

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

**FINANCIAL STATEMENTS WITH
ADDITIONAL INFORMATION**

YEAR ENDED SEPTEMBER 30, 2017

WITH INDEPENDENT AUDITOR'S REPORTS

DHHR - Finance

JUL 10 2018

Date Received

NORTHERN WEST VIRGINIA CENTER FOR INDEPENDENT LIVING, INC.
FINANCIAL STATEMENTS WITH ADDITIONAL INFORMATION
YEAR ENDED SEPTEMBER 30, 2017

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JUL 10 2018

Date Received

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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, 2017, 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, 2017, 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 January 27, 2018, 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
January 27, 2018

Ware & Hall PLLC

DHHR - Finance

JUL 10 2018

Date Received

NORTHERN WEST VIRGINIA CENTER FOR INDEPENDENT LIVING, INC.
STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2017

ASSETS

CURRENT ASSETS

| | |
|-----------------------------|----------------|
| Cash | \$ 54,381 |
| Grants receivable | 616,075 |
| Accounts receivable | 185 |
| Prepaid expenses | <u>15,503</u> |
| TOTAL CURRENT ASSETS | 686,144 |

| | |
|------------------------------------|---------------|
| PROPERTY AND EQUIPMENT, NET | <u>11,512</u> |
|------------------------------------|---------------|

| | |
|---------------------|--------------------------|
| TOTAL ASSETS | \$ <u>697,656</u> |
|---------------------|--------------------------|

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

| | |
|-----------------------------------|-----------------------|
| Accounts payable | \$ 102,619 |
| Line-of-credit payable | 192,247 |
| Accrued payroll and payroll taxes | 10,284 |
| Deferred revenue | <u>289,524</u> |
| TOTAL CURRENT LIABILITIES | <u>594,674</u> |

NET ASSETS

| | |
|-------------------------|-----------------------|
| Unrestricted | <u>102,982</u> |
| TOTAL NET ASSETS | <u>102,982</u> |

| | |
|---|--------------------------|
| TOTAL LIABILITIES AND NET ASSETS | \$ <u>697,656</u> |
|---|--------------------------|

NORTHERN WEST VIRGINIA CENTER FOR INDEPENDENT LIVING, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2017

UNRESTRICTED NET ASSETS

SUPPORT AND REVENUE

GRANTS

| | |
|---|-------------------------|
| Federal/State/pass-through | \$ 1,649,656 |
| Other grants and contributions | 229,305 |
| Program and other income | <u>5,707</u> |
| TOTAL UNRESTRICTED SUPPORT AND REVENUE | <u>1,884,668</u> |

EXPENSES

PROGRAM SERVICES

| | |
|--|-------------------------|
| Independent Living - State Grants Part B | 84,203 |
| Assistive Technology - WVATS | 6,103 |
| Training | 9,566 |
| Our lives: Safe and Strong Program Toolkit | 3,879 |
| Community Engagement Specialist | 39,823 |
| Family and Community Support | 114,199 |
| Family Support and Training | 5,892 |
| Fair Housing /Private Enforcement Incentives Program - HUD | 280,556 |
| Centers for Independent Living - HHS | 193,402 |
| Affordable Housing Program - FHLB | 195,004 |
| Education, Training and Services to End Violence Against and Abuse of Women With Disabilities - FRIS | 1,131 |
| Community Living Services Program -CLSP | 94,625 |
| Unmet Needs | 316,330 |
| Traumatic Brain Injury | 276,214 |
| Peer Support | 26,848 |
| Other Programs | <u>8,830</u> |
| TOTAL PROGRAM SERVICES | <u>1,656,605</u> |

SUPPORTING SERVICES

| | |
|------------------------|-------------------------|
| Management and General | <u>205,475</u> |
| TOTAL EXPENSES | <u>1,862,080</u> |

