



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

**FINANCIAL STATEMENTS WITH
ADDITIONAL INFORMATION**

YEAR ENDED SEPTEMBER 30, 2019

WITH INDEPENDENT AUDITOR'S REPORTS

NORTHERN WEST VIRGINIA CENTER FOR INDEPENDENT LIVING, INC.
FINANCIAL STATEMENTS WITH ADDITIONAL INFORMATION
YEAR ENDED SEPTEMBER 30, 2019

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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, 2019, and the related statements of activities, functional expenses, 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 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 Northern West Virginia Center for Independent Living, Inc. as of September 30, 2019, 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.

Emphasis of Matter

As described in Note 1 to the financial statements, during the year ended September 30, 2019, the Organization adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2016-14 *Not-For-Profit Entities (Topic 958): Presentation of Financial Statements for Not-For-Profit Entities*. Our opinion is not modified with respect to this matter.

Other Matters

Other 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 and state 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 March 15, 2020, 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 solely 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 effectiveness of Northern West Virginia Center for Independent Living, Inc.'s 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.

Ware & Hall PLLC

Huntington, West Virginia
March 15, 2020

NORTHERN WEST VIRGINIA CENTER FOR INDEPENDENT LIVING, INC.
STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2019

ASSETS

CURRENT ASSETS

Cash	\$ 118,892
Grants receivable	366,564
Prepaid expenses	<u>12,348</u>
TOTAL CURRENT ASSETS	497,804

PROPERTY AND EQUIPMENT, NET	<u>5,765</u>
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TOTAL ASSETS	\$ <u>503,569</u>
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$ 92,051
Line-of-credit payable	120,653
Accrued payroll and payroll taxes	5,863
Deferred revenue	<u>145,147</u>
TOTAL CURRENT LIABILITIES	<u>363,714</u>

NET ASSETS

Without donor restrictions	<u>139,855</u>
TOTAL NET ASSETS	<u>139,855</u>

TOTAL LIABILITIES AND NET ASSETS	\$ <u>503,569</u>
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NORTHERN WEST VIRGINIA CENTER FOR INDEPENDENT LIVING, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUES, GAINS AND OTHER SUPPORT			
Grants and contributions	\$ 2,666	\$ 1,385,310	\$ 1,387,976
Program and other income	10,065	-0-	10,065
Net assets released from restrictions:			
Satisfaction of purpose restriction	<u>1,385,310</u>	<u>(1,385,310)</u>	<u>-0-</u>
TOTAL REVENUES, GAINS AND OTHER SUPPORT	<u>1,398,041</u>	<u>-0-</u>	<u>1,398,041</u>
EXPENSES			
PROGRAM SERVICES			
Independent Living - State Grants Part B	89,008	-0-	89,008
Assistive Technology - WVATS	36	-0-	36
Our lives: Safe and Strong Program Toolkit	3,173	-0-	3,173
Community Engagement Specialist	37,134	-0-	37,134
Family and Community Support	103,277	-0-	103,277
Centers for Independent Living - HHS	187,627	-0-	187,627
Affordable Housing Program - FHLB	80,306	-0-	80,306
Community Living Services Program -CLSP	82,710	-0-	82,710
Unmet Needs	326,401	-0-	326,401
Traumatic Brain Injury	127,681	-0-	127,681
Peer Support	28,035	-0-	28,035
Other Programs	<u>21,681</u>	<u>-0-</u>	<u>21,681</u>
TOTAL PROGRAM SERVICES	<u>1,087,069</u>	<u>-0-</u>	<u>1,087,069</u>
SUPPORTING SERVICES			
Management and General	<u>233,538</u>	<u>-0-</u>	<u>233,538</u>
TOTAL EXPENSES	<u>1,320,607</u>	<u>-0-</u>	<u>1,320,607</u>
CHANGE IN NET ASSETS	77,434	-0-	77,434
NET ASSETS BEGINNING OF YEAR	<u>62,421</u>	<u>-0-</u>	<u>62,421</u>
NET ASSETS END OF YEAR	\$ <u>139,855</u>	\$ <u>-0-</u>	\$ <u>139,855</u>

NORTHERN WEST VIRGINIA CENTER FOR INDEPENDENT LIVING, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED SEPTEMBER 30, 2019

