

DHHR - Finance

JUN 5 2017

Date Received

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

**FINANCIAL STATEMENTS WITH
ADDITIONAL INFORMATION**

YEAR ENDED SEPTEMBER 30, 2016

WITH INDEPENDENT AUDITOR'S REPORTS

NORTHERN WEST VIRGINIA CENTER FOR INDEPENDENT LIVING, INC.
FINANCIAL STATEMENTS WITH ADDITIONAL INFORMATION
YEAR ENDED SEPTEMBER 30, 2016

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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, 2016, 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, 2016, 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 February 28, 2017, 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
February 28, 2017

Wan & Hall PLLC

DHHR - Finance

JUN 5 2017

Date Received

NORTHERN WEST VIRGINIA CENTER FOR INDEPENDENT LIVING, INC.
STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2016

ASSETS

CURRENT ASSETS

Cash	\$ 119,684
Grants receivable	336,041
Accounts receivable	11,082
Prepaid expenses	2,650
Deposits	<u>14,653</u>
TOTAL CURRENT ASSETS	484,110

PROPERTY AND EQUIPMENT, NET

14,400

TOTAL ASSETS

\$ 498,510

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$ 78,721
Line-of-credit payable	9,159
Accrued payroll and payroll taxes	11,267
Deferred revenue	<u>318,969</u>
TOTAL CURRENT LIABILITIES	<u>418,116</u>

NET ASSETS

Unrestricted	<u>80,394</u>
TOTAL NET ASSETS	<u>80,394</u>

TOTAL LIABILITIES AND NET ASSETS

\$ 498,510

NORTHERN WEST VIRGINIA CENTER FOR INDEPENDENT LIVING, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2016

UNRESTRICTED NET ASSETS

SUPPORT AND REVENUE

GRANTS

Federal/State/pass-through	\$ 1,647,735
Other grants and contributions	62,721
Program and other income	<u>73,041</u>
TOTAL UNRESTRICTED SUPPORT AND REVENUE	1,783,497

NET ASSETS RELEASED FROM RESTRICTIONS:

Restrictions satisfied by payments	<u>4,255</u>
TOTAL SUPPORT, REVENUE, AND RECLASSIFICATIONS	<u>1,787,752</u>

EXPENSES

PROGRAM SERVICES

Independent Living - State Grants Part B	62,540
Assistive Technology - WVATS	6,009
Unmet Needs	289,726
Training	8,456
Community Engagement Specialist	20,602
Family and Community Support	24,600
Fair Housing Incentives Program - HUD	360,639
Centers for Independent Living - HHS	177,276
WVHDF Special Assistance Loan Program - SALP	115,772
Education, Training and Services to End Violence Against and Abuse of Women With Disabilities - FRIS	1,358
Community Living Services Program -CLSP	76,403
Traumatic Brain Injury	227,546
Community Development Block Grant	3,599
Peer Support	113,356
Other Programs	<u>62,257</u>
TOTAL PROGRAM SERVICES	1,550,139

SUPPORTING SERVICES

Management and General	<u>180,005</u>
TOTAL EXPENSES	<u>1,730,144</u>

CHANGE IN UNRESTRICTED NET ASSETS 57,608

TEMPORARILY RESTRICTED NET ASSETS
 Net assets released from restrictions (4,255)

CHANGE IN TEMPORARILY RESTRICTED NET ASSETS (4,255)

CHANGE IN NET ASSETS 53,353

NET ASSETS BEGINNING OF YEAR 27,041

NET ASSETS END OF YEAR \$ 80,394

NORTHERN WEST VIRGINIA CENTER FOR INDEPENDENT LIVING, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED SEPTEMBER 30, 2016

