

AIDS TASK FORCE OF THE UPPER OHIO VALLEY, INC.
REPORTING PACKAGE
FOR THE YEAR ENDED MARCH 31, 2014

DHHR - Finance

OCT -8 2014

Date Received

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of AIDS Task Force of the Upper Ohio Valley, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of AIDS Task Force of the Upper Ohio Valley, Inc. (a nonprofit organization) which comprise the statement of financial position as of March 31, 2014, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 AIDS Task Force of the Upper Ohio Valley, Inc. as of March 31, 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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards and Schedule of West Virginia State Grant Receipts and Expenditures, as required by Office of Management and Budget A-133, *Audits of States, Local Governments and Non-Profit Organizations*, and West Virginia Code §12-4-14, respectively, 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 Schedule of Expenditures of Federal Awards and Schedule of West Virginia State Grant Receipts and Expenditures are 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 August 1, 2014, on our consideration of AIDS Task Force of the Upper Ohio Valley, 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 the 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 AIDS Task Force of the Upper Ohio Valley, Inc.'s internal control over financial reporting and compliance.


Costanzo & Associates, PLLC
Wheeling, WV
October 3, 2014

DHHR - Finance

OCT - 8 2014

Date Received

AIDS TASK FORCE OF THE UPPER OHIO VALLEY, INC.
STATEMENT OF FINANCIAL POSITION
MARCH 31, 2014

ASSETS:

Cash and cash equivalents:

Unrestricted cash	\$ 468,558
Grant receivable	337,419
Other receivables	4,508
Prepaid expenses	<u>333,854</u>

Total assets \$ 1,144,339

LIABILITIES:

Accounts payable	\$ 2,977
Total liabilities	<u>\$ 2,977</u>

NET ASSETS:

Unrestricted	\$ 1,141,362
Total net assets	<u>\$ 1,141,362</u>
Total liabilities and net assets	<u><u>\$ 1,144,339</u></u>

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

AIDS TASK FORCE OF THE UPPER OHIO VALLEY, INC.
STATEMENT OF ACTIVITIES
MARCH 31, 2014

	<u>Unrestricted</u>
Support and revenue	
WV Department of Health and Human Resource Grant	\$ 997,687
Other Grant	4,000
Service agreements	16,999
Contributions from the public	11,866
Interest income	2,236
Other revenue	3,020
Total support and revenue	<u>1,035,808</u>
Expenses	
Program services	
Care and support services	878,672
Supporting services	
Management and general	4,567
Total expenses	<u>883,239</u>
Change in net assets	152,569
Net assets at beginning of period	<u>988,793</u>
Net assets at end of period	<u><u>\$ 1,141,362</u></u>

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

AIDS TASK FORCE OF THE UPPER OHIO VALLEY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
MARCH 31, 2014

	Program Services	Supporting Services	
	Care and Support Services	Management and General	Total
Salaries and wages	\$ 267,360	\$ -	\$ 267,360
Payroll taxes	23,372	-	23,372
Employee benefits	2,700	-	2,700
Emergency assistance	139,576	1,536	141,112
Dental expense	142,367	-	142,367
Insurance	38,025	-	38,025
Prescriptions	54,598	-	54,598
Mental health	131	-	131
Primary care	2,787	-	2,787
Client transportation	45,512	-	45,512
Needs assessment	5,940	-	5,940
ADAP insurance	30,259	75	30,334
Substance Abuse treatment	12,601	-	12,601
Rent expense	6,745	-	6,745
Professional services	25,800	2,200	28,000
Equipment	21,395	-	21,395
Travel expense	37,383	-	37,383
Office expense	13,218	-	13,218
Telephone and internet	8,104	-	8,104
Miscellaneous	799	756	1,555
	<u>\$ 878,672</u>	<u>\$ 4,567</u>	<u>\$ 883,239</u>

