

# WEST VIRGINIA COALITION TO END HOMELESSNESS, INC.

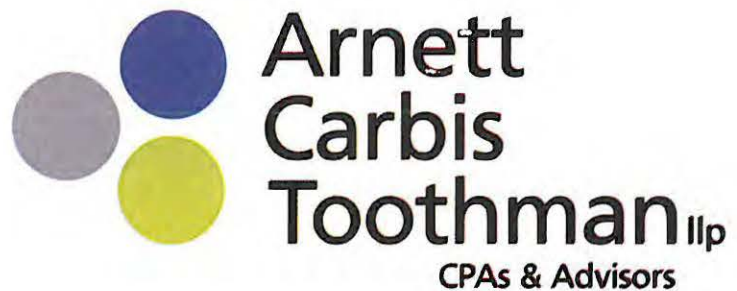
Financial Report and Single Audit Reports

June 30, 2015

DHHR - Finance

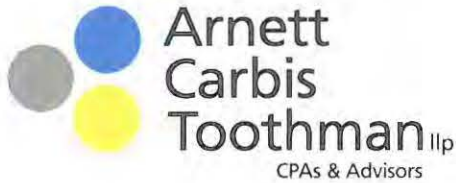
MAR 31 2016

Date Received



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## INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

To the Board of Directors  
West Virginia Coalition to End Homelessness, Inc.  
Bridgeport, West Virginia

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the West Virginia Coalition to End Homelessness, which comprise the statement of financial position as of June 30, 2015, and the related statements of activities and cash flows for the year then ended, and the related notes to financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of the 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 the 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.

## Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the West Virginia Coalition to End Homelessness, Inc. as of June 30, 2015, and the changes in its net assets and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

## Other Matters

### *Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A -133, *Audits of States, Local Governments, and Non-Profit Organizations*, 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 March 1, 2016, on our consideration of West Virginia Coalition to End Homelessness, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering West Virginia Coalition to End Homelessness Inc.'s internal control over financial reporting and compliance.

*Arnett Carlin Toothman LLP*

Bridgeport, West Virginia  
March 1, 2016

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WEST VIRGINIA COALITION TO END HOMELESSNESS, INC.  
STATEMENT OF FINANCIAL POSITION

JUNE 30, 2015

ASSETS

Cash	\$	34,812
Accounts receivable, net		26,524
Prepaid expenses		<u>3,709</u>
Total assets	\$	<u>65,045</u>

LIABILITIES AND NET ASSETS

Liabilities

Accounts payable	\$	3,882
Compensated absences		11,901
Deferred revenue		-
Accrued payroll and payroll liabilities		<u>9,060</u>
Total liabilities		<u>24,843</u>

Net assets

Unrestricted		<u>40,202</u>
Total net assets		<u>40,202</u>
Total liabilities and net assets	\$	<u>65,045</u>

The Notes to Financial Statements are an integral part of this statement.

WEST VIRGINIA COALITION TO END HOMELESSNESS, INC.  
STATEMENT OF ACTIVITIES

Year Ended June 30, 2015

OPERATING REVENUE	
HMIS grant	\$ 432,613
ESG grant	180,113
PATH grant	96,528
DHHR grant	72,887
GHA grant	58,055
OEO grant	26,822
Other revenue	38,909
Total operating revenue	<u>905,927</u>
OPERATING EXPENSES	
Salaries and fringe benefits	449,525
Rental expense	196,731
Travel	71,023
Software and licenses	64,259
Professional fees	160
Utilities	22,088
Office expense	17,033
Training	27,427
Insurance	4,196
Advertising	59
Material and supplies	17,908
Taxes and licenses	2,486
Bank charges	8,977
Other expenses	15,567
Total operating expenses	<u>897,439</u>
Operating profit	8,488
Net profit	8,488
NET ASSETS, BEGINNING OF THE YEAR	<u>31,714</u>
NET ASSETS, END OF THE YEAR	<u>\$ 40,202</u>

The Notes to Financial Statements are an integral part of this statement.

WEST VIRGINIA COALITION TO END HOMELESSNESS, INC.  
STATEMENT OF CASH FLOWS

Year Ended June 30, 2015

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ 8,488
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Decrease in accounts receivable	38,096
(Increase) in prepaid expenses	(3,709)
Increase in accounts payable	1,135
Increase in compensated absences	3,278
(Decrease) in deferred revenue	(7,803)
(Decrease) in accrued payroll and payroll liabilities	<u>(1,527)</u>
Net cash provided by operating activities	<u>37,958</u>
Cash	
Beginning	<u>(3,146)</u>
Ending	<u>\$ 34,812</u>

The Notes to Financial Statements are an integral part of this statement.