CHANGE IN UNRESTRICTED NET ASSETS 22,588

NET ASSETS BEGINNING OF YEAR 80,394

NET ASSETS END OF YEAR \$ 102,982

NORTHERN WEST VIRGINIA CENTER FOR INDEPENDENT LIVING, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED SEPTEMBER 30, 2017

| | |
|--|-----------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | |
| Change in net assets | \$ 22,588 |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: | |
| Depreciation | 2,888 |
| (Increase) decrease in operating assets: | |
| Grants receivable | (280,034) |
| Accounts receivable | 10,897 |
| Prepaid expenses | (12,853) |
| Deposits | 14,653 |
| Increase (decrease) in operating liabilities: | |
| Accounts payable | 23,898 |
| Accrued payroll and payroll taxes | (983) |
| Deferred revenue | <u>(29,445)</u> |
| NET CASH (USED IN) OPERATING ACTIVITIES | <u>(248,391)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | |
| Net increase in line-of-credit | <u>183,088</u> |
| NET CASH PROVIDED BY FINANCING ACTIVITIES | <u>183,088</u> |
| NET (DECREASE) IN CASH | (65,303) |
| CASH AT BEGINNING OF YEAR | <u>119,684</u> |
| CASH AT END OF YEAR | \$ <u>54,381</u> |
| SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION | |
| Cash paid during the year for: | |
| Interest | \$ <u>1,087</u> |
| Income Taxes | \$ <u>-0-</u> |

NORTHERN WEST VIRGINIA CENTER FOR INDEPENDENT LIVING, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2017

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, family and community support, training, information and referral, fair housing, individual and systems advocacy, peer support, support for traumatic brain injury, and support for unmet needs.

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, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

DEFERRED REVENUE

Deferred revenue represents unexpended funds received as of September 30, 2017. 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 2014.

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 \$1,154 for the year ended September 30, 2017 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, 2017

NOTE 2 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following at September 30, 2017:

| | | |
|--------------------------------|----|-----------------|
| Furniture and Equipment | \$ | 28,436 |
| Leasehold Improvements | | <u>38,977</u> |
| | | 67,413 |
| Less: Accumulated Depreciation | | <u>(55,901)</u> |
| Property and Equipment, Net | \$ | <u>11,512</u> |

Depreciation expense for the year ended September 30, 2017 totaled \$2,888.

NOTE 3 - LINE OF CREDIT

| | | |
|--|----|--------|
| Line of credit to a bank, maximum amount \$55,000, interest is payable monthly at a variable rate of 1% above the Wall Street Journal U.S. prime rate (5.25% at September 30, 2017), due September, 2018, unsecured. | \$ | 53,303 |
|--|----|--------|

| | | |
|---|--|----------------|
| Line of credit to a bank, maximum amount \$200,000, interest is payable at a variable rate of 2% above the Wall Street Journal U.S. prime rate (5.75% at September 30, 2017), forgivable up to \$9,600, due March, 2018, secured by <i>My Choice, My Home</i> grant from Federal Home Loan Bank in the amount of \$611,787. | | <u>138,944</u> |
|---|--|----------------|

| | | |
|-------|--|---------|
| Total | | 192,247 |
|-------|--|---------|

| | | |
|---|--|----------------|
| Less current maturities included in current liabilities | | <u>192,247</u> |
|---|--|----------------|

| | | |
|-------------------|----|------------|
| Long-term portion | \$ | <u>-0-</u> |
|-------------------|----|------------|

Interest expense for the year ended September 30, 2017 totaled \$5,522 of which \$4,434 was forgiven by the Bank.

At September 30, 2017, the Organization had \$62,753 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, 2022. Total rent expense charged to operations during the year ended September 30, 2017 amounted to \$33,350.

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 2017 amounted to \$4,125.

NORTHERN WEST VIRGINIA CENTER FOR INDEPENDENT LIVING, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2017

NOTE 4 - OPERATING LEASES (CONTINUED)

Northern West Virginia Center for Independent Living, Inc. also leases copiers and postage machines under operating leases expiring in fiscal year ending September 30, 2017. Total rent expense charged to operations during the year ended September 30, 2017 amounted to \$5,769.

Minimum future rental payments under non-cancelable operating leases having remaining terms in excess of one year as of September 30, 2017 for each of the next five years and in the aggregate are:

| <u>Year Ended September 30,</u> | <u>Amount</u> |
|---------------------------------|-------------------|
| 2018 | \$ 26,479 |
| 2019 | 26,479 |
| 2020 | 26,479 |
| 2021 | 26,479 |
| 2022 | <u>8,153</u> |
| Total | \$ <u>114,069</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 \$9,742 were charged to operations during the fiscal year ended September 30, 2017.

