A
Education and training to end violence against and abuse of women with disabilities	N/A
TOTAL DEPARTMENT OF JUSTICE	
TOTAL FEDERAL AWARDS	
STATE AWARDS	
West Virginia Division of Rehabilitation Services	
Community Living Services Program	DRS130259
Community Living Services Program	DRS140042
Community Living Services Program	DRS150000
TOTAL WEST VIRGINIA DIVISION OF REHABILITATION SERVICES	
West Virginia Department of Health and Human Resources	
Family Support	G140036
Peer Support	G140480
Traumatic Brain Injury Program	G150397
TOTAL WEST VIRGINIA DEPARTMENT OF HEALTH AND HUMAN RESOURCES	
TOTAL STATE AWARDS	
TOTAL FEDERAL AND STATE AWARDS	

Program Period

Program or
Award Amount

Expenditures

10/01/12 - 09/30/13

\$ 5,000

\$ 960

04/01/13 - 10/31/13

1,800

1,800

2,760

475,281

10/01/12 - 09/30/14

87,320

54,337

07/01/13 - 06/30/14

125,000

91,834

07/01/14 - 06/30/15

125,000

11,019

157,190

07/01/13 - 10/31/14

94,074

83,006

10/01/13 - 09/31/14

20,682

8,136

07/01/14 - 06/30/15

350,000

34,840

125,982

283,172

\$ 758,453

**INDEPENDENT AUDITOR'S REPORT ON
INTERNAL CONTROL AND ON COMPLIANCE**

Ware & Hall, PLLC

Certified Public Accountants

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Daniel J. Ware, CPA
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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*

Board of Directors
Northern West Virginia Center for Independent Living, Inc.
Morgantown, 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 Northern West Virginia Center for Independent Living, Inc. (a nonprofit organization), which comprise the statement of financial position as of September 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 January 10, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Northern West Virginia Center for Independent Living, 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 Northern West Virginia Center for Independent Living, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Northern West Virginia Center for Independent Living, 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, we identified one deficiency in internal control that we consider to be a material weakness.

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 statement will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings as item 2014-001 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Northern West Virginia Center for Independent Living, 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*.

Northern West Virginia Center for Independent Living, Inc.'s Response to Findings

Northern West Virginia Center for Independent Living, Inc.'s response to the findings identified in our audit is described in the accompanying corrective action plan. Northern West Virginia Center for Independent Living, Inc.'s response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Ware & Hall PLLC

Huntington, West Virginia
January 10, 2015

DHHR - Finance

MAR 30 2015

Date Received

SCHEDULE OF FINDINGS

NORTHERN WEST VIRGINIA CENTER FOR INDEPENDENT LIVING, INC.
SCHEDULE OF FINDINGS
YEAR ENDED SEPTEMBER 30, 2014

2014 - 001 Accounts Payable Cut-off

Condition: We noted errors in the September 30, 2014 accounts payable cut-off. We discovered \$42,484 of unrecorded accounts payable at September 30, 2014.

Criteria: Generally accepted accounting principles require the recognition of expenses in the period in which they relate in accordance with the accrual basis of accounting.

Cause: Effective review procedures have not been implemented to ensure proper cut-off for recording the Organization's accounts payable.

Effect: Accounts payable were understated by \$42,484 in the Organization's September 30, 2014 financial statements. The necessary adjusting journal entry was made during the audit to correct the errors.

Recommendation: Review procedures should be strengthened over recording of accounts payable to ensure proper cut-off.

CORRECTIVE ACTION PLAN



...Breaking Barriers... Bridging Paths to Independence

2014-001 Accounts Payable Cut-off

Condition: We noted errors in the September 30, 2014 accounts payable cut-off. We discovered \$42,484 of the unrecorded accounts payable at September 30, 2014.

Criteria: Generally accepted accounting principles require the recognition of expenses in the period in which they relate in accordance with the accrual basis of accounting.

Cause: Effective review procedures have not been implemented to ensure proper cut-off for recording the Organization's accounts payable.

Effect: Accounts payable were understated by \$42,484 in the Organization's September 30, 2014 financial statements. The necessary adjusting journal entry was made during the audit to correct the errors.

Recommendation: Review procedures should be strengthened over recording of accounts payable to ensure proper cut-off.

Corrective Action: These funds were pass thru dollars funded on a different funding cycle than the agencies fiscal year. NWVCIL will initiate procedures to ensure that all accounts payable are properly recorded and verified on a monthly basis.

DHHR - Finance

MAR 30 2015

Date Received

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