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

AIDS TASK FORCE OF THE UPPER OHIO VALLEY, INC.
STATEMENT OF CASH FLOWS
MARCH 31, 2014

Cash flows from operating activities:	
Change in net assets	\$ 152,569
Increase in operating assets:	
Increase in grant receivable	(198,733)
Increase in accounts receivable	(4,508)
Increase in prepaid expenses	(134,603)
Decrease in operating liabilities:	
Decrease in accounts payable	<u>(3,302)</u>
Net cash used by operating activities	<u>(188,577)</u>
Decrease in cash and cash equivalents	(188,577)
Cash and cash equivalents at beginning of period	<u>657,135</u>
Cash and cash equivalents at end of period	<u><u>\$ 468,558</u></u>

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

AIDS TASK FORCE OF THE UPPER OHIO VALLEY, INC.
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2014

1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES:

Nature of activities: AIDS Task Force of the Upper Ohio Valley, Inc. (the Organization) is a nonprofit organization incorporated in the state of West Virginia to address the specific health, social, and emotional needs of its clients. The Organization's clients are individuals with Acquired Immune Deficiency Syndrome. The Organization's mission is to address the associated needs of families, partners, and friends of clients, develop programs which will provide assistance to the population at risk, and support educational programs for the public at large.

Basis of accounting: Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) topic, *Financial Statements of Not-for-Profit Organizations*. The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities.

Net asset accounting: Under FASB, the Organization is required to report limitations, designations, and restrictions placed on the use of resources available to the Organization according to three classes of net assets:

Unrestricted Net Assets - Unrestricted net assets represent net assets that are not subject to donor imposed restrictions. Contributions are considered to be available for unrestricted use unless specifically restricted by the donor.

Temporarily Restricted Net Assets - Temporarily restricted net assets are assets subject to donor-imposed restrictions that may or will be met, either by actions of the Organization and/or the passage of time. When a restriction is satisfied, temporarily restricted net assets are transferred to unrestricted net assets and are reported in the statement of activities as net assets released from restrictions.

Permanently Restricted Net Assets - Permanently restricted net assets are subject to donor-imposed restrictions that neither expire with the passage of time nor can be met and removed by actions of the Organization.

Cash and cash equivalents: The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Deposits in excess of insurance coverage (FDIC) represents concentrations of credit risk. At March 31, 2014, the Organization had \$63,563 of deposits in excess of federal insured limits (\$250,000).

Property, plant and equipment: It is the Organization's policy to capitalize property and equipment over \$5,000. Lesser amounts are expensed. Purchased property and equipment is capitalized at cost.

Functional expenses: Expenses are charged directly to program and management and general categories based on specific identification.

AIDS TASK FORCE OF THE UPPER OHIO VALLEY, INC.
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2014

Support and revenue: Support and revenue received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions. When donor restrictions are accomplished, temporarily restricted net assets are reclassified to unrestricted net assets. Restricted support and revenue whose restrictions are met within the same year are reported as unrestricted.

Use of Estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Income taxes: The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and, therefore, has made no provision for federal income taxes in the accompanying financial statements. In addition, the Organization has been determined by the Internal Revenue Service not to be a "private foundation" within the meaning of Section 509(a) of the Internal Revenue Code. There was no unrelated business income in 2014. The Organization's Forms 990, Return of Exempt from Income Tax, for the years ending 2011, 2012, and 2013 are subject to examination by the IRS, generally for three years after they are filed.

2. CONCENTRATION OF CREDIT RISK FOR REVENUE SOURCE:

The Organization is the recipient of a grant from the West Virginia Department of Health and Human Resources. The grant's purpose basically coincides with the Organization's program. The West Virginia Department of Health and Human Resources grant is a significant source of revenue for the Organization. A significant reduction in the level of this support, if such were to occur, would have a material effect on the Organization.

3. NONCOMPLIANCE WITH GRANTOR RESTRICTIONS:

Financial awards from federal, state, and local governmental entities in the form of grants are subject to special audit. Such audits could result in claims against the Organization for disallowed costs or noncompliance with grantor restrictions. No provision has been made for any liabilities that may arise from such audits since the amounts, if any, cannot be determined at this date.

4. EVALUATION OF SUBSEQUENT EVENTS:

The Organization has evaluated subsequent events through October 3, 2014, the date the financial statements were available to be issued.