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, 2017, accounts at this financial institution were insured by the Federal Deposit Insurance Corporation up to \$250,000. The Organization had no bank balances in excess of the FDIC coverage at this financial institution at September 30, 2017.

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.

NORTHERN WEST VIRGINIA CENTER FOR INDEPENDENT LIVING, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2017

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.

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 \$319,713, \$255,214, and \$857,476, respectively for the year ended September 30, 2017. 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 - SUBSEQUENT EVENTS

Management has reviewed events occurring subsequent to September 30, 2017 through January 27, 2018 (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, 2017

| | Independent Living-State Grants <u>Part B</u> | Assistive Technology <u>WVATS</u> | <u>Training</u> | Our Lives: Safe and Strong Program <u>Toolkit</u> | Community Engagement <u>Specialist</u> |
|--|--|---|----------------------|--|--|
| SUPPORT AND REVENUE | | | | | |
| Grant revenue - | | | | | |
| federal/state/pass-through | \$ 95,468 | \$ 5,990 | \$ 10,901 | \$ 4,421 | \$ 45,457 |
| Other grants and contributions | -0- | -0- | -0- | -0- | -0- |
| Program and other income | <u>7</u> | <u>965</u> | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> |
| TOTAL SUPPORT AND REVENUE | <u>95,475</u> | <u>6,955</u> | <u>10,901</u> | <u>4,421</u> | <u>45,457</u> |
| EXPENSES | | | | | |
| Salaries and benefits | 37,757 | -0- | -0- | 1,206 | -0- |
| Travel and training | 15,776 | -0- | 9,538 | 2,673 | -0- |
| Consumable supplies | 3,025 | 142 | -0- | -0- | -0- |
| Vehicles, equipment and property | 182 | 5,181 | -0- | -0- | -0- |
| Contractual and consultants | -0- | -0- | -0- | -0- | -0- |
| Specific assistance to individuals | 25,074 | -0- | -0- | -0- | 39,823 |
| Printing and publications | -0- | -0- | -0- | -0- | -0- |
| Occupancy | -0- | 780 | -0- | -0- | -0- |
| Indirect costs | 11,272 | 852 | 1,335 | 542 | 5,634 |
| Other | <u>2,389</u> | <u>-0-</u> | <u>28</u> | <u>-0-</u> | <u>-0-</u> |
| TOTAL EXPENSES | <u>95,475</u> | <u>6,955</u> | <u>10,901</u> | <u>4,421</u> | <u>45,457</u> |
| INCREASE (DECREASE) IN NET ASSETS | -0- | -0- | -0- | -0- | -0- |
| NET ASSETS BEGINNING OF YEAR | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> | <u>-0-</u> |
| NET ASSETS END OF YEAR | \$ <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> |

| Families and Community Support | Family Support and Training | Fair Housing/ Private Enforcement Initiatives Program - HUD | Centers for Independent Living - HHS | Affordable Housing Program - FHLB |
|--------------------------------------|--------------------------------|--|--|---|
| \$ 130,061 | \$ 6,714 | \$ 319,713 | \$ 220,198 | \$ -0- |
| -0- | -0- | -0- | -0- | 196,759 |
| <u>-0-</u> | <u>-0-</u> | <u>-0-</u> | <u>197</u> | <u>4,434</u> |
| <u>130,061</u> | <u>6,714</u> | <u>319,713</u> | <u>220,395</u> | <u>201,193</u> |
| 242 | -0- | 206,220 | 174,947 | 35,433 |
| 600 | 5,892 | 13,751 | 15,709 | 6,288 |
| -0- | -0- | 10,176 | 2,577 | 73 |
| -0- | -0- | 174 | -0- | -0- |
| 25,280 | -0- | 33,305 | 160 | 2,500 |
| 88,077 | -0- | 17 | -0- | 150,658 |
| -0- | -0- | 14,255 | -0- | -0- |
| -0- | -0- | -0- | 9 | -0- |
| 15,862 | 822 | 39,157 | 26,993 | 6,189 |
| -0- | -0- | <u>2,658</u> | <u>-0-</u> | <u>52</u> |
| <u>130,061</u> | <u>6,714</u> | <u>319,713</u> | <u>220,395</u> | <u>201,193</u> |
| -0- | -0- | -0- | -0- | -0- |
| <u>-0-</u> | <u>-0-</u> | <u>-0-</u> | <u>-0-</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, 2017