**NOTE 1. DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES**

Description of Organization

The West Virginia Coalition to End Homelessness, Incorporated (Organization) is a private, not-for-profit organization that acts as an advocate for services to prevent and end homelessness throughout West Virginia.

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with United States of America generally accepted accounting principles, under which liabilities and expenses are recorded when incurred, not when paid, and income is recorded when earned, not when received.

Unrestricted Grants

No unrestricted grant related assets are reflected in the statement of financial position unless costs have been incurred against the grant at which time the grantor is billed or cash has been received as an advance. Revenue is recognized in the statement of activities as unrestricted when program costs are incurred.

Temporarily Restricted Net Assets

The Organization reports grants and other assets as restricted support if they are received with donor stipulations. When a grantee or donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. At June 30, 2015, there were no temporarily restricted net assets.

Income Taxes

The Organization is exempt from income taxes under Section 501 (c)(3) of the Internal Revenue Code. The Organization is classified by the Internal Revenue Service as an other than private foundation.



**NOTE 1. DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Financial Statement Presentation

Financial statement presentation follows the recommendations of Accounting Standards Codification (ASC) Topic 958, *Not-for-Profit Entities*. Under ASC 958, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. In addition, the Organization is required to present a statement of cash flows. There were no temporarily or permanently restricted net assets at June 30, 2015.

Deferred Revenue

Grant funds received in excess of expenditures incurred under grant activities are recorded as deferred grant revenue. As of June 30, 2015, there was no deferred grant revenue.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of support, revenue, and expenditures during the reporting period. Actual results could differ from those estimates.

Advertising

The Organization uses advertising to promote its programs among the audiences it serves. The costs of advertising are expensed as incurred. During year ended June 30, 2015, advertising costs totaled \$59. These costs constitute necessary and reasonable public awareness costs allowable under OMB Circular A-122.

Compensation of Accrued Absences

A liability has been recognized for unpaid, but earned, vacation leave to be subsequently taken by employees. However, no liability is recognized for sick leave as no amount is paid at the time of separation from employment.

Valuation of Receivables

Receivables are unsecured and stated at face amount with no allowance for doubtful accounts. Management assesses the receivable balance each month and deemed that an allowance for doubtful accounts is not considered necessary because probable uncollectible accounts are immaterial.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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**NOTE 1. DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Fair Value of Financial Instruments

The carrying value of cash, grants receivable, accounts payable, accrued expenses, and deferred revenue approximates their fair values because they are short-term in nature.

Uncertain Tax Positions

Accounting Standards prescribe a recognition threshold and measurement attribute for a tax position taken or expected to be taken in a tax return where there is uncertainty about whether a tax position will ultimately be sustained upon examination. The Organization has adopted the recognition and disclosure provisions of the standard. The adoption of this standard did not have an effect on the Organization's financial position or changes in net assets. The Organization does not believe its financial statements include (or reflect) any uncertain tax positions. The Organization's federal Return of Organizations Exempt from Income Taxes is subject to examination by the Internal Revenue Service for a period of three years from the date they are filed. As of June 30, 2015, the following tax years are subject to examination:

<u>Jurisdiction</u>	<u>Open Years for Filed Returns</u>	<u>Returns to be Filed in 2015</u>
Federal	2011 - 2013	2014

**NOTE 2. OPERATING LEASES**

The Organization leases facilities for its administrative office under an operating lease. The lease agreement is for a one-year term, ending November 30, 2016. Required rental payments for the fiscal year were \$1,400. For the fiscal year ended June 30, 2015, total rental costs under this agreement amounted to \$19,773.

The total minimum rental commitment at June 30, 2015, under the leases mentioned above is due as follows:

During the year ending June 30:		
	2016	\$16,800
	2017	<u>7,000</u>
		<u>\$23,800</u>

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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### NOTE 3. CONCENTRATIONS

#### Concentration of Credit Risk

The Organization maintains cash balances in a checking account at a local bank. The account is insured by the Federal Deposit Insurance Corporation up to \$250,000.

#### Concentration of Revenue

The majority of revenues received by the Organization are comprised of federal pass-through grants from the West Virginia Department of Health and Human Resources, and the Department of Housing and Urban Development. For the year ended June 30, 2015, \$867,018 was received from these two grantors. A significant reduction in the level of this revenue, if this were to occur, may have an adverse effect on the Organization's operations and activities.

As of June 30, 2015, grant requests receivable from these grantors aggregated \$26,524.

### NOTE 4. RELATED PARTY TRANSACTIONS

The Organization has common board membership with a non-profit agency in Buckhannon, WV. At times, the Organization is responsible for monitoring the spending of federal funds of the related organization.

