

MISSION WEST VIRGINIA INC.
FINANCIAL AND COMPLIANCE REPORT
INCLUDING UNIFORM GUIDANCE REPORTS AND
INDEPENDENT AUDITORS' REPORT

December 31, 2015

DHHR - Finance

SEP 30 2016

Date Received

MISSION WEST VIRGINIA INC.

FINANCIAL AND COMPLIANCE REPORT INCLUDING UNIFORM GUIDANCE REPORTS AND INDEPENDENT AUDITORS' REPORT December 31, 2015

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INDEPENDENT AUDITORS' REPORT

To the Board Members
Mission West Virginia Inc.
Hurricane, West Virginia

Report on the Financial Statements

We have audited the accompanying statement of financial position of Mission West Virginia Inc. (Mission) as of December 31, 2015, and the related statements of activities and changes in net assets and cash flows for the year 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.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Mission West Virginia, Inc., as of December 31, 2015, and the statements of activities and changes in its net assets and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Statements of Activity Detail for Federal Programs, Pass-through Federal Programs, State and Technology Programs, Foundation Fundraising Programs, and Total, and the Statement of Indirect Expenditures are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated September 30, 2016, on our consideration of the Mission'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 Mission's internal control over financial reporting and compliance.

Gray, Griffith & Mayo, a.c.

Charleston, West Virginia
September 30, 2016

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MISSION WEST VIRGINIA INC.

STATEMENT OF FINANCIAL POSITION

December 31, 2015

ASSETS

Current Assets:

Cash and cash equivalents	\$ 62,132
Grants receivable	195,061
Prepaid expense	<u>4,177</u>
Total current assets	<u>261,370</u>

Property and Equipment:

Equipment and furniture	26,466
Vehicles	<u>23,682</u>
Total property and equipment	50,148
Accumulated depreciation	<u>(48,784)</u>
Total property and equipment, net	<u>1,364</u>

Total assets	<u>\$ 262,734</u>
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LIABILITIES AND NET ASSETS

Current liabilities:

Accounts payable	\$ 205,099
Payroll taxes payable	<u>59,601</u>
Total current liabilities	264,700

Long-term liabilities:

CBAE payable	44,008
Deferred revenue	<u>9,485</u>
Total liabilities	<u>318,193</u>

Net assets (accumulated deficit):

Unrestricted	(56,823)
Temporarily restricted	<u>1,364</u>
Total net assets (accumulated deficit)	<u>(55,459)</u>

Total liabilities and net assets	<u>\$ 262,734</u>
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The accompanying notes are an integral part of these financial statements.

MISSION WEST VIRGINIA INC.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

For the Year Ended December 31, 2015

Revenues:		
Grants:		
Federal	\$	1,619,087
State		224,757
Foundation		128,048
Other		<u>228,496</u>
Total grants		2,200,388
Fee for services/computer		29,871
Fundraising		117,534
Miscellaneous		<u>2,885</u>
Total revenues		<u>2,350,678</u>
Expenditures:		
Human service programs:		
Federal - direct		1,807,278
Federal - state passthrough		253,571
Foundation		139,795
State		35,177
Fundraising		<u>103,419</u>
Total human service programs		2,339,240
Technology programs		<u>28,317</u>
Total program expense		<u>2,367,557</u>
Change in net assets		(16,879)
Net assets (accumulated deficit) at beginning of year		<u>(38,580)</u>
Net assets (accumulated deficit) at end of year	\$	<u>(55,459)</u>

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

MISSION WEST VIRGINIA INC.

STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2015

Cash flows from operating activities:	
Change in net assets	\$ (16,879)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	2,727
Change in operating assets and liabilities:	
(Increase) decrease in:	
Grants receivable	(94,529)
Prepaid expenses	1,011
Increase (decrease) in:	
Accounts payable	125,535
Accrued expenses	16,254
Deferred revenue	5,206
Net cash provided by operating activities	<u>39,325</u>
Cash flows used in investing activities:	<u>-</u>
Cash flows used in financing activities:	
Principal payments on long-term debt	<u>(766)</u>
Net increase in cash and cash equivalents	38,559
Cash and cash equivalents, beginning	<u>23,573</u>
Cash and cash equivalents, ending	<u>\$ 62,132</u>

