

AUDITED FINANCIAL STATEMENTS

HOMEAGAIN AND SUBSIDIARY

**FOR THE YEARS ENDED
JUNE 30, 2015 AND JUNE 30, 2014**

HOMEAGAIN AND SUBSIDIARY

**AUDITED
FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED
JUNE 30, 2015 AND JUNE 30, 2014**

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Dooley & Vicars
Certified Public Accountants, L.L.P.

Daniel J. Dooley, C.P.A.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
HomeAgain and Subsidiary
Richmond, Virginia

We have audited the accompanying financial statements of HomeAgain and Subsidiary (a nonprofit Organization) as of and for the years ended June 30, 2015 and June 30, 2014 and the related notes to the financial statements, which collectively comprise the entity's basic financial statements, as listed in the Table of Contents.

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 opinions on these financial statements based on our audits. We conducted our audits 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 audits to obtain reasonable assurance about whether the financial statements are free of 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 opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of HomeAgain and Subsidiary at June 30, 2015 and June 30, 2014 and the changes in its net position and, where applicable, its cash flows thereof for the years ended in accordance with accounting principles generally accepted in the United States of America.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Other Matters

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise HomeAgain and Subsidiary's basic financial statements.

The accompanying Schedule of Expenditures of Federal Awards are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, and is not a required part of the financial statements. The other supplementary information is the responsibility of management as was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audits 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 basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other information is fairly stated in all material respects in relation to the basic 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 December 11, 2015, on our consideration of HomeAgain and Subsidiary'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 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 HomeAgain and Subsidiary's internal control over financial reporting and compliance.



Dooley & Vicars
Certified Public Accountants, L.L.P

December 11, 2015

**HOMEAGAIN AND SUBSIDIARY
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2015 AND 2014**

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ASSETS

<u>Current Assets</u>	<u>2015</u>	<u>2014</u>
Cash	\$ 200,070	\$ 263,377
Certificate of Deposit	107,337	106,602
Grants Receivable	167,743	121,239
Other Receivables	16,400	4,171
	<hr/>	<hr/>
Total Current Assets	491,550	495,389
	<hr/>	<hr/>
<u>Fixed Assets</u>		
Land	65,000	65,000
Buildings	1,921,755	1,921,755
Furniture	78,117	78,117
Vehicles	86,605	86,605
Accumulated Depreciation	(1,539,377)	(1,485,751)
	<hr/>	<hr/>
Total Fixed Assets	612,100	665,726
	<hr/>	<hr/>
<u>Other Assets</u>		
Deposits	-	13,500
Prepaid Expenses	18,404	1,518
	<hr/>	<hr/>
Total Other Assets	18,404	15,018
	<hr/>	<hr/>
<u>Restricted Assets</u>		
Cash - Restricted (Endowment)	22,367	11,373
Investments - Restricted (Endowment)	155,265	157,804
	<hr/>	<hr/>
Total Restricted Assets	177,632	169,177
	<hr/>	<hr/>
TOTAL ASSETS	<u>\$ 1,299,686</u>	<u>\$ 1,345,310</u>

The accompanying notes are an integral part of these financial statements

**HOMEAGAIN AND SUBSIDIARY
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2015 AND 2014
(CONTINUED)**

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LIABILITIES AND NET ASSETS

<u>Current Liabilities</u>	<u>2015</u>	<u>2014</u>
Accounts Payable & Accrued Expenses	\$ 69,838	\$ 44,723
Deferred Revenue	-	10,601
Current Portion - Mortgage Payable	10,438	10,029
	<hr/>	<hr/>
Total Current Liabilities	80,276	65,353
	<hr/>	<hr/>
<u>Long term Liabilities</u>		
Mortgage Payable	43,375	53,404
Less: Current Portion	(10,438)	(10,029)
	<hr/>	<hr/>
Total Long-Term Liabilities	32,937	43,375
	<hr/>	<hr/>
<u>Net Assets</u>		
Unrestricted	999,706	1,054,484
Permanently Restricted	186,767	182,098
	<hr/>	<hr/>
Total Net Assets	1,186,473	1,236,582
	<hr/>	<hr/>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,299,686</u>	<u>\$ 1,345,310</u>