AIDS TASK FORCE OF THE UPPER OHIO VALLEY, INC.
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED MARCH 31, 2014

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Health and Human Services:			
Pass-through programs from:			
WV Department of Health and Human Resources:			
HIV Care Formula Grants	93.917	G130824	947,687
Total WV Department of Health and Human Resources			<u>947,687</u>
Total pass-through programs			<u>947,687</u>
Total U.S. Department of Health and Human Services			<u>947,687</u>
Total expenditures of federal awards			<u>\$ 947,687</u>

See accompanying notes to schedule of expenditure of federal awards.

AIDS TASK FORCE OF THE UPPER OHIO VALLEY, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED MARCH 31, 2014

NOTE A. BASIS OF PRESENTATION:

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of AIDS Task Force of the Upper Ohio Valley, Inc. under programs of the federal government for the year ended March 31, 2014. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Because the Schedule presents only a selected portion of the operations of AIDS Task Force of the Upper Ohio Valley, Inc. it is not intended to and does not present the financial position, changes in net assets, or cash flows of AIDS Task Force of the Upper Ohio Valley, Inc.

NOTE B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

(1) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-122, *Cost Principles for Non-profit Organizations*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

(2) Pass-through entity identifying numbers are presented where available.

AIDS TASK FORCE OF THE UPPER OHIO VALLEY, INC.
 SCHEDULE OF WEST VIRGINIA STATE GRANT RECEIPTS AND EXPENDITURES
 FOR THE YEAR ENDED MARCH 31, 2014

Awarding Agency: Grant Name	Grant ID Number	Period of Award	Total Grant	Total Receipts	Total Expenditures	Unexpended Balance	Receivable Balance
WV Department of Health and Human Resources: Casework Grant	G130824	4/01/13-3/31/14	\$ 50,000	\$ 50,000	\$ 50,000	\$ -	\$ -
			<u>\$ 50,000</u>	<u>\$ 50,000</u>	<u>\$ 50,000</u>	<u>\$ -</u>	<u>\$ -</u>

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



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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

To the Board of AIDS Task Force of the Upper Ohio Valley, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the AIDS Task Force of the Upper Ohio Valley, Inc. (a nonprofit organization), which comprise the statement of financial position as of March 31, 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 October 3, 2014.

Internal Control over Financial Reporting

In planning and performing our audit, we considered AIDS Task Force of the Upper Ohio Valley, 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 AIDS Task Force of the Upper Ohio Valley, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Organization'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.

Aids Task Force of the Upper Ohio Valley, Inc.
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October 3, 2014


Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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 AIDS Task Force of the Upper Ohio Valley, Inc.'s financial statements are free of 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*.

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.



Costanzo & Associates, PLLC
Wheeling, WV
October 3, 2014



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB
CIRCULAR A-133

To the Board of Directors AIDS Task Force of the Upper Ohio Valley, Inc.

Report on Compliance for Each Major Federal Program

We have audited AIDS Task Force of the Upper Ohio Valley, Inc.'s compliance with the types of compliance requirements described in the (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of AIDS Task Force of the Upper Ohio Valley, Inc.'s major federal programs for the year ended March 31, 2014. AIDS Task Force of the Upper Ohio Valley, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of AIDS Task Force of the Upper Ohio Valley, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about AIDS Task Force of the Upper Ohio Valley, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of AIDS Task Force of the Upper Ohio Valley, Inc.'s compliance.

Basis for Qualified Opinion on CFDA 93.917 HIV Care Formula Grants

As described in the accompanying schedule of findings and questionable costs, we were unable to obtain sufficient documentation supporting compliance of AIDS Task Force of the Upper Ohio Valley, Inc. with CFDA 93.917 HIV Care Formula as described in finding number 2014-001 for Allowable Costs, nor were we able to satisfy ourselves as to AIDS Task Force of the Upper Ohio Valley, Inc.'s compliance with those requirements by other auditing procedures.

Qualified Opinion on CFDA 93.917 HIV Care Formula Grants

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, AIDS Task Force of the Upper Ohio Valley, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on CFDA 93.917 HIV Care Formula Grants for the year ended March 31, 2014.

Other Matters

The results of our auditing procedures disclosed other instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 2014-001. Our opinion on each major federal program is not modified with respect to these matters.