| | 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 | \$ 1,289 | \$ 103,605 |
| Other grants and contributions | -0- | -0- |
| Program and other income | <u>-0-</u> | <u>-0-</u> |
| TOTAL SUPPORT AND REVENUE | <u>1,289</u> | <u>103,605</u> |
| EXPENSES | | |
| Salaries and benefits | 1,131 | 20,150 |
| Travel and training | -0- | 5,039 |
| Consumable supplies | -0- | 25 |
| Vehicles, equipment and property | -0- | -0- |
| Contractual and consultants | -0- | -0- |
| Specific assistance to individuals | -0- | 69,446 |
| Printing and publications | -0- | -0- |
| Occupancy | -0- | -0- |
| Indirect costs | 158 | 8,980 |
| Other | <u>-0-</u> | <u>(35)</u> |
| TOTAL EXPENSES | <u>1,289</u> | <u>103,605</u> |
| INCREASE (DECREASE) IN NET ASSETS | | |
| | -0- | -0- |
| NET ASSETS BEGINNING OF YEAR | | |
| | <u>-0-</u> | <u>-0-</u> |
| NET ASSETS END OF YEAR | | |
| | \$ <u><u>-0-</u></u> | \$ <u><u>-0-</u></u> |

| <u>Unmet Needs</u> | <u>Traumatic Brain Injury</u> | <u>Peer Support</u> | <u>Other Programs</u> | <u>Total</u> |
|----------------------|-------------------------------|----------------------|--------------------------|--------------------------|
| \$ 360,479 | \$ 314,765 | \$ 30,595 | \$ -0- | \$ 1,649,656 |
| -0- | -0- | -0- | 32,546 | 229,305 |
| <u>-0-</u> | <u>-0-</u> | <u>-0-</u> | <u>104</u> | <u>5,707</u> |
| <u>360,479</u> | <u>314,765</u> | <u>30,595</u> | <u>32,650</u> | <u>1,884,668</u> |
| -0- | -0- | 24,106 | 3,456 | 504,648 |
| -0- | -0- | 2,742 | 1,150 | 79,158 |
| -0- | -0- | -0- | 70 | 16,088 |
| -0- | -0- | -0- | -0- | 5,537 |
| -0- | -0- | -0- | -0- | 61,245 |
| 316,330 | 276,214 | -0- | 327 | 965,966 |
| -0- | -0- | -0- | 150 | 14,405 |
| -0- | -0- | -0- | 81 | 870 |
| 44,149 | 38,551 | 3,747 | 1,232 | 205,475 |
| <u>-0-</u> | <u>-0-</u> | <u>-0-</u> | <u>3,596</u> | <u>8,688</u> |
| <u>360,479</u> | <u>314,765</u> | <u>30,595</u> | <u>10,062</u> | <u>1,862,080</u> |
| -0- | -0- | -0- | 22,588 | 22,588 |
| <u>-0-</u> | <u>-0-</u> | <u>-0-</u> | <u>80,394</u> | <u>80,394</u> |
| \$ <u><u>-0-</u></u> | \$ <u><u>-0-</u></u> | \$ <u><u>-0-</u></u> | \$ <u><u>102,982</u></u> | \$ <u><u>102,982</u></u> |

**NORTHERN WEST VIRGINIA CENTER FOR INDEPENDENT LIVING, INC.
 SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
 YEAR ENDED SEPTEMBER 30, 2017**