The accompanying notes are an integral part of these financial statements

**HOMEAGAIN AND SUBSIDIARY
STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015 AND 2014**

	Unrestricted Net Assets	Temporarily Restricted Net Assets	Permanently Restricted Net Assets	Total	
				2015	2014
SUPPORT AND REVENUE					
Government Grants	\$ 1,361,269	\$ -	\$ -	\$ 1,361,269	\$ 1,503,286
Contributions	429,811	-	10,979	440,790	358,483
United Way	50,778	-	-	50,778	50,000
Program Fees and Other Revenue	32,564	-	-	32,564	31,613
Fundraising	11,965	-	-	11,965	56,580
Unrealized Gain (Loss) on Investments	-	-	(5,983)	(5,983)	3,333
Interest and Dividend Income	-	-	3,445	3,445	5,468
	<u>1,886,387</u>	<u>-</u>	<u>8,441</u>	<u>1,894,828</u>	<u>2,008,763</u>
Net Assets Released from Restriction	3,772	-	(3,772)	-	
Total Support and Revenue	<u>1,890,159</u>	<u>-</u>	<u>4,669</u>	<u>1,894,828</u>	<u>2,008,763</u>
EXPENSES					
Program Services	1,746,545	-	-	1,746,545	1,743,549
Management and General	196,853	-	-	196,853	127,852
Fund Raising	1,539	-	-	1,539	33,490
Total Expenses	<u>1,944,937</u>	<u>-</u>	<u>-</u>	<u>1,944,937</u>	<u>1,904,891</u>
Increase (Decrease) in Net Assets	(54,778)	-	4,669	(50,109)	103,872
NET ASSETS					
Beginning of Year	<u>1,054,484</u>	<u>-</u>	<u>182,098</u>	<u>1,236,582</u>	<u>1,132,710</u>
End of Year	<u>\$ 999,706</u>	<u>\$ -</u>	<u>\$ 186,767</u>	<u>\$ 1,186,473</u>	<u>\$ 1,236,582</u>

The accompanying notes are an integral part of these financial statements

**HOMEAGAIN AND SUBSIDIARY
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2015 AND 2014**

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<u>Cash Flows from Operating Activities</u>	<u>2015</u>	<u>2014</u>
Change in Net Assets	\$ (50,109)	\$ 103,872
Adjustments to Reconcile Change in Net Assets		
Depreciation	53,627	56,643
(Increase) Decrease in:		
Grants Receivable	(46,504)	67,380
Other Receivables	(12,230)	3,424
Prepaid Expenses	(16,886)	169
Deposits	13,500	-
Increase (Decrease) in:		
Accounts Payable & Accrued Liability	25,115	(10,706)
Deferred Revenue	(10,601)	(78,032)
Net Cash Provided By (Used In) Operating Activities	<u>(44,088)</u>	<u>142,750</u>
<u>Cash Flows (Used In) Investing Activities</u>		
Certificate of Deposit	(735)	(201)
Increase in Investments & Restricted Cash	<u>(8,455)</u>	<u>(14,622)</u>
Net Cash Provided By (Used In) Investing Activities	<u>(9,190)</u>	<u>(14,823)</u>
<u>Cash Flows (Used In) Financing Activities</u>		
Principal Payments on Long-Term Debt	<u>(10,029)</u>	<u>(9,637)</u>
Net Cash Provided By (Used In) Financing Activities	<u>(10,029)</u>	<u>(9,637)</u>
Net Increase (Decrease) in Cash	(63,307)	118,290
Cash at Beginning of Year	<u>263,377</u>	<u>145,087</u>
Cash at End of Year	<u>\$ 200,070</u>	<u>\$ 263,377</u>
<u>Supplemental Disclosure of Cash Flow Information</u>		
Interest Paid	<u>\$ 2,787</u>	<u>\$ 2,346</u>