CASH FLOWS FROM OPERATING ACTIVITIES:	
Change in net assets	\$ 53,353
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	292
(Increase) decrease in operating assets:	
Grants receivable	125,145
Accounts receivable	(9,401)
Prepaid expenses	6,615
Deposits	(14,653)
Increase (decrease) in operating liabilities:	
Accounts payable	7,846
Accrued payroll and payroll taxes	(4,790)
Deferred revenue	<u>(29,389)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>135,018</u>
 CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of equipment	<u>(14,400)</u>
NET CASH (USED IN) INVESTING ACTIVITIES	<u>(14,400)</u>
 CASH FLOWS FROM FINANCING ACTIVITIES	
Net (decrease) in line-of-credit	<u>(6,994)</u>
NET CASH (USED IN) FINANCING ACTIVITIES	<u>(6,994)</u>
 NET INCREASE IN CASH	113,624
 CASH AT BEGINNING OF YEAR	<u>6,060</u>
 CASH AT END OF YEAR	\$ <u><u>119,684</u></u>
 SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION	
Cash paid during the year for:	
Interest	\$ <u><u>576</u></u>
Income Taxes	\$ <u><u>-0-</u></u>

NORTHERN WEST VIRGINIA CENTER FOR INDEPENDENT LIVING, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2016

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, fair housing, 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:

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, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

DEFERRED REVENUE

Deferred revenue represents unexpended funds received as of September 30, 2016. 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 2013.

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 \$2,023 for the year ended September 30, 2016 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, 2016

NOTE 2 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following at September 30, 2016:

Furniture and Equipment	\$	32,140
Leasehold Improvements		<u>38,977</u>
		71,117
Less: Accumulated Depreciation		<u>(56,717)</u>
Property and Equipment, Net	\$	<u>14,400</u>

Depreciation expense for the year ended September 30, 2016 totaled \$292.

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, 2016), due September, 2016, unsecured.	\$	9,159
Less current maturities included in current liabilities		<u>(9,159)</u>
Long-term portion	\$	<u>-0-</u>

Interest expense for the year ended September 30, 2016 totaled \$576.

At September 30, 2016, the Organization had \$30,841 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 various fiscal years through September 30, 2021. Total rent expense charged to operations during the year ended September 30, 2016 amounted to \$32,288.

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 2016 amounted to \$3,960.

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, 2016 amounted to \$6,348.

NORTHERN WEST VIRGINIA CENTER FOR INDEPENDENT LIVING, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2016

NOTE 4 - OPERATING LEASES (CONTINUED)

Minimum future rental payments under non-cancelable operating leases having remaining terms in excess of one year as of September 30, 2016 for each of the next five years and in the aggregate are:

<u>Year Ended September 30,</u>	<u>Amount</u>
2017	\$ 22,800
2018	22,800
2019	22,800
2020	22,800
2021	<u>5,700</u>
Total	\$ <u>96,900</u>

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 \$7,580 were charged to operations during the fiscal year ended September 30, 2016.

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, 2016, accounts at this financial institution were insured by the Federal Deposit Insurance Corporation up to \$250,000. The Organization had bank balances in excess of the FDIC coverage at this financial institution totaling \$25,843 at September 30, 2016.

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, 2016

NOTE 9 - CONCENTRATION OF GRANT REVENUE SOURCE

The Organization is funded primarily by Grant Awards from the U.S. Department of Housing and Urban Development, U.S. Department of Health and Human Services, and West Virginia Department of Health and Human Resources. Revenues recognized under grant awards from these agencies totaled \$415,769, \$237,369, and \$696,139, respectively for the year ended September 30, 2016. 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

Net assets were released from restriction during 2016 by incurring expenses satisfying the purpose specified by the donor as follows:

Peer support	\$ 505
Operating costs of Elkins office	<u>3,750</u>
Total restrictions released	\$ <u>4,255</u>

NOTE 11 - SUBSEQUENT EVENTS

Management has reviewed events occurring subsequent to September 30, 2016 through February 28, 2017 (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, 2016**