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

MISSION WEST VIRGINIA, INC.**NOTES TO FINANCIAL STATEMENTS**

December 31, 2015

1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES NATURE OF ACTIVITIES

Mission West Virginia, Inc. (the Organization) is a non-profit organization which seeks to initiate creative and innovative ideas and programs which will allow West Virginia communities to solve the social, economic and attitudinal problems they face through special partnerships with large corporations, small businesses, foundations, state and local governments, civic organizations, and religious and educational institutions. The Organization is supported primarily through direct and indirect contributions, federal and state grants, fee for service, and computer sales.

BASIS OF ACCOUNTING

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. 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.

BASIS OF PRESENTATION

The Organization has presented its financial statements in accordance with accounting principles generally accepted in the United States of America for non-profit organizations. Under this guidance, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, the Organization is required to present a statement of cash flows.

Unrestricted net assets

Unrestricted net assets are comprised of funds which use is limited only to the extent that the organization's by-laws limit the activities of the organization.

Temporarily restricted net assets

Temporarily restricted net assets are subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time. When a 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. There were \$1,364 temporarily restricted net assets at December 31, 2015

MISSION WEST VIRGINIA, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

Permanently restricted

Net assets are subject to non-expiring donor imposed restrictions that they be maintained permanently by the Organization. There were no permanently restricted net assets at December 31, 2015.

CONTRIBUTIONS

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the year in which contributions are recognized. All other donor-restricted contributions are reported as increases in restricted net assets for temporarily restricted or permanently restricted depending on the nature of the restrictions. When a restriction expires, temporarily or permanently restricted net assets are reclassified to unrestricted net assets. Significant contributions received in forms other than cash consist of warehouse space used in the Organization's technology program services.

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.

ACCOUNTS RECEIVABLE

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Accounts receivable are periodically evaluated for collectability. Once it is determined by management that the account will not be collectible, it is charged-off as bad debt expense. All receivables are expected by management to be collectible at December 31, 2015.

PROPERTY AND EQUIPMENT

Property and equipment is stated at cost less accumulated depreciation. Major expenditures and those which substantially increase useful lives are capitalized. 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 are relieved, and any gain or loss is included in operations.

Some of the Organization's property and equipment has been purchased with grant funds received from federal agencies. The property and equipment purchased with grant funds is owned by the Organization while used in the program for which it was purchased or in future authorized programs. The funding sources; however, have a reversionary interest in the equipment purchased with grant funds. Therefore, its disposition, as well as the ownership of any sale proceeds therefrom, is subject to funding source regulations.

MISSION WEST VIRGINIA, INC.**NOTES TO FINANCIAL STATEMENTS**

December 31, 2015

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 for purposes of computing depreciation are:

	<u>Years</u>
Equipment and furniture	3 to 10
Vehicles	4

ESTIMATES

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that effect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

INCOME TAXES

The Internal Revenue Service has determined that the Organization qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and therefore, is not subject to federal and state income taxes.

For the year ended December 31, 2015, the Organization has determined that no income taxes are due for its activities. Accordingly, no provision for income taxes has been recorded in the accompanying financial statements. The Organization's Department of the Treasury information returns are subject to examination, generally for three years after the filing date.

2 – CONCENTRATION OF CREDIT RISK

Mission West Virginia, Inc. is a nonprofit organization that provides assistance which allows West Virginia communities to solve the social, economic and attitudinal problems they face. The Organization provides services that are reimbursed by third parties without requiring collateral or any other security.

The Organization is exposed to various risks of loss related to torts, theft of, damage to, or destruction of assets, errors and omissions; injuries to employees; employees' health and life; and natural disasters. The Organization manages these risks of loss through the purchase of various insurance policies.