The accompanying notes are an integral part of these financial statements

**HOMEAGAIN AND SUBSIDIARY
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2015**

	Program Services					Supporting Services		Total	
	Family Shelter Services	Men's Shelter	Family Transition In Place	Veteran's Transitional	Permanent Supportive Housing	Program Total	Management and General	Fundraising	2015
Salaries	\$ 184,993	\$ 183,171	\$ 154,819	\$ 213,758	\$ 129,599	\$ 866,340	\$ 43,325	\$ 43	\$ 909,708
Fringe Benefits	32,784	33,356	27,436	34,732	23,104	151,412	15,127	85	166,624
Total Payroll Expenses	217,777	216,527	182,255	248,490	152,703	1,017,752	58,452	128	1,076,332
Advertising & Printing	-	25	-	-	-	25	1,363	-	1,388
Client Assistance	20,985	13,506	147,388	11,003	107,631	300,513	3,496	-	304,009
Rapid Rehousing Assistance	126,867	95,617	-	60	-	222,544	-	-	222,544
Conference and Training	41	41	-	41	-	123	2,698	-	2,821
Equipment/Maintenance	16,486	13,606	1,332	1,734	873	34,031	4,303	-	38,334
Information Technology	2,104	1,960	841	3,155	841	8,901	2,877	-	11,778
Insurance	4,093	4,093	4,093	4,093	4,093	20,465	10,784	-	31,249
Interest	-	961	-	-	-	961	3,365	-	4,326
Occupancy	15,522	19,589	12,913	-	167	48,191	32	-	48,223
Postage	110	110	110	110	110	550	110	-	660
Professional Fees	300	-	-	-	-	300	39,914	-	40,214
Supplies	435	1,734	269	2,009	582	5,029	3,789	-	8,818
Telephone	2,147	1,340	2,561	2,690	1,053	9,791	2,612	-	12,403
Travel	288	77	17,475	333	4,488	22,661	4,600	-	27,261
Miscellaneous	1,997	183	35	647	-	2,862	34,273	15	37,150
Fundraising	-	-	-	-	-	-	23,400	400	23,800
Depreciation	10,587	10,062	16,609	7,026	7,562	51,846	785	996	53,627
Total Expenses	\$ 419,739	\$ 379,431	\$ 385,881	\$ 281,391	\$ 280,103	\$ 1,746,545	\$ 196,853	\$ 1,539	\$ 1,944,937

The accompanying notes are an integral part of these financial statements

**HOMEAGAIN AND SUBSIDIARY
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2014**

	Program Services					Supporting Services		Total	
	Family Shelter Services	Men's Shelter	Family Transition In Place	Veteran's Transitional	Permanent Supportive Housing	Program Total	Management and General	Fund Raising	2014
Salaries	\$ 160,860	\$ 156,824	\$ 185,658	\$ 162,139	\$ 114,749	\$ 780,230	\$ 53,183	\$ 14,519	\$ 847,932
Fringe Benefits	23,417	29,146	30,813	30,992	22,244	136,612	18,053	2,327	156,992
Total Payroll Expenses	184,277	185,970	216,471	193,131	136,993	916,842	71,236	16,846	1,004,924
Advertising & Printing	25	25	-	75	-	125	50	-	175
Client Assistance	800	814	65,924	586	320	68,444	-	-	68,444
Rapid Rehousing Assistance	74,412	82,129	23,921	6,576	-	187,038	-	-	187,038
Conference and Training	467	79	249	56	111	962	3,369	-	4,331
Equipment/Maintenance	41,776	11,834	4,409	3,234	1,134	62,387	1,818	-	64,205
Information Technology	3,521	5,628	7,707	4,616	2,106	23,578	7,024	-	30,602
Insurance	3,264	3,264	3,264	3,265	3,264	16,321	1,193	-	17,514
Interest	-	-	-	-	-	-	1,976	-	1,976
Occupancy	19,741	27,455	188,326	3,940	88,779	328,241	7,840	-	336,081
Postage	300	300	300	300	300	1,500	577	-	2,077
Professional Fees	7,766	3,456	5,603	2,731	1,656	21,212	7,465	-	28,677
Supplies	4,296	4,946	4,209	6,522	2,588	22,561	1,627	-	24,188
Telephone	2,373	118	8,762	2,430	337	14,020	3,581	-	17,601
Travel	1,844	1,533	9,778	1,533	8,395	23,083	2,951	-	26,034
Miscellaneous	424	606	2,761	135	631	4,557	13,180	-	17,737
Fund Raising	-	-	-	-	-	-	-	16,644	16,644
Depreciation	10,757	10,224	16,876	7,138	7,683	52,678	3,965	-	56,643
Total Expenses	\$ 356,043	\$ 338,381	\$ 558,560	\$ 236,268	\$ 254,297	\$ 1,743,549	\$ 127,852	\$ 33,490	\$ 1,904,891

The accompanying notes are an integral part of these financial statements

**HOMEAGAIN AND SUBSIDIARY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015 AND 2014**

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Note 1: Organization and Business

HomeAgain and Subsidiary (HomeAgain) provides shelter, supportive services, and financial assistance for homeless individuals and families in the Richmond, Virginia vicinity. Emergency Shelters provide shelter for those experiencing a housing crisis. Permanent Supportive Housing provides permanent housing for those whose household has a member with a disability. Rapid Re-housing provides for financial assistance to quickly house individuals and families and immediately end homelessness. Services include on-going housing, substance abuse and employment counseling, and financial assistance to ensure long-term success.