	Independent Living-State Grants <u>Part B</u>	Assistive Technology <u>WVATS</u>	<u>Unmet Needs</u>	<u>Training</u>
SUPPORT AND REVENUE				
Grant revenue -				
federal/state/pass-through	\$ 80,073	\$ 4,273	\$ 328,120	\$ 2,621
Other grants and contributions	-0-	-0-	-0-	-0-
Program and other income	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>7,135</u>
TOTAL SUPPORT AND REVENUE	<u>80,073</u>	<u>4,273</u>	<u>328,120</u>	<u>9,756</u>
EXPENSES				
Salaries and benefits	23,805	-0-	-0-	-0-
Travel and training	4,472	-0-	-0-	8,456
Consumable supplies	14,491	-0-	-0-	-0-
Vehicles, equipment and property	-0-	5,275	-0-	-0-
Contractual and consultants	-0-	-0-	-0-	-0-
Communications	-0-	-0-	-0-	-0-
Specific assistance to individuals	19,772	-0-	289,726	-0-
Printing and publications	-0-	-0-	-0-	-0-
Occupancy	-0-	700	-0-	-0-
Indirect costs	10,077	922	9,228	1,300
Other	<u>-0-</u>	<u>34</u>	<u>-0-</u>	<u>-0-</u>
TOTAL EXPENSES	<u>72,617</u>	<u>6,931</u>	<u>298,954</u>	<u>9,756</u>
INCREASE (DECREASE) IN NET ASSETS	7,456	(2,658)	29,166	-0-
NET ASSETS BEGINNING OF YEAR	-0-	-0-	-0-	-0-
TRANSFER IN (OUT)	<u>(7,456)</u>	<u>2,658</u>	<u>(29,166)</u>	<u>-0-</u>
NET ASSETS END OF YEAR	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>-0-</u>

Community Engagement Specialist	Families and Community Support	Fair Housing Initiatives Program - HUD	Centers for Independent Living - HHS	WVIIDF Special Assistance Loan Program - SALP
\$ 23,771	\$ 28,384	\$ 412,914	\$ 196,890	\$ 125,000
-0-	-0-	-0-	-0-	-0-
<u>-0-</u>	<u>-0-</u>	<u>4,500</u>	<u>16,378</u>	<u>-0-</u>
<u>23,771</u>	<u>28,384</u>	<u>417,414</u>	<u>213,268</u>	<u>125,000</u>
-0-	-0-	170,728	150,929	-0-
-0-	-0-	15,251	16,470	-0-
-0-	-0-	4,818	3,527	-0-
-0-	-0-	-0-	301	-0-
-0-	6,119	157,123	-0-	-0-
-0-	-0-	184	3,565	-0-
20,602	18,481	-0-	-0-	115,772
-0-	-0-	6,487	86	-0-
-0-	-0-	-0-	-0-	-0-
3,169	3,784	55,496	29,048	9,228
<u>-0-</u>	<u>-0-</u>	<u>6,048</u>	<u>2,398</u>	<u>-0-</u>
<u>23,771</u>	<u>28,384</u>	<u>416,135</u>	<u>206,324</u>	<u>125,000</u>
-0-	-0-	1,279	6,944	-0-
-0-	-0-	-0-	-0-	-0-
<u>-0-</u>	<u>-0-</u>	<u>(1,279)</u>	<u>(6,944)</u>	<u>-0-</u>
\$ <u><u>-0-</u></u>	\$ <u><u>-0-</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, 2016