MISSION WEST VIRGINIA, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2015

3 – INDIRECT RATE ALLOCATION OF EXPENSES

The Organization has adopted a cost allocation plan of the indirect cost whereby each program is charged its first share of its indirect costs based on a modified value added base. Indirect costs are those costs incurred for a common purpose benefitting or supporting Mission programs and activities and are not readily assignable directly. Indirect costs are accumulated in an indirect cost pool and are allocated to the various programs in proportion to a modified value added base of total direct costs. The modified value added base is direct costs less the total major subcontracts cost plus the first \$25,000 of the major subcontracts for each of programs (cost objective). The indirect allocation rate for all programs was 17.69% for December 31, 2015 and was based on modified value added direct cost base of \$1,299,626 (\$2,393,760) direct program cost less \$1,014,266 major subrecipient/subcontracts plus \$150,000 (6 X \$25,000) and an allocable indirect cost pool of \$229,868.

4 – PROPERTY AND EQUIPMENT

The following is a summary of the changes in property and equipment for the fiscal year ended December 31, 2015:

	Beginning 2015	Additions	Transfers/ (Deletions)	Ending 2015
Property and Equipment being depreciated				
Capital lease - copier	\$ 13,636	\$ -	\$ -	\$ 13,636
Furniture and equipment	12,830	-	-	12,830
Vehicles	23,682	-	-	23,682
Total property and equipment being depreciated	<u>50,148</u>	<u>-</u>	<u>-</u>	<u>50,148</u>
Less accumulated depreciation for:				
Capital lease - copier	9,545	2,727	-	12,272
Furniture and equipment	12,830	-	-	12,830
Vehicles	23,682	-	-	23,682
Total accumulated depreciation	<u>46,057</u>	<u>2,727</u>	<u>-</u>	<u>48,784</u>
Property and equipment, net	<u>\$ 4,091</u>	<u>\$ (2,727)</u>	<u>\$ -</u>	<u>\$ 1,364</u>

MISSION WEST VIRGINIA, INC.**NOTES TO FINANCIAL STATEMENTS**

December 31, 2015

5 – LONG TERM-DEBT

The Organization long-term debt consists of a CBAE payable. The CBAE payable is monies owed to subcontractors—Community Action South Eastern of West Virginia (\$21,745) and Rainelle Medical Center (\$22,263)—for services rendered in the past and the terms of repayment is a verbal agreement with the subcontractor that they will be paid as the Mission has the ability, without interest. There are no repayment terms and the lenders have agreed to not call the debt.

6 – OFFICE SPACE

The Organization leases their current office space under a yearly rental agreement lease for monthly rent payments of \$3,021.

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 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 considered by management to be material.

8 – DONATED SPACE

During 2015, the Organization received donated warehouse space for use in its technology program. The value of the donated space was estimated at \$5,150 based on the estimated fair rental value. This amount is recorded as a contribution and as a rent expense for the technology program. This lease was terminated in February 2015.

9 – EMPLOYEE BENEFIT PLAN

The Organization adopted a defined contribution pension plan for the benefit of its employees. The Organization makes a matching contribution equal to the employee's contribution up to 3% of the eligible employee's gross compensation for the year. Contributions to the plan totaled \$14,311 for the year ended December 31, 2015.

The Organization adopted a direct payment of compensation for medical and other benefit programs paid for directly by the employees. Contributions to the employee benefit plan totaled \$141,501 for the year ended December 31, 2015.

MISSION WEST VIRGINIA, INC.**NOTES TO FINANCIAL STATEMENTS**December 31, 2015

10 – SUBSEQUENT EVENTS

Management has reviewed events occurring subsequent to December 31, 2015, through the date of the independent auditors' report, the date financial statements were available to be issued for possible adjustment to, or disclosure in, the accompanying financial statements.

SUPPLEMENTARY INFORMATION

MISSION WEST VIRGINIA, INC.**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2015**

Grantor/Program Title	Federal CFDA Number	Pass-Through Entity ID Number	Program Award Period	Reimbursed Federal Expenditures
U.S. Department of Health and Human Services				
Teenage Pregnancy Prevention Program	93.297	N/A	9/1/14-8/31/15	\$ 601,455
	93.297	N/A	9/1/15-8/31/16	412,455
Healthy Marriage Promotion and Responsible Fatherhood Grants	93.086	N/A	9/30/14-9/29/15	485,853
Pass Through - West Virginia Department of Health and Human Services				
Promoting Safe & Healthy Families	93.556	G160029	7/1/15-6/30/16	66,653
Personal Responsibility Education Program	93.092	G150430	10/1/14-9/30/15	11,938
	93.092	G160620	10/1/15-9/30/16	40,733
Total Federal Awards Revenue for Expenditures				<u>\$ 1,619,087</u>

