

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

**FINANCIAL STATEMENTS WITH
ADDITIONAL INFORMATION**

YEAR ENDED SEPTEMBER 30, 2015

WITH INDEPENDENT AUDITOR'S REPORTS

DHHR - Finance

MAY 17 2016

Date Received

**NORTHERN WEST VIRGINIA CENTER FOR INDEPENDENT LIVING, INC.
FINANCIAL STATEMENTS WITH ADDITIONAL INFORMATION
YEAR ENDED SEPTEMBER 30, 2015**

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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, 2015, 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, 2015, 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 schedule of support and revenue, expenses and changes in net assets and schedule of expenditures of state awards, as presented in the schedule of expenditures of federal and state awards are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards, as presented in the schedule of expenditures of federal and state awards, as required by the Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is presented for the purpose of additional analysis and is also not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 30, 2016, 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
March 30, 2016

Ware & Hall PLLC

DHHR - Finance

MAY 17 2016

Date Received

NORTHERN WEST VIRGINIA CENTER FOR INDEPENDENT LIVING, INC.
STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2015

ASSETS

CURRENT ASSETS

Cash	\$ 6,060
Grants receivable	461,186
Accounts receivable	1,681
Prepaid expenses	<u>9,265</u>
TOTAL CURRENT ASSETS	478,192

PROPERTY AND EQUIPMENT, NET

292

TOTAL ASSETS

\$ 478,484

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$ 70,875
Line-of-credit payable	16,153
Accrued payroll and payroll taxes	16,057
Deferred revenue	<u>348,358</u>
TOTAL CURRENT LIABILITIES	<u>451,443</u>

NET ASSETS

Unrestricted	22,786
Temporarily restricted	<u>4,255</u>
TOTAL NET ASSETS	<u>27,041</u>

TOTAL LIABILITIES AND NET ASSETS

\$ 478,484

NORTHERN WEST VIRGINIA CENTER FOR INDEPENDENT LIVING, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2015

UNRESTRICTED NET ASSETS

SUPPORT AND REVENUE

GRANTS	
Federal/State/pass-through	\$ 926,733
Other grants and contributions	2,578
Program and other income	<u>11,105</u>
TOTAL UNRESTRICTED SUPPORT AND REVENUE	940,416

NET ASSETS RELEASED FROM RESTRICTIONS:

Restrictions satisfied by payments	<u>1,745</u>
TOTAL SUPPORT, REVENUE, AND RECLASSIFICATIONS	<u>942,161</u>

EXPENSES

PROGRAM SERVICES

Independent Living - State Grants Part B	48,078
Assistive Technology - WVATS	5,689
National Institute on Disability and Rehabilitation Research - DBTAC	2,072
Training Grant	8,098
Centers for Independent Living - DOE	98,405
Block Grants for Community Mental Health Services and	
Child Health Services Block Grants to the States - FS	3,274
Fair Housing Incentives Program - HUD	269,461
Centers for Independent Living - HHS	76,504
Educational and Training to End Violence Against and	
Abuse of Women With Disabilities - FRIS	2,502
Community Living Services Program -CLSP	126,951
Traumatic Brain Injury Program	133,842
Community Development Block Grant	3,278
Other Programs	<u>12,185</u>
TOTAL PROGRAM SERVICES	790,339

SUPPORTING SERVICES

Management and General	<u>156,180</u>
TOTAL EXPENSES	<u>946,519</u>

CHANGE IN UNRESTRICTED NET ASSETS (4,358)

TEMPORARILY RESTRICTED NET ASSETS

Contributions	5,000
Net assets released from restrictions	<u>(1,745)</u>

CHANGE IN TEMPORARILY RESTRICTED NET ASSETS 3,255

CHANGE IN PERMANENTLY RESTRICTED NET ASSETS -0-

CHANGE IN NET ASSETS (1,103)

NET ASSETS BEGINNING OF YEAR 28,144

NET ASSETS END OF YEAR \$ 27,041

NORTHERN WEST VIRGINIA CENTER FOR INDEPENDENT LIVING, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED SEPTEMBER 30, 2015