AIDS Task Force of the Upper Ohio Valley, Inc.'s response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. AIDS Task Force of the Upper Ohio Valley, Inc.'s response was not subjected to the auditing procedures applied in the audit of compliance and accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Management of AIDS Task Force of the Upper Ohio Valley, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered AIDS Task Force of the Upper Ohio Valley, Inc.'s internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of AIDS Task Force of the Upper Ohio Valley, Inc.'s internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing

their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2014-001 that we consider to be significant deficiencies.

AIDS Task Force of the Upper Ohio Valley, Inc.'s response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. AIDS Task Force of the Upper Ohio Valley, Inc.'s response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, the report is not suitable for any other purpose.



Costanzo & Associates, PLLC
Wheeling, WV
October 3, 2014

AIDS TASK FORCE OF THE UPPER OHIO VALLEY, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED MARCH 31, 2014

SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unmodified opinion on the financial statements of AIDS Task Force of the Upper Ohio Valley, Inc.
2. No significant deficiencies relating to the audit of the financial statements are reported in the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and on Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*. No material weaknesses are reported.
3. No instances of noncompliance material to the financial statements of AIDS Task Force of the Upper Ohio Valley, Inc., which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. One significant deficiency in internal control over major federal award programs disclosed during the audit is reported in the Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by OMB Circular A-133. No material weaknesses are reported.
5. The auditor's report on compliance for HIV Care Formula Grants expresses a qualified opinion.
6. Audit findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133 and reported in this Schedule.
7. The program tested as major programs was: HIV Care Formula Grants CFDA 93.917.
8. The threshold used for distinguishing between Type A and B programs was \$300,000.
9. AIDS Task Force of the Upper Ohio Valley, Inc. did not qualify as a low-risk auditee.

FINDINGS – FINANCIAL STATEMENTS AUDIT

None

AIDS TASK FORCE OF THE UPPER OHIO VALLEY, INC.
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 YEAR ENDED MARCH 31, 2014

**FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS
 AUDIT**

		<u>Questioned Costs</u>
	DEPARTMENT OF HEALTH AND HUMAN SERVICES	
2014-001	HIV Care Formula Grants – CFDA #93.917; Grant No. G130824; Year ending March 31, 2014	
	<i>Condition and Criteria:</i> Prepaid vouchers for client services were purchased in excess of that allowable by the program.	
	<i>Effect:</i> The purchase price is subject to disallowance and is, therefore, considered a questioned cost.	
	<i>Cause:</i> This occurred because no procedures are in place to analyze the prepaid vouchers to ensure the costs incurred are reasonable based on the client services being provided.	
	<i>Context:</i> Analytic review of beginning and ending prepaid voucher balance resulted in a material increase in the balance. Therefore, we extended our test of prepaid vouchers for client services. We examined 11 invoices for expenses charged to emergency assistance and client transportation totaling \$313,177 of the total \$947,687 reimbursed by the HIV Care Formula Grants. This resulted in questioned costs totaling \$158,145.	\$158,145
	<i>Auditor's Recommendation:</i> A procedure should be put into place and executed to track current prepaid voucher balances compared to program expenditures for client services to ensure that prepaid voucher balances are reasonable.	
	<i>Views of Responsible Officials and Planned Corrective Actions:</i> The recommended procedure has been established.	
	Total – Department of Health and Human Services	<u>\$158,145</u>
	Total	\$158,145



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Significant Deficiency

2014 – 1 HIV Care Formula Grants – CFDA #93.917; Grant No. G130824; Year ending March 31, 2014

Condition and Criteria: Prepaid vouchers for client services were purchased in excess of that allowable by the program.

Effect: The purchase price is subject to disallowance and is, therefore, considered a questioned cost.

Cause: This occurred because no procedures are in place to analysis [sic] the prepaid vouchers to ensure the costs incurred are reasonable based on the client services being provided.

Context: Analytic review of beginning and ending prepaid voucher balance resulted in a material increase in the balance. Therefore, we extended our test of prepaid vouchers for client services. We examined 11 invoices for expenses charged to emergency assistance and client transportation totaling \$313,177.00 of the total \$947,687.00 reimbursed by the HIV Care Formula Grants. This resulted in questioned costs totaling \$158,145.