	Education, Training and Services 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	\$ 1,567	\$ 84,924
Other grants and contributions	-0-	2,500
Program and other income	<u>-0-</u>	<u>-0-</u>
TOTAL SUPPORT AND REVENUE	<u>1,567</u>	<u>87,424</u>
EXPENSES		
Salaries and benefits	1,788	31,449
Travel and training	(430)	4,270
Consumable supplies	-0-	561
Vehicles, equipment and property	-0-	-0-
Contractual and consultants	-0-	-0-
Communications	-0-	6
Specific assistance to individuals	-0-	40,106
Printing and publications	-0-	-0-
Occupancy	-0-	-0-
Indirect costs	209	11,021
Other	<u>-0-</u>	<u>11</u>
TOTAL EXPENSES	<u>1,567</u>	<u>87,424</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 <u>Injury</u>	Community Development Block <u>Grant</u>	Peer Support	Other <u>Programs</u>	<u>Total</u>
\$ 258,863	\$ 2,855	\$ 97,480	\$ -0-	\$ 1,647,735
-0-	907	8,075	51,239	62,721
<u>-0-</u>	<u>-0-</u>	<u>20,659</u>	<u>24,369</u>	<u>73,041</u>
<u>258,863</u>	<u>3,762</u>	<u>126,214</u>	<u>75,608</u>	<u>1,783,497</u>
-0-	-0-	29,371	17,467	425,537
-0-	-0-	37,295	519	86,303
-0-	-0-	-0-	1,772	25,169
-0-	-0-	-0-	126	5,702
-0-	3,584	-0-	1,539	168,365
-0-	15	1	423	4,194
227,546	-0-	46,983	38,737	817,725
-0-	-0-	-0-	150	6,723
-0-	-0-	-0-	-0-	700
569	553	17,434	27,967	180,005
<u>-0-</u>	<u>-0-</u>	<u>(294)</u>	<u>1,524</u>	<u>9,721</u>
<u>228,115</u>	<u>4,152</u>	<u>130,790</u>	<u>90,224</u>	<u>1,730,144</u>
30,748	(390)	(4,576)	(14,616)	53,353
-0-	-0-	-0-	27,041	27,041
<u>(30,748)</u>	<u>390</u>	<u>4,576</u>	<u>67,969</u>	<u>-0-</u>
\$ <u><u>-0-</u></u>	\$ <u><u>-0-</u></u>	\$ <u><u>-0-</u></u>	\$ <u><u>80,394</u></u>	\$ <u><u>80,394</u></u>

**NORTHERN WEST VIRGINIA CENTER FOR INDEPENDENT LIVING, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED SEPTEMBER 30, 2016**

<u>Federal or State Grantor/Pass-Through Grantor/Program Title</u>	<u>Pass-Through Entity Identifying Number</u>
FEDERAL AWARDS	
Department of Education	
Pass-Through West Virginia Division of Rehabilitation Services:	
Independent Living - State Grants	N/A
Pass-Through West Virginia University:	
Assistive Technology	N/A
TOTAL DEPARTMENT OF EDUCATION	
Department of Health and Human Services	
ACL Centers for Independent Living	90IL0150-02-00
Pass-through West Virginia Department of Health and Human Resources:	
Block grants for Community Mental Health Services	G150573
Block grants for Community Mental Health Services	G160613
TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES	
Department of Housing and Urban Development	
Fair Housing Initiatives Program	FH700G14035
Fair Housing Initiatives Program	FH400G14036
Pass-Through City of Morgantown, West Virginia:	
Community Development Block Grants	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 - 09/30/16	\$ 80,154	\$ 80,073
10/01/15 - 09/15/16	6,000	<u>4,273</u>
		<u>84,346</u>
09/30/15 - 09/29/16	220,198	196,890
10/01/14 - 06/30/16	18,000	5,479
10/01/15 - 09/30/16	35,000	<u>35,000</u>
		<u>237,369</u>
12/15/15 - 12/14/16	649,912	349,037
12/15/15 - 12/14/16	124,996	63,877
07/01/15 - 06/30/16	7,282	<u>2,855</u>
		<u>415,769</u>

NORTHERN WEST VIRGINIA CENTER FOR INDEPENDENT LIVING, INC.
 SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
 YEAR ENDED SEPTEMBER 30, 2016

<u>Federal or State Grantor/Pass-Through Grantor/Program Title</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, training and services 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	N/A
Community Living Services Program	N/A
TOTAL WEST VIRGINIA DIVISION OF REHABILITATION SERVICES	
West Virginia Department of Health and Human Resources	
Family and Community Support	G170209
Traumatic Brain Injury Program	G160362
Traumatic Brain Injury Program	G170209
Block Grants for Community Mental Health Services	G150573
Unmet Needs	G160362
Unmet Needs	G170209
TOTAL WEST VIRGINIA DEPARTMENT OF HEALTH AND HUMAN RESOURCES	
West Virginia Statewide Independent Living Council, Inc.	
Training Initiatives	N/A
TOTAL WEST VIRGINIA STATEWIDE INDEPENDENT LIVING COUNCIL, INC.	
West Virginia Housing Development Fund	
Special Assistance Loan Program	N/A
TOTAL WEST VIRGINIA HOUSING DEVELOPMENT FUND	
TOTAL STATE AWARDS	
TOTAL FEDERAL AND STATE AWARDS	