CASH FLOWS FROM OPERATING ACTIVITIES:	
Change in net assets	\$ (1,103)
Adjustments to reconcile change in net assets to net cash (used in) operating activities:	
Depreciation	656
(Increase) decrease in operating assets:	
Grants receivable	(204,785)
Accounts receivable	5,319
Prepaid expenses	(4,930)
Increase (decrease) in operating liabilities:	
Accounts payable	(52,772)
Accrued payroll and payroll taxes	1,362
Deferred revenue	<u>217,806</u>
NET CASH (USED IN) OPERATING ACTIVITIES	<u><u>(38,447)</u></u>
 CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of equipment	<u>(948)</u>
NET CASH (USED IN) INVESTING ACTIVITIES	<u><u>(948)</u></u>
 CASH FLOWS FROM FINANCING ACTIVITIES	
Net (decrease) in line-of-credit	<u>(6,958)</u>
NET CASH PROVIDED BY FINANCING ACTIVITIES	<u><u>(6,958)</u></u>
 NET (DECREASE) IN CASH	 (46,353)
 CASH AT BEGINNING OF YEAR	 <u>52,413</u>
 CASH AT END OF YEAR	 \$ <u><u>6,060</u></u>
 SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION	
Cash paid during the year for:	
Interest	\$ <u><u>480</u></u>
Income Taxes	\$ <u><u>-0-</u></u>

NORTHERN WEST VIRGINIA CENTER FOR INDEPENDENT LIVING, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

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 with 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, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

DEFERRED REVENUE

Deferred revenue represents unexpended funds received as of September 30, 2015. 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 2012.

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 \$9,404 for the year ended September 30, 2015 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, 2015

NOTE 2 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following at September 30, 2015:

Furniture and Equipment	\$	32,140
Leasehold Improvements		<u>24,577</u>
		56,717
Less: Accumulated Depreciation		<u>(56,425)</u>
Property and Equipment, Net	\$	<u><u>292</u></u>

Depreciation expense for the year ended September 30, 2015 totaled \$656.

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, 2015), due September, 2016, unsecured.	\$	16,153
Less current maturities included in current liabilities		<u>(16,153)</u>
Long-term portion	\$	<u><u>-0-</u></u>

Interest expense for the year ended September 30, 2015 totaled \$480.

At September 30, 2015, the Organization had \$23,847 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, 2015 amounted to \$29,550.

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 2015 amounted to \$3,835.

Northern West Virginia Center for Independent Living, Inc. also leases copiers and postage machines under operating leases expiring in fiscal year ending September 30, 2016. Total rent expense charged to operations during the year ended September 30, 2015 amounted to \$5,413.

NORTHERN WEST VIRGINIA CENTER FOR INDEPENDENT LIVING, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2015

NOTE 4 - OPERATING LEASES (CONTINUED)

Minimum future rental payments under non-cancelable operating leases total \$15,150 for the fiscal year ending September 30, 2016.

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 \$8,544 were charged to operations during the fiscal year ended September 30, 2015.

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, 2015, 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, 2015.

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, 2015

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, U.S. Department of Health and Human Services, West Virginia Department of Health and Human Resources, and West Virginia Division of Rehabilitation Services. Revenues recognized under grant awards from these agencies totaled \$167,177, \$316,323, \$105,190, \$165,736 and \$153,088, respectively for the year ended September 30, 2015. 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	\$ 505
Elkins office expenses	<u>3,750</u>
Total	\$ <u>4,255</u>

Net assets were released from restriction during 2015 by incurring expenses satisfying the purpose specified by the donor as follows:

Peer support	\$ 495
Operating costs of Elkins office	<u>1,250</u>
Total restrictions released	\$ <u>1,745</u>

NOTE 11 - SUBSEQUENT EVENTS

Management has reviewed events occurring subsequent to September 30, 2015 through March 30, 2016 (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, 2015**