Note 2: Summary of Significant Accounting Policies

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

Consolidation - The consolidated financial statements include the accounts of HomeAgain and its wholly owned subsidiary, ESI Enterprises, Inc. ESI Enterprises was established in 2004 to conduct and support activities that carry out the charitable purposes of HomeAgain, such as acquiring, holding, and operating facilities and other assets used by HomeAgain and conducting capital and endowment campaigns. All significant intercompany balances and transactions have been eliminated in consolidation.

Basis of Presentation - HomeAgain is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Unrestricted - are those currently available at the discretion of the Board of Directors for use in operations and those resources invested in property and equipment.

Temporarily Restricted - are those which are stipulated by donors or grantors for specific program purposes. When a donor 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. Restricted revenue whose restrictions are met in the same year is reflected as unrestricted revenue.

Permanently Restricted - are restricted to investments in perpetuity, the income from which is expendable in accordance with the conditions of each specific donation.

Grant Receivable and Revenue Recognition - HomeAgain records revenue from all significant grants and contracts as costs are incurred to give recognition to the performance requirements of the various agreements. Grants receivables consist of amounts which have been incurred but not reimbursed by the respective grantor. HomeAgain receives a substantial portion of its operating capital funds from grants and awards.

**HOMEAGAIN AND SUBSIDIARY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015 AND 2014
(CONTINUED)**

Note 2: Summary of Significant Accounting Policies (Cont.)

Functional Allocation of Expenses - The cost of providing various programs and other activities has been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among programs and supporting services benefited.

Cash and Cash Equivalents - For purposes of reporting cash flows, HomeAgain considers cash equivalents to include certificates of deposit and other highly liquid debt instruments purchased with an original maturity of three months or less.

Investments - Investments are held in an investment account and are stated at quoted market values. Changes in fair values are reported as unrealized income or loss in the statement of activities.

Estimates - The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses and disclosure of contingent assets and liabilities for the reported periods. Actual results could differ from those estimates.

Property and Equipment - Land Property and Equipment are recorded at cost. HomeAgain reports donations of land, buildings, and equipment as unrestricted support, unless explicit donor stipulations specify how the donated assets must be used. Such donated property and equipment are recorded as support at their fair market value. Property and equipment are depreciated using the straight line method as follows:

Building	25-30 years
Leasehold Improvements	10 years
Equipment	3-10 years
Vehicles	5 years
Furniture and Fixtures	3-10 years

Income Taxes - HomeAgain is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization has determined that it does not have any material unrecognized tax benefits or obligations as of June 30, 2015 or 2014. Fiscal years ending on or after June 30, 2012 remain subject to examination by federal and state tax authorities.

Impairment of Long-Term Assets - HomeAgain reviews its investment in real estate for impairment whenever events or changes in circumstances indicate that the carrying value of such property may not be recoverable. Recoverability is measured by a comparison of the carrying amount of the real estate to the future net undiscounted cash flow expected to be generated by rental property. There were no impairment losses recognized during 2015 or 2014.

**HOMEAGAIN AND SUBSIDIARY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015 AND 2014
(CONTINUED)**

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Note 2: Summary of Significant Accounting Policies (Cont.)

Reclassification - Certain prior year balances have been reclassified to conform to the current year presentation.

Subsequent Events - Management has evaluated subsequent events through December 11, 2015, the date on which the financial statements were available to be issued.

Note 3: Program Support and Revenue

Contributions, including unconditional pledges, are recognized as revenues in the period received. Conditional pledges are not recognized until the conditions on which they depend are substantially met. Other pledges are restricted by time constraints and revenue is recognized after the noted amount of time has passed. Gifts of securities are recorded at their fair market value when received. Deferred revenue represents inactive revenue for certain programs.

Note 4: Lease Commitments

HomeAgain leases numerous apartments used as program housing space under annual operating leases. Security deposits associated with designated leases for June 30, 2015 and 2014 were \$0 and \$13,500, respectively. Total rent expense under these leases for June 30, 2015 and 2014 were \$241,256 and \$263,802.

Note 5: Concentration of Credit Risk

Financial instruments that potentially subject HomeAgain to a concentration of credit risk consist principally of cash and Certificate of Deposits. HomeAgain maintains banking accounts with SunTrust. Checking and money market account balances are insured by the FDIC and at times balances may exceed FDIC limits.