### NOTE 5. CONTINGENT LIABILITIES

The Organization's programs are generally funded from federal and state sources. Federal and state grants received for specific purposes are subject to audit and review by grantor agencies. Such audits and reviews could result in requests for reimbursements to grantor agencies for expenditures disallowed under the terms of the grants. The amount, if any, of expenditures, which may be disallowed by grantor agencies cannot be determined at this time, although management believes such amounts, if any, to be immaterial.

### NOTE 6. DEFINED CONTRIBUTION PLAN

The Organization maintains a SEP IRA contribution plan. Contributions that the employees make to the plan are made with pre-tax dollars. Earnings on these contributions are tax-deferred until withdrawn from the account. The Organization provides an employer contribution equal to 3% of the employee's salary before deductions. This plan becomes effective the first day of the first month following hire. The Organization's expense under this plan for the year ended June 30, 2015, was \$8,422.

**NOTE 7. SUBSEQUENT EVENTS**

Accounting Standards define further disclosure requirements for events that occur after the balance sheet date but before financial statements are issued. The Foundation's management has evaluated events subsequent from June 30, 2015 through March 1, 2016, which is the date this report is available to be issued. There has been no material event noted during this period that would either impact the results reflected in this report or the Foundation's results going forward.

**WEST VIRGINIA COALITION TO END HOMELESSNESS, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ended June 30, 2015**

	Federal CFDA Number	Name of Program	Award Number	Award Amount	Federal Expenditures
<b>Department of Housing and Urban Development</b>					
HMIS	14 267	Continuum of Care	WV0028L3E081305	\$ 417,978	\$ 417,978
GHA	14,267	PSH, Family, Expansion	WV0044L3E08	58,055	58,055
		Subtotal of CFDA		<u>\$ 476,033</u>	<u>\$ 476,033</u>
<b>Pass-through West Virginia Office of Economic Development</b>					
ESG	14 231	Emergency Solutions	ESG14WVCEH	\$ 180,293	\$ 180,293
OEO	93 569	Community Services Block	14CSBG-D03	\$ 26,822	\$ 26,822
<b>Pass-through West Virginia Department of Health and Human Resources</b>					
CMHS	93 958	Community Mental Health Block	G150582	\$ 40,041	\$ 40,041
CMHS	93 958	Community Mental Health Block	G140486	8,852	8,852
		Subtotal of CFDA		<u>\$ 48,893</u>	<u>\$ 48,893</u>
PATH	93 150	PATH	G150240	\$ 64,624	\$ 64,624
				<u>\$ 796,665</u>	<u>\$ 796,665</u>

WEST VIRGINIA COALITION TO END HOMELESSNESS, INC.  
 SCHEDULE OF EXPENDITURES OF STATE AWARDS  
 Year Ended June 30, 2015

	Federal CFDA Number	Name of Program	Award Number	Award Amount	State Expenditures
<b>Pass-through West Virginia Department of Health and Human Resources</b>					
CMHS	93.958	Community Mental Health Block	G150582	\$ 20,393	\$ 20,393
CMHS	93.958	Community Mental Health Block	G140486	<u>3,977</u>	<u>3,977</u>
		Subtotal of CFDA		<u>\$ 24,370</u>	<u>\$ 24,370</u>
PATH	93.150	PATH	G150240	<u>\$ 31,904</u>	<u>\$ 31,904</u>
				<u>\$ 56,274</u>	<u>\$ 56,274</u>

WEST VIRGINIA COALITION TO END HOMELESSNESS, INC.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
June 30, 2015

1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant award activity of West Virginia Coalition to End Homelessness, Inc. and is presented on the basis of accounting practices prescribed by the Department of Housing and Urban Development and the West Virginia Department of Health and Human Resources. These practices differ in some respects from generally accepted accounting principles. 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 basic financial statements. Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors  
West Virginia Coalition to End Homelessness, Inc.  
Bridgeport, 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 the West Virginia Coalition to End Homelessness, Inc. (a nonprofit organization) which comprise the statement of financial position as of June 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 1, 2016.

#### **Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the West Virginia Coalition to End Homelessness, Inc.'s internal control over financial reporting (internal control) to determine the auditing 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 the West Virginia Coalition to End Homelessness, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 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 statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses 2015-01 and 2015-02.



## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the West Virginia Coalition to End Homelessness, 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.

*Arnett Carlin Toothman LLP*

Bridgeport, West Virginia  
March 1, 2016

DHHR - Finance

MAR 31 2016

Date Received



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

To the Board of Directors  
West Virginia Coalition to End Homelessness, Inc.  
Bridgeport, West Virginia

**Report on Compliance for Each Major Federal Program**

We have audited West Virginia Coalition to End Homelessness, Inc.'s compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of West Virginia Coalition to End Homelessness, Inc., Inc.'s major federal programs for the year ended June 30, 2015. West Virginia Coalition to End Homelessness, Inc. 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 West Virginia Coalition to End Homelessness, 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 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 West Virginia Coalition to End Homelessness, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of West Virginia Coalition to End Homelessness, Inc.'s compliance with those requirements.