	Independent Living-State Grants <u>Part B</u>	Assistive Technology <u>WVATS</u>	National Institute on Disability and Rehabilitation <u>Research - DBTAC</u>	Training <u>Grant</u>
SUPPORT AND REVENUE				
Grant revenue -				
federal/state/pass-through	\$ 64,502	\$ 6,893	\$ 3,654	\$ 9,724
Other grants and contributions	-0-	-0-	-0-	-0-
Program and other income	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
TOTAL SUPPORT AND REVENUE	<u>64,502</u>	<u>6,893</u>	<u>3,654</u>	<u>9,724</u>
EXPENSES				
Salaries and benefits	25,562	-0-	2,018	-0-
Travel and training	-0-	-0-	-0-	8,098
Consumable supplies	651	-0-	-0-	-0-
Vehicles, equipment and property	-0-	4,833	-0-	-0-
Contractual and consultants	-0-	-0-	-0-	-0-
Communications	748	-0-	-0-	-0-
Specific assistance to individuals	21,117	140	-0-	-0-
Printing and publications	-0-	-0-	-0-	-0-
Occupancy	-0-	700	-0-	-0-
Indirect costs	10,808	1,204	510	1,626
Other	<u>-0-</u>	<u>16</u>	<u>54</u>	<u>-0-</u>
TOTAL EXPENSES	<u>58,886</u>	<u>6,893</u>	<u>2,582</u>	<u>9,724</u>
INCREASE (DECREASE) IN NET ASSETS	5,616	-0-	1,072	-0-
NET ASSETS BEGINNING OF YEAR	-0-	-0-	-0-	-0-
TRANSFER IN (OUT)	<u>(5,616)</u>	<u>-0-</u>	<u>(1,072)</u>	<u>-0-</u>
NET ASSETS END OF YEAR	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>-0-</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>	<u>Centers for Independent Living - HHS</u>
\$ 120,647	\$ 2,480	\$ 318,745	\$ 92,669
-0-	-0-	-0-	-0-
<u>38</u>	<u>1,530</u>	<u>949</u>	<u>874</u>
<u>120,685</u>	<u>4,010</u>	<u>319,694</u>	<u>93,543</u>
75,059	-0-	146,979	55,990
11,880	-0-	14,542	11,663
5,231	-0-	14,840	5,002
77	-0-	-0-	77
-0-	-0-	72,698	-0-
2,379	-0-	4,386	1,502
2,925	3,274	-0-	-0-
-0-	-0-	8,531	-0-
-0-	-0-	-0-	-0-
22,280	736	57,926	17,039
854	<u>-0-</u>	<u>7,485</u>	<u>2,270</u>
<u>120,685</u>	<u>4,010</u>	<u>327,387</u>	<u>93,543</u>
-0-	-0-	(7,693)	-0-
754	-0-	-0-	-0-
<u>-0-</u>	<u>-0-</u>	<u>7,693</u>	<u>-0-</u>
\$ <u><u>754</u></u>	\$ <u><u>-0-</u></u>	\$ <u><u>-0-</u></u>	\$ <u><u>-0-</u></u>

NORTHERN WEST VIRGINIA CENTER FOR INDEPENDENT LIVING, INC.
SCHEDULE OF SUPPORT AND REVENUE, EXPENSES AND CHANGES IN NET ASSETS
YEAR ENDED SEPTEMBER 30, 2015

	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	\$ 3,065	\$ 153,089
Other grants and contributions	-0-	-0-
Program and other income	<u>-0-</u>	<u>141</u>
TOTAL SUPPORT AND REVENUE	<u>3,065</u>	<u>153,230</u>
EXPENSES		
Salaries and benefits	2,009	24,231
Travel and training	493	2,138
Consumable supplies	-0-	237
Vehicles, equipment and property	-0-	-0-
Contractual and consultants	-0-	-0-
Communications	-0-	419
Specific assistance to individuals	-0-	99,513
Printing and publications	-0-	-0-
Occupancy	-0-	-0-
Indirect costs	563	26,279
Other	<u>-0-</u>	<u>413</u>
TOTAL EXPENSES	<u>3,065</u>	<u>153,230</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	Community Development Block Grant	Other Programs	Total
\$ 147,258	\$ 4,007	\$ -0-	\$ 926,733
-0-	-0-	7,578	7,578
<u>317</u>	<u>8</u>	<u>7,248</u>	<u>11,105</u>
<u>147,575</u>	<u>4,015</u>	<u>14,826</u>	<u>945,416</u>
-0-	-0-	514	332,362
-0-	-0-	945	49,759
-0-	-0-	4,585	30,546
-0-	-0-	-0-	4,987
1,093	3,278	-0-	77,069
-0-	-0-	129	9,563
132,749	-0-	2,205	261,923
-0-	-0-	-0-	8,531
-0-	-0-	1,800	2,500
13,733	737	2,739	156,180
<u>-0-</u>	<u>-0-</u>	<u>2,007</u>	<u>13,099</u>
<u>147,575</u>	<u>4,015</u>	<u>14,924</u>	<u>946,519</u>
-0-	-0-	(98)	(1,103)
-0-	-0-	27,390	28,144
<u>-0-</u>	<u>-0-</u>	<u>(1,005)</u>	<u>-0-</u>
\$ <u><u>-0-</u></u>	\$ <u><u>-0-</u></u>	\$ <u><u>26,287</u></u>	\$ <u><u>27,041</u></u>