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MISSION WEST VIRGINIA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
December 31, 2015

1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Mission West Virginia, Inc. and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule of expenditures of federal awards are reported on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Such expenditures are recognized following, as applicable, either the cost principles of OMB Circular A-122, *Cost Principles for Non-Profit Organizations*, or the cost principles contained in *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

See independent auditors' report

MISSION WEST VIRGINIA INC.

Schedule of Expenditures of State Awards
For the Year Ended December 31, 2015

<u>Grantor/Program</u>	<u>Grant #</u>	<u>Receipts</u>	<u>Disbursements</u>
WV Department of Health and Human Resources:			
Statewide adoption and foster care initiative (OCOC)	G160029	\$ 96,054	\$ 96,054
Pregnancy prevention education using evidence-based curricula in select areas for target populations (PREP)	G160620	13,813	13,813
Huntington Foundation		17,770	17,770
Kinship Care (BOSS)	21687	45,324	19,476
Care and Adoption		31,046	31,046
Build it Keep it Share it (BIKISI)		20,750	19,345
		<u>\$224,757</u>	<u>\$ 197,504</u>

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**INDEPENDENT AUDITORS' 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 Members
Mission West Virginia, Inc.
Hurricane, 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 Mission West Virginia, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2015 and the related statements of activities and changes in net assets, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 30, 2016

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Mission West Virginia, Inc.'s internal control over financial reporting 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 Mission West Virginia, 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses.

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 certain deficiencies in internal control that we consider to be material weaknesses. (2015-001)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Mission West Virginia, 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.

Gray, Griffith & Mays, a.c.

Charleston, West Virginia
September 30, 2016

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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board Members
Mission West Virginia, Inc.
Hurricane, West Virginia

Report on Compliance for Each Major Federal Program

We have audited Mission West Virginia, Inc.'s (the Organization) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Mission West Virginia, Inc.'s major federal programs for the year ended December 31, 2015. Mission West Virginia, 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.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Organization'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 the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements For Federal Awards (Uniform Guidance). Those standards and the Uniform Guidance 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 the Organization'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 the Organization's compliance.

Opinion on Each Major Federal Program

In our opinion, Mission West Virginia, Inc. complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2015.

Report on Internal Control over Compliance

Management of Mission West Virginia, 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 the Organization'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 the Uniform Guidance, 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 the Organization'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 combinations 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purposes.

Gray, Griffith & Mays, a.c.

Charleston, West Virginia
September 30, 2016

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MISSION WEST VIRGINIA, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2015

Date Received

SECTION 1 - SUMMARY OF AUDITORS' RESULTS

Financial Statements:

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

* Material weakness(es) identified? Yes X No

* Significant deficiencies identified that are not considered to be material weakness(es)? Yes No X

Noncompliance material to financial statements noted? Yes No X

Federal Awards:

Internal control over major programs:

* Material weakness(es) identified? Yes No X

* Significant deficiencies identified that are not considered to be material weakness(es)? Yes No X

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 Circular A-133? Yes No X

Major Programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
93.297	Teenage Pregnancy Prevention Program

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? Yes No X

MISSION WEST VIRGINIA INC.**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**

December 31, 2015

SECTION II - FINANCIAL STATEMENT FINDINGS**2015-1 Fiscal Records Adjusted at Interim and Year End to Accrual Basis of Accounting**

CRITERIA: The accrual basis of accounting required by generally accepted accounting principles (GAAP) require accounting records not on an accrual basis accounting be adjusted during the interim reporting periods and at least at the end of the fiscal period to an accrual basis of accounting.

CONDITION: Accounting records at an interim stage or at the fiscal year end were not adjusted to an accrual basis of accounting for all account balances. The account balances for the following accounts were not adjusted to an accrual basis of accounting at year-end: capital assets, capital lease, receivables and payables.