Auditor's Recommendation: A procedure should be put into place and executed to track current prepaid voucher balances compared to program expenditures for client services to ensure that prepaid voucher balances are reasonable.



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AIDS Task Force Response:

The AIDS Task Force, (ATF) has established a procedure to track the balances of prepaid vouchers that ensures that all costs incurred for prepaid vouchers are based on client services being provided.

Responsible Parties for the Corrective Action:

The tracking system will be monitored and implemented by HARRY J. ADAMS, (304-232-6822; jayadams@atfuov.org) with data provided by LARRY T. CHANCELLOR (304-232-6822; larrychancellor@atfuov.org).

Completion Date:

The completion date for the corrective action is September 1, 2014. The new policy is documented in the ATF Policies and Procedures Manual.

West Virginia Department of Health & Human Resources

Sworn Statement of Grant Receipts and Expenditures

(Please see the Instructions for Completion of the Sworn Statement of Grant Receipts and Expenditures located in the Grantee Audit Compliance Guide as Attachment D)

Grant Number:	Grantee Name:		
G130824	AIDS Task Force of the Upper Ohio Valley		
Grantee FEIN:	WVFIMS Vendor #:	Contact Phone Number:	
550679690	0000044284	(304) 232-6822	
Grantee Mailing Address:			
P.O. Box 6360, Wheeling, WV 26003			
Total Grant Amount:	Period Covered:		
\$1,034,700.00	April 1, 2013- March 31, 2014		

Grant Receipts				
Invoice Number	Invoice Period Covered	Invoice Amount	Date Received	Amount Received
13082420131	April 1- 30, 2013	\$39,162.81	07/29/13	\$39,162.81
13082420132	May 1- 31, 2013	\$37,728.85	08/02/13	37,728.85
13082420133	June 1- 30, 2013	\$71,399.80	08/19/13	71,399.80
13082420134	July 1- 31, 2013	\$49,043.11	09/18/13	49,043.11
13082420135	August 1- 31, 2013	\$96,528.81	10/22/13	96,528.81
13082420136	September 1- 30, 2013	\$63,651.89	11/22/13	\$63,651.89
13082420137	October 1- 31, 2013	\$64,577.96	12/30/13	\$64,577.96
13082420138	November 1- 30, 2013	\$119,342.78	01/24/14	\$119,342.78
13082420139	December 1- 31, 2013	\$57,714.85	02/14/14	\$57,714.85
130824201310	January 1- 31, 2014	\$61,116.82	03/21/14	\$61,116.82
130824201311	February 1- 28, 2014	\$154,361.22	04/23/14	\$154,361.22
130824201312	March 1- 31, 2014	\$183,057.92	06/02/14	\$183,057.92
Total Grant Receipts				\$997,686.82

Grant Expenditures		
Expenditures	Description/Examples	Amount Expended
Personnel	Salaries and Wages	\$256,800.33
Fringe Benefits		\$25,157.66
Equipment and Other Capital Expenditures		
Materials and Supplies	Office Supplies, Postage, Training	\$9,311.77
Professional Service Costs	Contracts, Consultants	\$26,389.97
Rental Costs	Office Space, Equipment	\$6,745.04
Other	Telephone, Utilities	\$673,282.05
Subgrants		
Indirect Cost		
Total Grant Expenditures		\$997,686.82

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
AIDS Task Force of the Upper Ohio Valley *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* CASH *basis of accounting and is supported by our financial records and related documentation.*

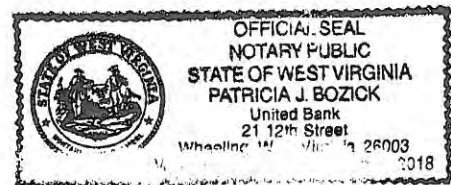
Authorized Signature: *Nancy J. Adams* Date: 06/03/14

Printed Name and Title: Harry J. Adams, President

Taken, sworn and subscribed before me this 3rd day of June, 2014

Notary Public Signature: *Patricia J. Bozick*

My Commission Expires: 08/08/18



DHHR - Finance

OCT - 8 2014

Revised 03/09

Date Received