	Program Services			
	Independent Living-State Grants Part B	Assistive Technology - WVATS	Our Lives: Safe and Strong Program Toolkit	Community Engagement Specialist
Salaries and benefits	\$ 88,331	\$ -0-	\$ 409	\$ -0-
Travel and training	309	-0-	2,764	-0-
Consumable supplies	286	36	-0-	-0-
Vehicles, equipment and property	-0-	-0-	-0-	-0-
Contractual and consultants	-0-	-0-	-0-	-0-
Specific assistance to individuals	2	-0-	-0-	37,134
Occupancy	-0-	-0-	-0-	-0-
Other	<u>80</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
TOTAL EXPENSES	\$ <u>89,008</u>	\$ <u>36</u>	\$ <u>3,173</u>	\$ <u>37,134</u>

Program Services		
Families and Community Support	Centers for Independent Living - HHS	Affordable Housing Program - FHLB
\$ -0-	\$ 166,823	\$ 2,090
207	16,287	758
-0-	812	7
-0-	-0-	-0-
23,771	-0-	350
79,299	-0-	76,942
-0-	-0-	-0-
<u>-0-</u>	<u>3,705</u>	<u>159</u>
\$ <u>103,277</u>	\$ <u>187,627</u>	\$ <u>80,306</u>

NORTHERN WEST VIRGINIA CENTER FOR INDEPENDENT LIVING, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED SEPTEMBER 30, 2019

	Program Services		
	Community Living Services Program - CLSP	Unmet Needs	Traumatic Brain Injury
Salaries and benefits	\$ 30,468	\$ 22,747	\$ -0-
Travel and training	1,893	-0-	-0-
Consumable supplies	-0-	-0-	-0-
Vehicles, equipment and property	-0-	-0-	-0-
Contractual and consultants	-0-	-0-	-0-
Specific assistance to individuals	50,183	303,654	127,681
Occupancy	-0-	-0-	-0-
Other	<u>166</u>	<u>-0-</u>	<u>-0-</u>
TOTAL EXPENSES	\$ <u>82,710</u>	\$ <u>326,401</u>	\$ <u>127,681</u>

Program Services

<u>Peer Support</u>	<u>Other Programs</u>	<u>Total Program Services</u>	<u>General and Administration</u>	<u>Total Expenses</u>
\$ 26,501	\$ 2,393	\$ 339,762	\$ 96,674	\$ 436,436
1,534	574	24,326	1,504	25,830
-0-	448	1,589	13,896	15,485
-0-	1,904	1,904	11,559	13,463
-0-	-0-	24,121	38,575	62,696
-0-	15,109	690,004	1,354	691,358
-0-	-0-	-0-	58,123	58,123
<u>-0-</u>	<u>1,253</u>	<u>5,363</u>	<u>11,853</u>	<u>17,216</u>
\$ <u>28,035</u>	\$ <u>21,681</u>	\$ <u>1,087,069</u>	\$ <u>233,538</u>	\$ <u>1,320,607</u>

NORTHERN WEST VIRGINIA CENTER FOR INDEPENDENT LIVING, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED SEPTEMBER 30, 2019

CASH FLOWS FROM OPERATING ACTIVITIES:	
Change in net assets	\$ 77,434
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	2,875
(Increase) decrease in operating assets:	
Grants receivable	118,209
Prepaid expenses	2,817
Increase (decrease) in operating liabilities:	
Accounts payable	(268,435)
Accrued payroll and payroll taxes	(1,893)
Deferred revenue	<u>(74,160)</u>
NET CASH (USED IN) OPERATING ACTIVITIES	<u><u>(143,153)</u></u>
 CASH FLOWS FROM FINANCING ACTIVITIES	
Net increase in line-of-credit	<u>35,940</u>
NET CASH PROVIDED BY FINANCING ACTIVITIES	<u><u>35,940</u></u>
 NET (DECREASE) IN CASH	 (107,213)
 CASH AT BEGINNING OF YEAR	 <u>226,105</u>
 CASH AT END OF YEAR	 \$ <u><u>118,892</u></u>
 SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION	
Cash paid during the year for:	
Interest	\$ <u><u>9,965</u></u>
Income Taxes	\$ <u><u>-0-</u></u>

NORTHERN WEST VIRGINIA CENTER FOR INDEPENDENT LIVING, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019

NOTE 1 - NATURE OF ACTIVITIES AND 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, 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

BASIS OF ACCOUNTING - The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

NORTHERN WEST VIRGINIA CENTER FOR INDEPENDENT LIVING, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2019

NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

DEFERRED REVENUE

Deferred revenue represents unexpended funds received as of September 30, 2019. 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 2016.

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.

PROMISES TO GIVE

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are not restricted by the donor are reported as increases in net assets without donor restrictions. All donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. Unconditional promises to give due in the next year are recorded at their net realizable value. Unconditional promises to give due in subsequent years are recorded at the present value of their net realizable value, using risk-free interest rates applicable to the years in which the promises are received to discount the amounts. An allowance for uncollectible promises is provided, when necessary, based on management's evaluation of potential uncollectible promises receivable at year end.