Note 6: Retirement

HomeAgain has a tax deferred group annuity contract with Mutual of America Life Insurance Company. Substantially all employees of the organization are eligible to become participants under this contract. HomeAgain made no contributions on behalf of eligible participants during 2015 and 2014.

**HOMEAGAIN AND SUBSIDIARY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015 AND 2014
(CONTINUED)**

Note 7: Fair Value Measurements

Fair values of assets measured on a recurring basis at June 30, 2015 and 2014 are as follows:

	Quoted Prices in Active Markets for Identical Assets (Level 1)
<u>June 30, 2015</u>	
Government Bond	\$ -
Equity Securities	48,671
	<u>\$ 48,671</u>
<u>June 30, 2014</u>	
Government Bond	\$ -
Equity Securities	52,895
	<u>\$ 52,895</u>

Level 1-Unadjusted quoted prices that are available in active markets for the identical assets at the measurement date. Fair Values for short-term investments and long-term investments are determined by reference to quoted market prices and other relevant information generated by market transactions. The Organization does not have any Level 2 or Level 3 investments.

Note 8: Long-Term Debt

Long-term debt consists of a fifteen year mortgage note with the Virginia Housing Development Authority (VHDA). The note is payable in monthly installments of \$999, including interest at 4%. The note matures in 2019 and is collateralized by the real estate for the men's shelter. The balance as of June 30, 2015 and 2014 was \$43,375 and \$53,404 respectively. Payments of principal for the next 4 years are as follows:

2016	\$ 10,438
2017	10,863
2018	11,306
2019	10,768
	<u>43,375</u>
Total	<u>\$ 43,375</u>

**HOMEAGAIN AND SUBSIDIARY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015 AND 2014
(CONTINUED)**

Note 9: Endowment Fund

The Edward White King Fund was established and controlled by Ann and Don King in honor of their son Edward White King to benefit children at the Espigh Family Shelter and Family INRICH Transition in Place Program. All contributions made to the Fund shall be placed in a separate and discrete interest-bearing account. The interest generated by the contributions placed in the account shall be made available and used exclusively for the benefit of children sheltered by the Emergency Shelter, Inc. The principal amount of the Fund shall not be spent. In the event that the operation of HomeAgain shall cease, the principal amount of the Fund shall be transferred to a charitable organization serving homeless children. HomeAgain shall consult with the King Family to the extent feasible concerning uses of the investment income and any transfer of the principal of the fund.

The composition of endowment net assets for HomeAgain and the changes in endowment net assets as of June 30, 2015 and 2014 are as follows:

	Permanently Restricted
Endowment Net Assets June 30, 2013	\$ 165,669
Contributions	10,370
Transfers	-
Net Appreciation	8,801
Expenses	(2,742)
Endowment Net Assets June 30, 2014	182,098
Contributions	10,979
Transfers	-
Net Appreciation	(2,538)
Expenses	(3,772)
Endowment Net Assets June 30, 2015	\$ 186,767

Note 10: Compensated Absences

The Organization allows employees to accrue compensated absences and the earned leave to future years. The following summarizes the compensated absence expense and accrual during 2015:

6/30/2013	Earned	Used	6/30/2014
\$ 6,694	27,728	25,596	\$ 8,826
6/30/2014	Earned	Used	6/30/2015
\$ 8,826	36,863	35,645	\$ 10,044

SUPPLEMENTAL INFORMATION

**HOMEAGAIN AND SUBSIDIARY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2015**

<u>Schedule of Expenditures of Federal Awards</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>
 <u>Department of Housing and Urban Development</u>		
Supportive Housing Program	14.235*	<u>\$ 566,153</u>
<u>Pass-Through from City of Richmond:</u> Emergency Shelter Grant Program	14.231	<u>112,761</u>
		<u>678,914</u>
 <u>Department of Health and Human Services</u>		
<u>Pass-Through from State:</u> Child Care Development	93.575	<u>25,648</u>
		<u>25,648</u>
 <u>U.S. Department of Education</u>		
<u>Pass-Through from City of Richmond:</u> Richmond Regional Homeless Educational Program	84.196	<u>1,500</u>
		<u>1,500</u>
 <u>U.S. Department of Veterans Affairs</u>		
Homeless Veterans Reintegration Project Per Diem Program	64.024*	<u>398,121</u>
		<u>398,121</u>
 <u>U.S. Department Of Agriculture</u>		
Child and Adult Care Food Program	10.558	<u>10,328</u>
		<u>10,328</u>
TOTAL FEDERAL FINANCIAL ASSISTANCE		<u>\$ 1,114,511</u>