## **Opinion on Each Major Federal Program**

In our opinion, West Virginia Coalition to End Homelessness, Inc. complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

## **Other Matters**

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 2015-01 and 2015-02. Our opinion on each major federal program is not modified with respect to these matters.

West Virginia Coalition to End Homelessness, Inc.'s response to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. West Virginia Coalition to End Homelessness, Inc.'s response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

## **Report on Internal Control Over Compliance**

Management of West Virginia Coalition to End Homelessness, 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, we considered West Virginia Coalition to End Homelessness, 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 West Virginia Coalition to End Homelessness, Inc.'s internal control over compliance.

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

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, material weaknesses may exist that have not been identified. We identified certain deficiencies in internal

control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2015-01 and 2015-02, that we consider to be material weaknesses.

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.

*Aronett Carlie Toothman LLP*

Bridgeport, West Virginia  
March 1, 2016

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MAR 31 2016

Date Received

WEST VIRGINIA COALITION TO END HOMELESSNESS, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2015

**Section I – Summary of Auditor’s Results**

Financial Statements

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:  
Material weakness(es) identified?  X  yes   no  
Significant deficiencies identified that  
are not considered to be material  
weakness(es)?   yes  X  none reported

Noncompliance material to financial  
statements noted?   yes  X  no

Federal Awards

Internal control over major programs:  
Material weakness(es) identified?  X  yes   no  
Significant deficiencies identified that  
are not considered to be material  
weakness(es)?   yes  X  none reported

Type of auditor’s report issued on compliance  
for major programs: Unmodified

Any audit findings disclosed that are required  
to be reported in accordance with section  
510(a) of Circular A-133?   yes  X  no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
14.267	HMIS
14.231	ESG

WEST VIRGINIA COALITION TO END HOMELESSNESS, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
Year Ended June 30, 2015

Dollar threshold used to distinguish  
between type A and B programs: \$ 300,000

Auditee qualified as low-risk auditee?  yes  no

**Section II – Financial Statement Findings**

None reported

**Section III – Federal Award Findings and Questioned Costs**

**Finding Number** 2015-001

**Finding**

Late Filing of Required Audit Report

**Criteria or specific requirement**

The federal audit clearinghouse requires that all data collection forms be submitted 30 days after receipt of the auditor's report or nine months after the end of the fiscal year-whichever comes first.

**Condition**

As of March 1, 2016, which is the date of this report, the June 30, 2014 Data Collection form was not filed with the Federal Audit Clearinghouse.

**Effect**

This is a requirement by the Federal Audit Clearinghouse, which has not been met.

**Cause**

The reason the Data Collection Form was not filed on time, is because the prior auditor did not finalize the audit report.

**Questioned Costs**

There were no questioned costs associated with this finding.

**Context**

During review of prior auditor workpapers and the prior audit report, it was discovered that the June 30, 2014 Data Collection Form had not been filed with the Federal Audit Clearinghouse.

**Recommendation**

It is recommended that the June 30, 2014 audit report be filed immediately.

**Views of Responsible Officials and Planned Corrective Action**

The prior auditor has been notified that this filing is late and must happen immediately.

**Finding Number** 2015-002

**Finding**

Missing approvals on invoices during allowable cost testing.

**Criteria or specific requirement**

In accordance with a good system of internal control and corporate policies and procedures, all invoices must be properly approved for payment.

**Condition**

Seven of twenty-seven invoices tested during allowable cost testing did not have proper evidence of management approval.

**Effect**

Expenditures were made that did not have a proper written signature of approval.

**Cause**

The reason is that assumptions were made that routine expenditures could be made without any written signature of approval, however, internal policies and procedures currently do not allow for a deviation of this sort from the policy.

**Questioned Costs**

The invoices that did not have proper approval totaled \$32,378. However, based on a review of the invoices and other audit procedures performed, it is believed that the underlying expenditures are allowable under the grants and the cost principles. Therefore, there are no questioned costs associated with this finding.

**Context**

Of the 27 transactions tested, we found seven of noncompliance that did not have proper written signature of approval.

**Recommendation**

It is recommended that all invoices obtain a prior written signature of approval before they are paid, and if management wishes to alter its current policy to permit recurring invoices to be paid without individual approval then such a change in policy should be made.

**Views of Responsible Officials and Planned Corrective Action**

The program director will ensure that all invoices are properly approved before payment.