CAUSE: The organization did not review interim or year-end account balances to adjust them to ensure the accounting records were on accrual basis of accounting at the end of the fiscal period to compile financial statements on a GAAP basis of accrual accounting.

EFFECT: The organization could not utilize the organization's accounting system to generate financial statements that were on a GAAP basis at an interim period or at end of the fiscal period.

RECOMMENDATION: The organization should increase the review of account balances to identify need adjust to accrual basis of accounting if material on an interim basis and at the end of the fiscal period.

This finding was also noted in the prior year (Finding 2014-1)

DHHR - Finance

SEP 30 2016

Date Received

MISSION WEST VIRGINIA INC.**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**

December 31, 2015

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There are no findings or questioned costs reported.

SECTION IV - CORRECTIVE ACTION PLAN**2015-1 Fiscal Records Adjusted at Interim and Year End to Accrual Basis of Accounting**

REQUIREMENT: The accrual basis of accounting required by generally accepted accounting principles (GAAP).

FINDING: Accounting records at an interim stage or at the fiscal year end were not adjusted to an accrual basis of accounting for all account balances.

EFFECT OF FINDING: The organization could not utilize the organization's accounting system to generate adequate financial statements that were on a GAAP basis on an interim basis or at the end of the fiscal period.

RECOMMENDATIONS: The organization should review on an ongoing basis the account balances to identify unusual balances and year end transaction in regard to capital assets, capital lease, and accounts payable to identify adjustment to the accounting records to ensure the account balances are on an accrual basis of accounting throughout the fiscal period.

CORRECTIVE ACTION PLAN: Mission's management will provided necessary staff training or outside accounting professionals to manage on both an ongoing basis and year-end review and adjust, if needed, the account balances to ensure an accrual basis of accounting of the records.

NAME OF RESPONSIBLE PERSON: Executive Director, Mr. B. David Rogers

NAME OF DEPARTMENT CONTRACT: Executive Director, Mr. B. David Rogers

PROJECTED IMPLEMENTATION DATE: As soon as possible and on a continuous basis of policy revisions, training, and outside services until corrected.

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MISSION WEST VIRGINIA INC.**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**

December 31, 2015

SECTION V - SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Prior year findings reported were as follows:

2014-1 Fiscal Records Adjusted at Year End to Accrual Basis of Accounting (Not resolved part of finding 2015-1)

CRITERIA: The accrual basis of accounting required by generally accepted accounting principles (GAAP) require accounting records not on an accrual basis accounting be adjusted at least at the end of the fiscal period to an accrual basis of accounting.

CONDITION: Accounting records at the fiscal year end were not adjusted at the end of the fiscal period to an accrual basis of accounting for all account balances. The account balances for the following accounts were not adjusted to an accrual basis of accounting: capital assets, capital lease, and accounts payable.

CAUSE: The organization did not review year end account balances to adjust them to ensure the accounting records were on accrual basis of accounting at the end of the fiscal period to compile financial statements on a GAAP basis of accrual accounting.

EFFECT: The organization could not utilize the organization's accounting system to generate financial statements that were on a GAAP basis at the end of the fiscal period.

SECTION VI - MANAGEMENT RESPONSE

See attached

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SEP 30 2016

Date Received



Mission West Virginia, Inc.
168 Midland Trail, Suite 1
Hurricane, WV 25526

BOARD OF DIRECTORS:

Stephanie Adkins
 Frank Andrews
 Lynn Bennett
 Jeff Jernell
 Robin Lewis
 William Loope
 Rev. D. D. McElhen
 Rita Faculty
 Praveen Srinivasan
 Matt Walker

FOUNDERS:

Gov. Cecil H. Underwood

STAFF CONTACTS:

Executive Director
 Mr. B. David Rogers

Associate Director
 Ms. Kelly M. Thompson

THINK Program Director
 Ms. Jih Gwill

Accounting Services
 Ms. Yeri Ramsey, Director

Telephone: 804-562-0728
 Fax: 804-562-0726
 Email: info@missionwv.org
 Website: www.missionwv.org

September 30th, 2016

J. Ryan Lindsay, CPA, CHFF, CGMA
 Gray, Griffith & Mays, A.C.
 707 Virginia Street, East
 Suite 400
 Charleston, WV 25301

Dear Mr. Lindsay,

RE: FY 2015 Audited Financial Statements

The purpose of this letter is to address findings issued by your firm regarding the FY2015 audit of Mission West Virginia, Inc.'s financial statements. Specifically this letter indicates our acceptance of the corrective action plan as detailed in the preceding pages.