| <u>Federal or State Grantor/Pass-Through Grantor/Program Title</u> | <u>Pass-Through Entity Identifying Number</u> |
|---|--|
| FEDERAL AWARDS | |
| U.S. Department of Education | |
| Pass-Through West Virginia Division of Rehabilitation Services: | |
| Independent Living - State Grants | N/A |
| Independent Living - State Grants | 16*4654 |
| Independent Living - State Grants | 18*1509 |
| Pass-Through West Virginia University: | |
| Assistive Technology | N/A |
| TOTAL U. S. DEPARTMENT OF EDUCATION | |
| U.S. Department of Health and Human Services | |
| ACL Centers for Independent Living | 1603WV1LCL-00 |
| Pass-through Portland State University: | |
| ACL - Our Lives: Safe and Strong Program Toolkit | 2060SC568 |
| Pass-through West Virginia Department of Health and Human Resources: | |
| Block grants for Community Mental Health Services | G170487 |
| TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES | |
| U.S. Department of Housing and Urban Development | |
| Fair Housing Initiatives Program | FH700G14035 |
| Fair Housing Initiatives Program | FH400G14036 |
| Private Enforcement Initiatives | FPEI161055-01-01 |
| TOTAL U.S. 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 | \$ 3,439 |
| 10/01/15 - 09/30/17 | 76,338 | 76,338 |
| 10/01/16 - 09/30/18 | 113,093 | 15,691 |
| 10/01/16 - 09/15/17 | 6,000 | <u>5,990</u> |
| | | <u>101,458</u> |
| 09/30/16 - 09/29/17 | 220,198 | 220,198 |
| 09/30/16 - 09/29/17 | 13,782 | 4,421 |
| 10/01/16 - 09/30/17 | 35,000 | <u>30,595</u> |
| | | <u>255,214</u> |
| 12/15/15 - 12/14/16 | 649,912 | 49,425 |
| 12/15/15 - 12/14/16 | 124,996 | 57,688 |
| 12/15/16 - 12/14/17 | 300,000 | <u>212,600</u> |
| | | <u>319,713</u> |

**NORTHERN WEST VIRGINIA CENTER FOR INDEPENDENT LIVING, INC.
 SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
 YEAR ENDED SEPTEMBER 30, 2017**

| <u>Federal or State Grantor/Pass-Through Grantor/Program Title</u> | <u>Pass-Through Entity Identifying Number</u> |
|--|---|
| FEDERAL AWARDS | |
| U.S. 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 U.S. DEPARTMENT OF JUSTICE | |
| TOTAL EXPENDITURES OF FEDERAL AWARDS | |
| STATE AWARDS | |
| West Virginia Division of Rehabilitation Services | |
| Community Living Services Program | N/A |
| Community Living Services Program | 17*1904 |
| Community Living Services Program | 18*1508 |
| TOTAL WEST VIRGINIA DIVISION OF REHABILITATION SERVICES | |
| West Virginia Department of Health and Human Resources | |
| Family and Community Support | G170209 |
| Family Support and Training | G170209 |
| Traumatic Brain Injury Program | G170209 |
| Unmet Needs | G170209 |
| Family and Community Support | G180176 |
| Traumatic Brain Injury Program | G180176 |
| Unmet Needs | G180176 |
| TOTAL WEST VIRGINIA DEPARTMENT OF HEALTH AND HUMAN RESOURCES | |
| West Virginia Statewide Independent Living Council, Inc. | |
| Training Initiatives | N/A |
| Training Initiatives | N/A |
| TOTAL WEST VIRGINIA STATEWIDE INDEPENDENT LIVING COUNCIL, INC. | |
| TOTAL EXPENDITURES OF STATE AWARDS | |
| TOTAL EXPENDITURES OF 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>1,289</u> |
| | | <u>1,289</u> |
| | | <u>677,674</u> |
| 07/01/15 - 06/30/16 | 125,000 | 30,284 |
| 07/01/16 - 06/30/17 | 107,354 | 72,461 |
| 07/01/17 - 06/30/18 | 143,958 | <u>860</u> |
| | | <u>103,605</u> |
| 07/01/16 - 06/30/17 | 201,667 | 147,787 |
| 07/01/16 - 06/30/17 | 70,000 | 6,714 |
| 07/01/16 - 06/30/17 | 350,000 | 306,619 |
| 07/01/16 - 06/30/17 | 400,000 | 297,261 |
| 07/01/17 - 06/30/18 | 201,667 | 27,731 |
| 07/01/17 - 06/30/18 | 350,000 | 8,146 |
| 07/01/17 - 06/30/18 | 400,000 | <u>63,218</u> |
| | | <u>857,476</u> |
| 04/01/15 - 12/31/15 | 21,775 | 8,901 |
| 04/01/17 - 12/31/17 | 2,000 | <u>2,000</u> |
| | | <u>10,901</u> |
| | | <u>971,982</u> |
| | | \$ <u>1,649,656</u> |

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

Ware & Hall, PLLC

Certified Public Accountants

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Daniel J. Ware, CPA
William L. Hall, CPA

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Certified Public Accountants
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, 2017, 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 January 27, 2018.