CASH AND CASH EQUIVALENTS

For purposes of the statement of cash flows, the Organization considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

ADVERTISING COSTS

Advertising costs totaling \$90 for the year ended September 30, 2019 are charged to operations when incurred.

FUNCTIONAL ALLOCATION OF EXPENSES

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefitted. These expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include: salaries and wages as well as the related employee benefits which is allocated on the basis of total hours on time sheets claimed by employees for each program and supporting services; travel and training which is allocated based on the employee's function; contractual and consultants which is allocated based on types of services provided; and specific assistance to individuals which is allocated based on client eligibility. Other expenses are allocated based on actual benefits from the expenditures incurred among the programs and supporting services. Those expenses that benefit all programs are recorded as general and administration in the accompanying financial statements.

NORTHERN WEST VIRGINIA CENTER FOR INDEPENDENT LIVING, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2019

NOTE 1 - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

NEW ACCOUNTING POLICY ADOPTED

In August, 2016, the FASB issued ASU No. 2016-14, *Not-For-Profit Entities (Topic 958): Presentation of Financial Statements of Not-For-Profit Entities*. This guidance is intended to improve the net asset classification requirements and the information presented in the financial statements and notes about a not-for-profit entity's liquidity, financial performance, and cash flows. The main provisions of this guidance include: presentation of two classes of net assets versus the previously required three; recognition of capital gifts for construction as a net asset without donor restrictions when the associated long-lived asset is placed in service; and recognition of underwater endowment funds as a reduction in net assets with donor restrictions. The guidance also enhances disclosures for board designated amounts, composition of net assets without donor restrictions, liquidity, and expenses by both their natural and functional classification. This guidance is effective for years beginning after December 15, 2017. Therefore, the Organization adopted this ASU effective October 1, 2018. With the exception of changes in terminology and additional disclosures, the adoption of this ASU had no material effect on the accompanying financial statements.

NOTE 2 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following at September 30, 2019:

Furniture and Equipment	\$	20,890
Leasehold Improvements		<u>38,977</u>
		59,867
Less: Accumulated Depreciation		<u>(54,102)</u>
Property and Equipment, Net	\$	<u><u>5,765</u></u>

Depreciation expense for the year ended September 30, 2019 totaled \$2,875.

NOTE 3 - LINE OF CREDIT

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 (7.25% at September 30, 2019), forgivable up to \$9,600, due November, 2019 (See Note 11 - Subsequent Events), secured by *My Choice, My Home* grants from Federal Home Loan Bank in the amount of \$1,261,787. \$ 47,086

Line of credit to a bank, maximum amount \$125,000, interest is payable at a variable rate of 1% above the Wall Street Journal U.S. prime rate (6.00% at September 30, 2019), unsecured, due December, 2019 (See Note 11-Subsequent Events). 73,567

Total 120,653

Less current maturities included in current liabilities 120,653
 Long-term portion \$ -0-

Interest expense for the year ended September 30, 2019 totaled \$9,965 of which \$6,729 was forgiven by the Bank.

At September 30, 2019, the Organization had \$204,347 remaining unused on these lines of credit as disclosed above.

NORTHERN WEST VIRGINIA CENTER FOR INDEPENDENT LIVING, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2019

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, 2019 amounted to \$33,200.

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 2019 amounted to \$4,260.

Northern West Virginia Center for Independent Living, Inc. also leases copiers and postage machines under operating leases expiring in fiscal year ending September 30, 2022. Total rent expense charged to operations during the year ended September 30, 2019 amounted to \$6,725.

Minimum future rental payments under non-cancelable operating leases having remaining terms in excess of one year as of September 30, 2019 for each of the next three years and in the aggregate are:

<u>Year Ended September 30,</u>	<u>Amount</u>
2020	\$ 26,479
2021	26,479
2022	<u>8,153</u>
Total	\$ <u>61,111</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 \$10,653 were charged to operations during the fiscal year ended September 30, 2019.

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, 2019, 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, 2019.

NORTHERN WEST VIRGINIA CENTER FOR INDEPENDENT LIVING, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2019

NOTE 7 - NET ASSETS WITH DONOR RESTRICTIONS

The Organization does not have any net assets with donor restrictions at September 30, 2019.