Mission West Virginia strives to excel in all areas. Our programs show this – annually exceeding the number of people we are projected to serve. Whether it is our efforts to find homes for children in congregational care or our highly successful Teen Pregnancy Prevention and Abstinence Education programs, we continue to strive to constantly improve. Likewise efforts to improve are continuing as we work to strengthen internal financial controls, ensuring sustainability of programs and transparency in all financial reporting.

As noted in the financial statements, the following areas require improvement and will be addressed accordingly. They include:

- Improvement of review processes to ensure that all account balances at year end have been adjusted to properly reflect the organization's financial position. Specifically, capital lease debt, receivables and payables required adjustment to reflect the actual basis of accounting at year's end, as required by Generally Accepted Accounting Principles (GAAP). This issue is noted as finding 2015.1.

We anticipate resolving the current finding by the time the next audit is performed. I believe we have needed and continue to make progress in addressing our financial issues, and appreciate the support of our funders who see the exceptional work done by the organization and, because of this, continue to have faith in the organization.

Mission West Virginia strives to make all recommended improvements and appreciates your thorough work on our financial records. The organization's staff and board are proud of its programs and the results they achieve and want the financial statements to show that same level of professionalism.

Best regards,

B. David Rogers
 Mission West Virginia, Inc.

MISSION WEST VIRGINIA INC.**SCHEDULE OF ACTIVITY DETAIL – DIRECT FEDERAL PROGRAMS**
For the Year Ended December 31, 2015

	Direct Federal Programs				
CFDA Number	93.297	93.297	93.297	93.086	93.060
Program by grant	TPP	TPP	TPP	HM	CAE
Cost objective	64	65	66	74	152
Revenues	\$ 250	\$ 601,456	\$ 554,590	\$ 544,154	\$ 55,121
Expenditures:					
Salaries and wages	-	79,632	87,827	156,098	10,286
FICA	-	6,050	6,671	11,886	770
State Unemployment	-	1,633	492	2,875	149
Worker's compensation	-	1,420	1,010	1,906	184
Medicare	-	1,406	1,560	2,957	177
Employee benefits program	-	17,955	19,458	34,959	2,129
SIMPLE IRA employer match	-	2,336	1,333	2,424	23
Continuing education	-	2,239	8,431	4,776	33
Supplies	-	556	6,329	3,635	2,099
Insurance	-	77	-	-	-
Telephone	76	993	1,043	1,437	165
Internet	-	-	-	-	-
Postage and shipping	-	339	165	887	-
Rent and utilities	-	5,850	5,088	9,965	705
Equipment rental	-	-	-	-	-
Printing	-	763	149	1,162	-
Program materials	-	-	203	1,069	-
Portraits	-	-	-	-	-
Publications	-	-	-	3,025	2,941
Travel	-	228	29	1,995	8
Mileage	-	4,774	6,074	8,392	229
Special events	-	-	-	-	-
Conferences	-	106	1,131	3,179	220
Meetings	-	-	-	-	-
Kick-Off Event / activities	-	228	-	228	-
Program support	-	-	1,201	2,343	-
Program incentives	-	283	159	11,209	-
Outreach coordinator	-	-	-	-	-
Depreciation	-	-	-	-	-
Warehouse	-	-	-	-	-
Software and equipment	-	-	-	-	-
Outside program services	-	22,859	85,571	-	9,350
Other expense	-	(2,039)	242	100	-
Subrecipient/s subcontract	-	436,097	324,598	204,491	14,577
Total direct cost	76	583,785	558,764	470,998	44,045
Indirect	13	37,195	50,906	48,459	13,037
Total expenditures	89	620,980	609,670	519,457	57,082
Net gain (loss)	\$ 161	\$ (19,524)	\$ (55,080)	\$ 24,697	\$ (1,961)

See independent auditors' report.