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 2017-001 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 one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings as item 2017-002.

Northern West Virginia Center for Independent Living, Inc.'s Response to Findings

Northern West Virginia Center for Independent Living, Inc.'s response to the findings identified in our audit is described in the accompanying corrective action plan. Northern West Virginia Center for Independent Living, Inc.'s response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Wane & Hall PLLC

Huntington, West Virginia
January 27, 2018

SCHEDULE OF FINDINGS

NORTHERN WEST VIRGINIA CENTER FOR INDEPENDENT LIVING, INC.
SCHEDULE OF FINDINGS
YEAR ENDED SEPTEMBER 30, 2017

2017-001 Recording of non-routine transactions

Condition: The Organization received a grant from the Federal Home Loan Bank of Pittsburgh to rehabilitate houses owned by low income elderly or disabled individuals. In conjunction with this project, the Organization obtained a line of credit loan for \$200,000 from a local bank to cash flow the rehabilitation projects until reimbursement is received from the Federal Home Loan Bank of Pittsburgh. The arrangement is structured in a way where the Organization submits the contractor's invoices to the local bank who issues the checks to the contractors and draws the funds from the Organization's line of credit. As of September 30, 2017, \$138,944 had been paid to the contractors through the line of credit. Since the Organization does not write the checks from their bank account, none of the activity was recorded in the Organization's general ledger. We also noted that the related receivable for the Federal Home Loan Bank of Pittsburgh for the expenses incurred on the projects totaling \$138,944 was not recorded in the Organization's general ledger.

Criteria: Generally accepted accounting principles require all financial transactions of an Organization to be recorded in the Organization's general ledger. One of the objectives of an internal control system is to provide management with reasonable assurance that all transactions are recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles.

Cause: Effective review procedures have not been implemented to ensure the proper recording of these non-routine transactions.

Effect: Assets and liabilities were understated by \$138,944 at September 30, 2017. In addition, revenue and expenses were understated by \$143,378 (inclusive of \$4,434 interest expense on the line of credit which was forgiven by the local bank) for the year ended September 30, 2017. The necessary adjusting journal entries were made during the audit to record the transactions.

Recommendation: Review procedures over non-routine transactions should be strengthened to ensure such transactions are recorded completely, timely, and accurately.

Views of responsible officials and planned corrective action: The Organization agrees with this finding and will strengthen review procedures over non-routine transactions. See current year corrective action plan.

NORTHERN WEST VIRGINIA CENTER FOR INDEPENDENT LIVING, INC.
SCHEDULE OF FINDINGS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2017

2017-002 Indirect Cost Proposal

Condition: The latest indirect cost proposal filed with U.S. Department of Health and Human Services, the cognizant agency for indirect costs, was based on the September 30, 2015 fiscal year.

Criteria: Appendix IV to Part 200-Indirect (F&A) Costs Identification and Assignment, and Rate Determination for Nonprofit Organizations, Section C2c, Notification and Approval of Rates stipulates, in part, Organizations that have previously established indirect cost rates must submit a new indirect cost proposal to the cognizant agency for indirect costs within six months after the close of each fiscal year.

Cause: Not determinable.

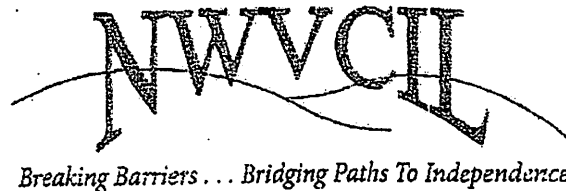
Effect: The Organization is in noncompliance with appendix IV to Part 200, Section C2c. An indirect cost proposal based on the September 30, 2016 fiscal year was not filed with the cognizant agency for indirect costs by March 31, 2017.

Recommendation: File an indirect cost proposal with U. S. Department of Health and Human Services based on the September 30, 2016 fiscal year. In addition, establish procedures to ensure that an indirect cost proposal is filed with the cognizant agency for indirect costs within six months after the close of each fiscal year.

Views of responsible officials and planned corrective action: The Organization agrees with this finding and will submit the indirect cost proposal to U. S. Department of Health and Human Services based on the September 30, 2016 fiscal year. Procedures will be established to ensure an indirect cost proposal is filed with the cognizant agency for indirect costs within six months after the close of each fiscal year in the future. See current year corrective action plan.