**HOMEAGAIN AND SUBSIDIARY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2015
(CONTINUED)**

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Notes to Schedule of Expenditures of Federal Awards

Note - A Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of HomeAgain and Subsidiary. Under programs of the federal government for the year ended June 30, 2015. 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*. Because the Schedule presents only a selected portion of the operations of HomeAgain, Inc., it is not intended to and does not present the financial position, changes in net assets or cash flows of HomeAgain, Inc.

Note - B Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-122, *Cost Principles for Non-Profit Organizations*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Pass-through entity identifying numbers are presented where available

* Major Program

**HOMEAGAIN AND SUBSIDIARY
SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2015**

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Finding 2014-1 Federal Reporting

Condition: The organization did not timely submit its data collection form and reporting package in accordance with OMB Circular A-133 for the year ended June 30, 2014.

Action Taken: HomeAgain and Subsidiary have updated their policies and procedures, contracted with CPA staffing to oversee financial management activities, and employed new personnel to handle day-to-day accounting activities. The new personnel has a general understanding of accounting as well as generally accepted accounting procedures.

Current Condition: Effective changes have been made. The June 30, 2015 audit will be submitted in compliance with OMB Circular A-133.

Current Status: The finding has been cleared.

**HOMEAGAIN AND SUBSIDIARY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE 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? yes X no

* Significant Deficiency(s) 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? yes X no

* Significant Deficiency(s) 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 501(a) of Circular A-133? yes X no

Identification of major programs:

CFDA Number

14.235

64.024

Name of Program

Supportive Housing Program
Homeless Veterans Reintegration
Project Per Diem Program

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

Auditee qualified as low-risk auditee? yes X no

**HOMEAGAIN AND SUBSIDIARY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2015**

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Section II - Financial Statement Findings

There were no financial statement findings.

Section III - Federal Awards Findings and Questioned Costs

There were no financial awards findings or questioned costs.



**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
HomeAgain and Subsidiary
Richmond, Virginia

We have audited, 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, the financial statements of HomeAgain and Subsidiary, which comprise of the statement of financial position as of June 30, 2015 and June 30, 2014, and the related statements of activities, changes in net position, and cash flows for the year then ended, and the related notes to the financial statements and have issued our report thereon December 11, 2015.

Internal Control over Financial Reporting

In planning and performing our audit, we considered HomeAgain and Subsidiary'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of HomeAgain and Subsidiary's internal control. Accordingly, we do not express an opinion on the effectiveness of HomeAgain and Subsidiary'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 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.

Our consideration of internal control over financial reporting 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 significant deficiencies or material weaknesses. 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 HomeAgain and Subsidiary's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**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*
(CONTINUED)**

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.



Dooley & Vicars
Certified Public Accountants

December 11, 2015



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD
HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR FEDERAL PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Board of Directors
HomeAgain and Subsidiary
Richmond, Virginia

Report on Compliance for Each Major Program

We have audited HomeAgain and Subsidiary's compliance with the types of compliance requirements described in the *(OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year then ended June 30, 2015. HomeAgain and Subsidiary's major federal programs are identified in the summary of auditor's results section with the accompanying schedule of findings and questions 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 HomeAgain and Subsidiary's major federal programs based on our audit of the types of compliance requirements referred to above.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller of the United States; and *OMB Circular A-133*. 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 HomeAgain and Subsidiary's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance with each major program. However, our audit does not provide a legal determination on HomeAgain and Subsidiary's compliance.

Opinion on Each Major Program

In our opinion, HomeAgain and Subsidiary complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs identified above for the year then ended June 30, 2015.

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD
HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR FEDERAL PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133
(CONTINUED)**

Report on Internal Control over Compliance

Management of HomeAgain and Subsidiary is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered HomeAgain and Subsidiary's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program in order to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major 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 the Organization's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be *material weaknesses* or *significant deficiencies*. We did not identify any deficiencies in internal control over compliance that we consider to be *material weaknesses*, as defined above. However, material weaknesses may exist that have not been identified.

This 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 our testing based on the requirements of *OMB Circular A-133*. Accordingly, this report is not suitable for any other purpose.



Dooley & Vicars
Certified Public Accountants

December 11, 2015