MISSION WEST VIRGINIA INC.**SCHEDULE OF ACTIVITY DETAIL – PASS-THROUGH FEDERAL PROGRAMS**
For the Year Ended December 31, 2015

CFDA Number	Direct Federal Programs			
	93.556	93.556	93.092	93.092
Program by grant	DHHR	DHHR	DDHR	DDHR
Cost objective	OCOC	OCOC	PREP	PREP
Revenues	\$ 88,158	\$ 74,549	\$ 47,536	\$ 18,948
Expenditures:				
Salaries and wages	43,656	43,727	25,684	8,172
FICA	3,365	3,335	1,946	623
State Unemployment	1,087	-	502	360
Worker's compensation	425	430	329	79
Medicare	787	780	457	146
Employee benefits program	10,041	10,057	5,907	2,196
SIMPLE IRA employer match	1,337	1,305	165	21
Continuing education	-	-	-	-
Supplies	1,604	297	381	80
Insurance	-	-	-	-
Telephone	886	870	93	80
Internet	-	-	-	-
Postage and shipping	1,037	1,277	63	-
Rent and utilities	1,902	1,943	977	464
Equipment rental	-	-	-	-
Printing	2,075	735	-	-
Program materials	-	-	-	-
Portraits	392	431	-	-
Publications	-	-	476	-
Travel	412	348	35	-
Mileage	2,864	2,261	4,047	489
Special events	-	-	1,193	-
Conferences	85	100	-	-
Meetings	652	174	-	-
Kick-Off Event / activities	-	-	1,011	36
Program support	358	-	-	-
Program incentives	-	-	-	-
Outreach coordinator	4,680	3,200	-	-
Depreciation	-	-	-	-
Warehouse	-	-	-	-
Software and equipment	-	-	-	-
Outside program services	10,947	276	-	-
Other expense	336	326	276	-
Subrecipient/subcontract	-	-	-	-
Total direct cost	<u>89,128</u>	<u>71,872</u>	<u>43,542</u>	<u>12,746</u>
Indirect	14,861	12,019	7,272	2,131
Total expenditures	<u>103,989</u>	<u>83,891</u>	<u>50,814</u>	<u>14,877</u>
Net gain (loss)	<u>\$ (15,831)</u>	<u>\$ (9,342)</u>	<u>\$ (3,278)</u>	<u>\$ 4,071</u>

See independent auditors' report.

MISSION WEST VIRGINIA INC.**SCHEDULE OF ACTIVITY DETAIL – STATE AND TECHNOLOGY PROGRAMS****(FEE FOR SERVICE)****For the Year Ended December 31, 2015**

CFDA Number	Direct Federal Programs			
	93.556	93.556	93.092	93.092
Program by grant	Kinship Care (BOSS)	Kinship Care (BOSS)	BIKISI 45D	Tech T
Cost objective	131	132	45D	T
Revenues	\$ 24,854	\$ 24,204	\$ 20,750	\$ 29,871
Expenditures:				
Salaries and wages	9,610	10,953	8,925	3,997
FICA	605	696	681	275
State Unemployment	361	131	-	182
Worker's compensation	190	185	-	-
Medicare	141	163	159	64
Employee benefits program	231	270	2,053	441
SIMPLE IRA employer match	15	34	291	-
Continuing education	-	-	-	-
Supplies	2,520	12	-	-
Insurance	-	-	-	-
Telephone	74	92	-	-
Internet	-	-	-	164
Postage and shipping	106	-	-	-
Rent and utilities	606	830	-	1,066
Equipment rental	-	-	-	18
Printing	116	36	-	-
Program materials	-	-	-	-
Portraits	-	-	-	-
Publications	-	-	-	-
Travel	345	144	8	190
Auto insurance	-	-	-	-
Gasoline	-	-	-	-
Mileage	903	415	204	-
Special events	-	-	-	-
Conferences	-	339	-	-
Meetings	-	-	-	-
Kick-Off Event / activities	-	-	-	-
Program support	-	-	-	-
Program incentives	-	-	-	-
Outreach coordinator	-	-	-	-
Depreciation	-	-	-	-
Warehouse	-	-	-	832
Software and equipment	-	-	2,560	-
Outside program services	-	-	-	-
Other expense	-	14	-	-
Subrecipient/subcontract	-	-	2,150	-
Total direct cost	15,823	14,314	17,031	7,229
Indirect	2,646	2,394	2,848	1,209
Total expenditures	18,469	16,708	19,879	8,438
Net gain (loss)	\$ 6,385	\$ 7,496	\$ 871	\$ 21,433

See independent auditors' report.