CORRECTIVE ACTION PLAN

Northern West Virginia Center for Independent Living



Section II-Financial Statement Findings

2017-001 Recording of non-routine transactions

Condition: The Organization received a grant from the Federal Home Loan Bank of Pittsburgh to rehabilitate houses owned by low income elderly or disabled individuals. In conjunction with this project, the Organization obtained a line of credit loan for \$200,000 from a local bank to cash flow the rehabilitation projects until reimbursement is received from the Federal Home Loan Bank of Pittsburgh. The arrangement is structured in a way where the Organization submits the contractor's invoices to the local bank who issues the checks to the contractors and draws the funds from the Organizations line of credit. As of September 30, 2017, \$138,944 had been paid to the contractors through the line of credit. Since the Organization does not write the checks from their bank account, none of the activity was recorded in the Organization's general ledger. We also noted that the related receivable for the Federal Home Loan Bank of Pittsburgh for the expenses on the projects totaling \$138,944 was not recorded in the Organization's general ledger

Criteria: Generally accepted accounting principles require all financial transactions of an Organization to be recorded in the Organization's general ledger. One of the objectives of an internal control system is to provide management with reasonable assurance that all transactions are recorded properly to permit the preparation of financial statements in accordance with general accepted accounting principles.

Cause: Effective review procedures have not been implemented to ensure the proper recording of these non-routine transactions.

Effect: Assets and liabilities were understated by \$1338,944 at September 30, 2017. In addition, revenue and expenses were understated by \$143,378 (inclusive of \$4,434 interest expense on the line of credit which was forgiven by the local bank) for the year ended September 30, 2017. The necessary adjusting journal entries were made during the audit to record the transactions.

Recommendation: Review procedures over non-routine transactions should be strengthened to ensure such transactions are recorded completely, timely, and accurately.

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Management Response/Corrective Action:

NWVCIL is committed to ensuring that the financial statements reflect all activities accurately. Although the importance of recording the transactions in the general ledger is now recognized, the net adjustments did not create a positive or negative effect on the financial statements. NWVCIL management spent time with the auditors and banking officials during the audit to ensure that they understand how to properly account for this non-routine transaction. In future accounting periods they will ensure that these procedures are followed to ensure that the activities of the 3rd party bank are reflected in NWVCIL's general ledger.

Status of Prior Year's Finding:

There is no prior year finding on this matter.

2017-002 Indirect Cost Proposal

Condition: The latest indirect cost proposal filed with the U.S. Department of Health and Human Services, the cognizant agency for indirect costs, was based on the September 30, 2015 fiscal year.

Criteria: Appendix IV to Part 200-Indirect (F&A) Costs Identification and Assignment, and Rate Determination for Nonprofit Organizations, Section C2(c), Notification and Approval of Rates stipulates, in part, Organizations that have previously established indirect cost rates must submit a new indirect cost proposal to the cognizant agency for indirect costs within six months after the close of each fiscal year.

Cause: Not determinable

Effect: The Organization is in noncompliance with Appendix IV to Part 200, Section C2c. An indirect cost proposal based on the September 30, 2016 fiscal year was not filed with the cognizant agency for indirect costs by March 31, 2017.

Recommendation: File an indirect cost proposal with U.S. Department of Health and Human Services based on the September 30, 2016 fiscal year. In addition, establish

procedures to ensure that an indirect cost proposal is filed with the cognizant agency for indirect costs within six months after the close of each fiscal year.

Management Response/Corrective Action:

During the fiscal year, NWVCIL had been in communication with their cognizant agency regarding clarification about matters concerning submitting an updated indirect cost proposal. Several communications went unanswered by the cognizant agency resulting in NWVCIL not filing a proposal or request for extension by the March 31, 2016 deadline. After the completion of audit field work, NWVCIL received a waiver of the indirect cost requirement for the year ending September 31, 2016 from their cognizant agency. Therefore, a cost proposal for the year ending September 30, 2016 is no longer required.

NWVCIL will submit an indirect cost proposal for the year ending September 30, 2017 prior to the March 31, 2018 deadline. NWVCIL will continue to submit an indirect cost proposal annually as part of their normal year end close out and audit activities.

Status of Prior Year's Finding: There is no prior year finding on this matter.