Net assets were released from donor restrictions during the year ended September 30, 2019 by incurring expenses satisfying the purpose restrictions specified by the donor as follows:

Purpose Restriction Accomplished	
Independent living	\$ 441,415
Affordable housing	81,075
Safe and strong program toolkit	3,899
Instruction - self advocacy	116,091
Assistive technology	44
Community engagement specialist	44,245
Family and community support	123,055
Traumatic brain injury	152,132
Unmet needs	388,907
Peer support - adult mental health	<u>34,447</u>
Total restrictions released	\$ <u>1,385,310</u>

NOTE 8 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Organization's financial assets as of the statement of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions with one year of the statement of financial position date:

Financial Assets at Year End

Cash	\$ 118,892
Grants Receivable	<u>366,564</u>
Total Financial Assets	485,456
Less those unavailable for general expenditures within one year	<u>-0-</u>
Financial assets available to meet cash needs for general expenditures within one year	\$ <u>485,456</u>

The Organization structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, to manage liquidity, the Organization has available a \$125,000 maximum line of credit with Clear Mountain Bank to be drawn upon as needed to manage cash flows.

NORTHERN WEST VIRGINIA CENTER FOR INDEPENDENT LIVING, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2019

NOTE 9 - CONTINGENCIES

In the normal course of operations, the Organization receives grant funds from various federal and state agencies. The grant programs are subject to audit by the granting authorities for the purpose of ensuring compliance with the conditions of the awards. Any liability for the reimbursement which may arise as a result of these audits is not believed to be material.

NOTE 10 - CONCENTRATION OF GRANT REVENUE SOURCE

The Organization is funded primarily by Grant Awards from the U.S. Department of Health and Human Services, West Virginia Department of Health and Human Resources, and West Virginia Division of Rehabilitation Services. Revenues recognized under grant awards from these agencies totaled \$268,769, and \$708,338, and \$101,627, respectively for the year ended September 30, 2019. 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 11 - SUBSEQUENT EVENTS

Management has reviewed events occurring subsequent to September 30, 2019 through March 15, 2020 (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. The following event occurred after September 30, 2019:

On November 2, 2019, the Organization renewed its \$200,000 line of credit (see Note 3 - Line of Credit) to extend the maturity date to April 2, 2020 with an interest rate of the Wall Street Journal Prime Plus 2.0%.

On December 21, 2019, the Organization's \$125,000 line of credit (see Note 3 - Line of Credit) was modified to decrease the available line of credit to \$55,000 with an interest rate of the Wall Street Journal Prime plus 1.0%, and extend the due date to December 21, 2020.

ADDITIONAL INFORMATION

**NORTHERN WEST VIRGINIA CENTER FOR INDEPENDENT LIVING, INC.
 SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
 YEAR ENDED SEPTEMBER 30, 2019**

<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	19-2755
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	1803WVILCL-00
Pass-through Portland State University:	
ACL - Our Lives: Safe and Strong Program Toolkit	206OSC568
Pass-through West Virginia Department of Health and Human Resources:	
Block grants for Community Mental Health Services	G190453
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES	
TOTAL EXPENDITURES OF FEDERAL AWARDS	

<u>Program Period</u>	<u>Program or Award Amount</u>	<u>Expenditures</u>
10/01/18 - 09/30/20	\$ 110,681	\$ 98,429
10/01/17 - 09/30/18	6,000	<u>44</u>
		<u>98,473</u>
09/30/18 - 09/29/19	230,423	230,423
09/30/16 - 06/30/19	21,092	3,899
10/01/18 - 09/30/19	35,000	<u>34,447</u>
		<u>268,769</u>
		<u>367,242</u>

**NORTHERN WEST VIRGINIA CENTER FOR INDEPENDENT LIVING, INC.
 SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
 YEAR ENDED SEPTEMBER 30, 2019**

<u>Federal or State Grantor/Pass-Through Grantor/Program Title</u>	<u>Pass-Through Entity Identifying Number</u>
STATE AWARDS	
West Virginia Division of Rehabilitation Services	
Independent Living - State Grants	19*2755
Community Living Services Program	19*2757
Community Living Services Program	20*460
TOTAL WEST VIRGINIA DIVISION OF REHABILITATION SERVICES	
West Virginia Department of Health and Human Resources	
Family and Community Support	G190203
Traumatic Brain Injury Program	G190203
Unmet Need	G190203
Family and Community Support	G200340
Traumatic Brain Injury Program	G200340
Unmet Needs	G200340
TOTAL WEST VIRGINIA DEPARTMENT OF HEALTH AND HUMAN RESOURCES	
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>
10/01/18 - 09/30/20	\$ 12,298	\$ 10,936
07/01/18 - 06/30/19	144,003	97,521
07/01/19 - 06/30/20	144,003	<u>3,782</u>
		<u>112,239</u>
07/01/18 - 06/30/19	230,000	161,976
07/01/18 - 06/30/19	250,000	148,928
07/01/18 - 06/30/19	350,000	298,933
07/01/19 - 06/30/20	230,000	5,323
07/01/19 - 06/30/20	250,000	3,204
07/01/19 - 06/30/20	350,000	<u>89,975</u>
		<u>708,339</u>
		<u>820,578</u>
		\$ <u>1,187,820</u>