<u>Program Period</u>	<u>Program or Award Amount</u>	<u>Expenditures</u>
07/01/15 - 09/30/15	\$ 7,700	\$ <u>1,567</u>
		<u>1,567</u>
		<u>739,051</u>
07/01/15 - 06/30/16	125,000	57,889
07/01/16 - 06/30/17	113,855	<u>27,035</u>
		<u>84,924</u>
07/01/16 - 06/30/17	271,667	52,155
07/01/15 - 06/30/16	550,000	254,594
07/01/16 - 06/30/17	350,000	4,269
10/01/14 - 06/30/16	73,000	57,001
07/01/15 - 06/30/16	450,000	248,828
07/01/16 - 06/30/17	400,000	<u>79,292</u>
		<u>696,139</u>
04/01/15 - 12/31/15	21,777	<u>2,621</u>
		<u>2,621</u>
10/01/15 - 09/30/16	125,000	<u>125,000</u>
		<u>125,000</u>
		<u>908,684</u>
		\$ <u>1,647,735</u>

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

Ware & Hall, PLLC

Certified Public Accountants

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WV Society of Certified Public Accountants

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, 2016, 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 February 28, 2017.

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.

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. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify one deficiency in internal control, described in the accompanying schedule of findings as item 2016-001 that we consider 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.

Wan & Hall PLLC

Huntington, West Virginia
February 28, 2017

DHHR - Finance

JUN 5 2017

Date Received

SCHEDULE OF FINDINGS

NORTHERN WEST VIRGINIA CENTER FOR INDEPENDENT LIVING, INC.
SCHEDULE OF FINDINGS
YEAR ENDED SEPTEMBER 30, 2016

2016-001 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: deposits, 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.

This finding was also noted in the prior year audit as finding number 2015-001.

Views of responsible officials and planned corrective action: The Organization agrees with the finding and will strengthen review procedures. See current year corrective action plan.

CORRECTIVE ACTION PLAN

Section II-Financial Statement Findings

2016-001 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: deposits, property and equipment, accounts payable, deferred revenue, revenue and expense

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.

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 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 the financial statements reflect all activities accurately and in the correct accounting period. The adjustments to the financial statements were not a result of expenses that were unallowable or unacceptable revenue recognition practices, but to ensure that transactions were accounted for in the correct financial period.

One adjustment was necessary to correct for grant projects that were approved by the grantor, however the work was not complete at the end of the fiscal year. The grant period was extended until such a time that projects could be completed in the subsequent fiscal year. These expenses were reclassified as deposits to be properly expensed in the subsequent accounting period. Adjustments required to record some additional accounts payable and expenses and to remove expenses from a credit card that covered two financial periods were also a result of classifying expenses for certain grant periods that span more than one fiscal year. While the expenses were classified in the correct grant year, they did not correspond to the correct accounting period.

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

Another adjustment was necessary to reclassify leasehold improvements that had been expensed to a capital asset. To ensure that assets and improvements are classified correctly in the future, NWVCIL will carefully examine future transaction to identify capital assets and improvements.

Status of Prior Year's Finding:

While this finding is presented as also being noted in the audit report for the period ending 9/30/2015. Many of the underlying conditions of the prior year have been corrected or improved. While some expenses have been classified in the incorrect period, as in the previous year's finding, the number and amount of the reclassifications has decreased which indicates that while improvement is still needed, progress is being made to ensure that expenses are reflected in the correct period. Another condition of the prior year's finding was related to the disposition of assets. NWVCIL has been reviewing existing fixed assets and has improved practices to identify assets that have been disposed and ensuring that those disposals are correctly reflected on the financial statements.

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