**NORTHERN WEST VIRGINIA CENTER FOR INDEPENDENT LIVING, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED SEPTEMBER 30, 2015**

<u>Federal or State Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>
FEDERAL AWARDS		
Department of Education		
Centers for Independent Living	84.132	H132A930085-14
Pass-Through West Virginia Division of Rehabilitation Services:		
Independent Living - State Grants	84.169	DRS140426
Pass-Through West Virginia University:		
Assistive Technology	84.224	N/A
Assistive Technology	84.224	N/A
Pass-Through TransCen, Inc.:		
National Institute on Disability Rehabilitation and Research	84.133	H133A110017
National Institute on Disability Rehabilitation and Research	84.133	H133A110017
TOTAL DEPARTMENT OF EDUCATION		
Department of Health and Human Services		
ACL Centers for Independent Living	93.432	90IL0150-01-01
Pass-through West Virginia Department of Health and Human Resources:		
Block grants for Community Mental Health Services	93.958	G150573
TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES		
Department of Housing and Urban Development		
Fair Housing Initiatives Program	14.418	FH800G12052
Fair Housing Initiatives Program	14.418	FH800G13004
Fair Housing Initiatives Program	14.418	FH700G14035
Pass-Through City of Morgantown, West Virginia:		
Community Development Block Grant	14.218	2015-9
TOTAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT		

<u>Program Period</u>	<u>Program or Award Amount</u>	<u>Expenditures</u>
10/01/14 - 03/31/15	\$ 92,127	\$ 92,127
05/01/14 - 09/30/15	76,214	64,502
10/01/13 - 09/15/14	6,000	894 1)
10/01/14 - 09/15/15	6,000	6,000 1)
10/01/13 - 09/30/14	12,960	2,538 2)
10/01/14 - 09/30/15	12,960	<u>1,116</u> 2)
		<u>167,177</u>
04/01/15 - 09/29/15	128,071	92,669
10/01/14 - 09/30/15	18,000	<u>12,521</u>
		<u>105,190</u>
08/01/12 - 10/31/13	143,571	1,933 3)
12/01/13 - 11/30/14	240,401	65,426 3)
12/15/14 - 12/15/15	324,956	244,957 3)
07/01/15 - 06/30/16	7,282	<u>4,007</u>
		<u>316,323</u>

**NORTHERN WEST VIRGINIA CENTER FOR INDEPENDENT LIVING, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED SEPTEMBER 30, 2015**

<u>Federal or State Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying 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	16.529	N/A
Education and training to end violence against and abuse of women with disabilities	16.529	N/A
TOTAL DEPARTMENT OF JUSTICE		
TOTAL FEDERAL AWARDS		
STATE AWARDS		
West Virginia Division of Rehabilitation Services		
Community Living Services Program	N/A	DRS130259
Community Living Services Program	N/A	DRS150000
Community Living Services Program	N/A	N/A
TOTAL WEST VIRGINIA DIVISION OF REHABILITATION SERVICES		
West Virginia Department of Health and Human Resources		
Family Support	N/A	G140036
Traumatic Brain Injury Program	N/A	G150397
Traumatic Brain Injury Program	N/A	G160362
Block Grants for Community Mental Health Services	N/A	G150573
TOTAL WEST VIRGINIA DEPARTMENT OF HEALTH AND HUMAN RESOURCES		
West Virginia Statewide Independent Living Council, Inc.		
Training Initiatives	N/A	N/A
TOTAL WEST VIRGINIA STATEWIDE INDEPENDENT LIVING COUNCIL, INC.		
TOTAL STATE AWARDS		
TOTAL FEDERAL AND STATE AWARDS		
Combined Expenditures		
1) CFDA No. 84.224	\$ 6,894	
2) CFDA No. 84.133	3,654	
3) CFDA No. 14.418	312,316	
4) CFDA No. 16.529	3,065	