MISSION WEST VIRGINIA INC.**SCHEDULE OF ACTIVITY DETAIL – FOUNDATION, FUNDRAISING PROGRAMS
AND TOTAL**

For the Year Ended December 31, 2015

CFDA Number	93.556	93.556	93.556	93.092	
	WWK		WWK		
	North		North	Fund-	
Program by grant	14-15	WWK 2015	15-16	raisers	
Cost objective	355	356	357	895-900	TOTAL
Revenues	<u>\$ 30,568</u>	<u>\$ 70,000</u>	<u>\$ 27,480</u>	<u>\$ 138,835</u>	<u>\$ 2,351,324</u>
Expenditures:					
Salaries and wages	15,450	37,275	15,450	1,809	558,551
FICA	1,178	2,843	1,178	111	42,213
State Unemployment	492	492	-	-	8,756
Worker's compensation	236	641	325	-	7,360
Medicare	276	665	276	26	10,040
Employee benefits program	3,554	8,573	3,554	385	121,763
SIMPLE IRA employer match	464	1,118	464	62	11,392
Continuing education	-	-	-	-	15,479
Supplies	622	161	689	18,496	37,481
Insurance	-	-	-	-	77
Telephone	600	900	600	-	7,909
Internet	-	-	-	-	164
Postage and shipping	105	12	27	147	4,165
Rent and utilities	-	1,937	-	-	31,333
Equipment rental	-	-	-	-	18
Printing	-	66	-	47	5,149
Program materials	-	-	-	-	1,272
Portraits	-	-	-	-	823
Publications	-	-	-	-	6,442
Travel	251	394	447	231	5,065
Gasoline	-	-	-	-	-
Mileage	3,402	7,244	4,649	390	46,337
Special events	-	-	-	2,260	3,453
Conferences	367	566	203	-	6,296
Meetings	-	-	-	3,812	4,638
Kick-Off Event / activities	746	496	575	177	3,497
Program support	-	-	-	2,000	5,902
Program incentives	-	-	-	-	11,651
Outreach coordinator	-	-	-	-	8,080
Depreciation	-	-	-	-	-
Warehouse	-	-	-	-	832
Software and equipment	-	-	-	-	2,560
Outside program services	-	-	-	-	129,003
Other expense	-	-	239	362	(144)
Subrecipient/subcontract	-	-	-	58,219	1,040,132
Total direct cost	<u>27,743</u>	<u>63,383</u>	<u>28,676</u>	<u>88,534</u>	<u>2,137,689</u>
Indirect	4,639	10,599	4,755	14,885	229,868
Total expenditures	<u>32,382</u>	<u>73,982</u>	<u>33,431</u>	<u>103,419</u>	<u>2,367,557</u>
Net gain (loss)	<u>\$ (1,814)</u>	<u>\$ (3,982)</u>	<u>\$ (5,951)</u>	<u>\$ 35,416</u>	<u>\$ (16,233)</u>

See independent auditors' report.

MISSION WEST VIRGINIA INC.

SCHEDULE OF INDIRECT EXPENDITURES

For the Year Ended December 31, 2015

Salaries and wages	\$ 89,938
FICA	25,981
State unemployment	9,244
Worker's compensation	3,489
Medicare	1,513
Accounting fees	10,328
Employee benefits program	19,738
SIMPLE IRA employer match	2,921
Continuing education/staff development	95
Supplies	1,930
Insurance	6,397
Telephone	3,056
Internet	195
Postage and shipping	100
Rent and utilities	12,235
Equipment rental	744
Printing	276
Travel	214
Mileage	2,612
Conferences & Meetings	512
Depreciation	2,727
Software and equipment	1,099
Warehousing	1,182
Other expense	<u>33,102</u>
	<u>\$ 229,628</u>

See independent auditors' report.