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

Ware & Hall, PLLC

Certified Public Accountants

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Northern West Virginia Center for Independent Living, Inc. (a nonprofit organization), which comprise the statement of financial position as of September 30, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 15, 2020.

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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 2019-001.

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

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

Purpose of this Report

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

Ware & Hall PLLC

Huntington, West Virginia
March 15, 2020

SCHEDULE OF FINDINGS

NORTHERN WEST VIRGINIA CENTER FOR INDEPENDENT LIVING, INC.
SCHEDULE OF FINDINGS
YEAR ENDED SEPTEMBER 30, 2019

**2019-001 Period of Performance - Community Living Services Program, Grant Number 19-2757,
Grant Period 07/01/18 - 06/30/19**

Condition: The Organization incurred expenditures on home remodeling projects for two clients in November, 2016 which were originally charged to its FHLB of Pittsburgh Affordable Housing Grant. During fiscal year ended September 30, 2019, it was determined that the clients did not meet the eligibility requirements of the FHLB of Pittsburgh Affordable Housing Grant and reimbursement was made to the FHLB of Pittsburgh in the amount of \$9,365. Since these two clients met the eligibility of the Organization's Community Living Services Program, the reimbursement of \$9,365 was charged to the CLSP Grant Number 19-2757 in May 2019.

Criteria: The Community Living Services Program Grant Number 19-2757 period of performance is 07/01/18 - 06/30/19. The remodeling projects occurred in November, 2016, which is prior to the period of performance of the Community Living Services Program Grant Number 19-2757.

Cause: While the two clients were eligible under the Organization's Community Living Services Program, management did not properly consider that the projects were completed prior to the period of performance of the Community Living Services Program Grant Number 19-2757.

Effect: The Organization failed to comply with the Community Living Services Program Grant Number 19-2757 period of performance as set forth in Section 2.01 of grant agreement with the West Virginia Division of Rehabilitation Services.

Recommendation: Strengthen review procedures over expenditures for proper period of performance.

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

CORRECTIVE ACTION PLAN

Northern West Virginia Center for Independent Living, Inc.

Corrective Action Plan

Finding 2019-001 Period of Performance-Community Living Services Program, Grant 19-2757, Grant Period 7/01/018-06/30/19

Condition: The Organization incurred expenditures on home remodeling projects for two clients in November 2016 which were originally charged to the FHLB of Pittsburgh Affordable Housing Grant. During fiscal year ending September 30, 2019 it was determined that the clients did not meet the eligibility requirements of the FHLB of Pittsburgh Affordable Housing Grant and reimbursement was made to the FHLB of Pittsburgh in the amount of \$9,365. Since these two clients met the eligibility of the organization's Community Living Services Program, the reimbursement of \$9,365 was charged to the CLSP grant number 19-2757 in May 2019.

Criteria: The Community Living Services Program Grant Number 19-2757 period of performance is 07/01/18-06/30/19. The remodeling projects occurred in November 2016, which is prior to the period of performance of the Community Living Services Program grant number 19-2757

Cause: While the two clients were eligible under the Organization's Community Living Services Program, management did not properly consider that the projects were completed prior to the period of performance of the Community Living Services Program grant number 19-2757

Effect: The organization failed to comply with the Community Living Services Program grant number 19-2757 period of performance as set forth in Section 2.01 of the grant agreement with the West Virginia Division of Rehabilitation Services

Recommendation: Strengthen review procedures over expenditures for proper period of performance.

Management Response/Corrective Action:

NWVCIL is committed to ensuring that all grants are properly managed and that they comply with the terms of the grant agreements. Working with the grantor agency, the West Virginia Division of Rehabilitation Services, it was decided that the most appropriate action would be to return the funds to the grantor agency. This action was taken on March 11, 2020 and the funds were returned.

NWVCIL's management staff has strengthened review procedures to ensure that they fully comply with the terms of all grant agreements. Specifically, they will ensure that clients meet the requirements of grants prior to projects being approved and funded and that all activities are completed within the budget periods required by the grants.

Status of Prior Year's Finding:

There is no prior year finding on this matter.

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