<u>Program Period</u>	<u>Program or Award Amount</u>	<u>Expenditures</u>
11/01/14 - 10/31/15	\$ 500	\$ 500 4)
07/01/15 - 09/30/15	7,700	<u>2,565</u> 4)
		<u>3,065</u>
		<u>591,755</u>
10/01/12 - 09/30/14	87,320	2,280
07/01/14 - 06/30/15	125,000	113,981
07/01/15 - 06/30/16	125,000	<u>36,827</u>
		<u>153,088</u>
07/01/13 - 10/31/14	92,742	2,480
07/01/14 - 06/30/15	350,000	126,989
07/01/15 - 06/30/16	350,000	20,268
10/01/14 - 09/30/15	23,000	<u>15,999</u>
		<u>165,736</u>
04/01/15 - 12/31/15	21,777	<u>9,724</u>
		<u>9,724</u>
		<u>328,548</u>
		\$ <u>920,303</u>

NORTHERN WEST VIRGINIA CENTER FOR INDEPENDENT LIVING, INC.
NOTES TO THE SCHEDULE OF EXPENDITURE OF FEDERAL AND STATE AWARDS
YEAR ENDED SEPTEMBER 30, 2015

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal and state awards includes the federal and state grant activity of Northern West Virginia Center for Independent Living, Inc. and is presented on the accrual basis of accounting. 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*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in, the preparation of the financial statements.

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

Ware & Hall, PLLC

Certified Public Accountants

The River Tower, Suite 601, 1108 3rd Avenue
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Telephone: (304) 525-7202 Fax: (304) 525-7282

Daniel J. Ware, CPA
William L. Hall, 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, 2015, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 30, 2016.

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 and questioned costs, 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 and questioned costs as item 2015-001 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 finding 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.

Wane & Hall PLLC

Huntington, West Virginia
March 30, 2016

DHHR - Finance

MAY 17 2016

Date Received

Ware & Hall, PLLC

Certified Public Accountants

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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

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

Report on Compliance for Each Major Federal Program

We have audited Northern West Virginia Center for Independent Living, 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 Northern West Virginia Center for Independent Living, Inc.'s major federal programs for the year ended September 30, 2015. Northern West Virginia Center for Independent Living, 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 Northern West Virginia Center for Independent Living, 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 Northern West Virginia Center for Independent Living, Inc.'s compliance with those requirements and performing such other procedures as we consider 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 Northern West Virginia Center for Independent Living, Inc.'s compliance.

Opinion on Each Major Federal Program

In our opinion, Northern West Virginia Center for Independent Living, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2015.

Report on Internal Control Over Compliance

Management of Northern West Virginia Center for Independent Living, 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 Northern West Virginia Center for Independent Living, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each 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 Northern West Virginia Center for Independent Living, 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 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 with governance.

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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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, this report is not suitable for any other purpose.

Ware & Hall PLLC

Huntington, West Virginia
March 30, 2016

DHHR - Finance

MAY 17 2016

Date Received

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

**NORTHERN WEST VIRGINIA CENTER FOR INDEPENDENT LIVING, INC.
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED SEPTEMBER 30, 2015**

There were no prior year audit findings related to federal awards.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

**NORTHERN WEST VIRGINIA CENTER FOR INDEPENDENT LIVING, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2015**

SECTION I - SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Type of Auditor's Report Issued - Unqualified

Internal Control Over Financial Reporting:

• Material weakness(es) identified?	<u>✓</u> Yes	<u> </u> No
• Significant deficiency (ies) identified that are not considered to be material weaknesses?	<u> </u> Yes	<u>✓</u> None Reported
Noncompliance material to the financial statements?	<u> </u> Yes	<u>✓</u> No

FEDERAL AWARDS

Internal Control Over Major Programs:

• Material weakness(es) identified?	<u> </u> Yes	<u>✓</u> No
• Significant deficiency (ies) identified that are not considered to be material weaknesses?	<u> </u> Yes	<u>✓</u> None Reported

Type of Auditor's Report Issued on Compliance for Major Programs - Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?	<u> </u> Yes	<u>✓</u> No
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Identification of Major Programs:

Program

Department of Housing and Urban Development	<u>CFDA #</u>
Fair Housing Initiatives Program	14.418

Dollar threshold used to distinguish between Type A and Type B programs:	\$ <u>300,000</u>
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Auditee qualified as low-risk auditee?	<u> </u> Yes	<u>✓</u> No
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NORTHERN WEST VIRGINIA CENTER FOR INDEPENDENT LIVING, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2015

SECTION II - FINANCIAL STATEMENT FINDINGS

2015-001 Reconciliation of Accounting Records to Supporting Information

Condition: Audit adjusting entries were required to be made to reflect accurate balances in the Organization's assets, liabilities, revenues, and expenses. Adjusting journal entries were required to be made to the following accounts: grants receivable, property and equipment, accounts payable, deferred revenue, revenue, and expenses.

Criteria: One of the objectives of an internal control system is to provide management with reasonable assurance that transactions are recorded properly to permit the preparation of financial statements in accordance with accounting principles generally accepted in the United States of America. In addition, timely, accurate and complete financial reporting is an essential management tool in monitoring and controlling operations.

Cause: Review procedures were not fully implemented to ensure the balances are accurately reflected.

Effect: This resulted in inaccurate and incomplete presentation of the financial position, results of operations, and cash flows of the Organization. Management, therefore, was unable to produce financial statements presented in accordance with generally accepted accounting principles. The necessary adjusting journal entries were made during the audit to correct the errors.

Recommendation: Review procedures should be strengthened inclusive of reconciliations of the general ledger accounts with supporting documentation to ensure that transactions are recorded completely, timely, and accurately in order to prepare financial statements in accordance with generally accepted accounting principles.

SECTION III - FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None.

CORRECTIVE ACTION PLAN

Section II-Financial Statement Findings

2015-001 Reconciliation of Accounting Records to Supporting Information

Condition: Audit adjusting entries were required to be made to reflect accurate balances in the Organization's assets, liabilities, revenues, and expenses. Adjusting journal entries were required to be made to the following accounts: grants receivable, property and equipment, accounts payable, deferred revenue, revenue and expenses.

Criteria: One of the objectives of an internal control system is to provide management with reasonable assurances that transactions are recorded properly to permit the preparation of financial statements in accordance with accounting principles generally accepted in the United States of America. In addition, timely, accurate and complete financial reporting is an essential management tool in monitoring and controlling operations.

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Effect: This resulted in inaccurate and incomplete presentation of the financial position, results of operation, and cash flows of the Organization. Management, therefore, was unable to produce financial statements presented in accordance with generally accepted accounting principles. The necessary adjusting journal entries were made during the audit to correct the errors.

Recommendation: Review procedures should be strengthened inclusive of reconciliations of the general ledger accounts with supporting documentation to ensure that transactions are recorded completely, timely, and accurately in order to prepare financial statements in accordance with generally accepted accounting principles.

Management Response/Corrective Action:

NWVCIL is committed to ensuring that their financial statements reflect all activities accurately and in the correct accounting period. The adjustment required to adjust grants receivable, revenue and deferred revenue was largely related to classification of revenue in the incorrect periods. Some grants have project periods that span more than one fiscal year. When closing out the books in preparation for the audit, efforts were focused on grants with a year end of September 30. This oversight resulted in September some revenue being misclassified to the incorrect period when closing the general ledger. To address this, NWVCIL's independent accountant will provide more direct oversight to the internal administrative director that does the daily bookkeeping to ensure that revenue is recognized in the correct period.

The adjustment required to adjust accounts payable and expenses was primarily a result of the same circumstances that required the adjustment above. Certain grant periods span more than one fiscal year. Therefore, while the expenses we classified in the correct grant year, they did not correspond to the correct accounting period.

NWVCIL's independent accountant and internal staff will review all invoices to identify the correct accounting period in which expenses should be recorded.

The adjustment to property and equipment were necessary as a result of broken, depreciated or discarded assets not being removed from the center's official inventory prior to closing the fiscal year affecting fixed assets. In order to ensure that these adjustments are made in a timely manner, inventory will be verified at least every 6 months.

NWVCIL is constantly striving to improve their practices. They will undertake the activities and implement the procedures necessary to ensure that financial information is complete, timely and accurate.