WASATCH HOMELESS HEALTH CARE, INC.

FINANCIAL STATEMENTS
AND REPORTS IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS
AND OMB CIRCULAR A-133

Years Ended December 31, 2014 and 2013

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Wasatch Homeless Health Care, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Wasatch Homeless Health Care, Inc. (a Utah nonprofit organization) which comprise the statements of financial position as of December 31, 2014 and 2013, and the related statements of activities, functional expenses, and cash flows for the years 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 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 audit 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 opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Wasatch Homeless Health Care, Inc. as of December 31, 2014 and 2013 and the changes in its net assets and its cash flows for the years then ended in conformity 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 schedule of expenditures of federal awards, as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated June 22, 2015 on our consideration of Wasatch Homeless Health Care, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Wasatch Homeless Health Care, Inc.'s internal control over financial reporting and compliance.

Squire & Company, PC

Orem, Utah
June 22, 2015

WASATCH HOMELESS HEALTH CARE, INC.
STATEMENTS OF FINANCIAL POSITION
December 31, 2014 and 2013

	2014	2013
ASSETS		
Current Assets:		
Cash	$ 1,276,530	$ 1,232,527
Accounts receivable	221,953	216,658
Current portion of contributions receivable	125,000	125,000
Grants receivable	169,024	699,151
Inventory	233,816	480,075
Investments	1,582,432	1,262,086
Prepaid expenses	32,790	32,594
Total current assets	3,641,545	4,048,091
Net Fixed Assets	5,164,704	5,559,131
Contributions Receivable, less current portion	237,957	355,036
Total assets	$ 9,044,206	$ 9,962,258
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable	$ 151,578	$ 369,713
Accrued expenses	189,593	150,814
Current portion of note payable	76,406	72,534
Total current liabilities	417,577	593,061
Note Payable, less current portion	714,630	791,010
Deferred Wages Payable	124,725	121,814
Total liabilities	1,256,932	1,505,885
Net Assets:		
Unrestricted:		
Designated for fixed assets, net of related debt	4,373,668	4,695,587
Undesignated	2,295,325	2,654,576
Temporarily restricted	1,118,281	1,106,210
Total net assets	7,787,274	8,456,373
Total liabilities and net assets	$ 9,044,206	$ 9,962,258

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

WASATCH HOMELESS HEALTH CARE, INC.
STATEMENTS OF ACTIVITIES
Years Ended December 31, 2014 and 2013

	2014			2013		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Grant revenues:						
Federal	$ 2,156,181	$ -	$ 2,156,181	$ 4,587,323	$ -	$ 4,587,323
State and local	164,454	-	164,454	133,618	-	133,618
Foundation and private	148,700	599,000	747,700	597,539	378,834	976,373
Total grant revenues	2,469,335	599,000	3,068,335	5,318,480	378,834	5,697,314
Other revenues and support:						
In-kind contributions - goods	2,363,699	-	2,363,699	2,892,464	-	2,892,464
In-kind contributions - services	258,207	-	258,207	312,316	-	312,316
Donations	841,195	77,921	919,116	808,891	725,776	1,534,667
Contracts	66,542	-	66,542	32,970	-	32,970
Meaningful use incentive	148,750	-	148,750	132,000	-	132,000
Patient insurance	498,654	-	498,654	427,370	-	427,370
Interest and investment income	120,712	-	120,712	102,869	-	102,869
Rent revenue, net of rent expenses	24,823	-	24,823	(29,702)	-	(29,702)
Loss on disposal of fixed assets	(226,482)	-	(226,482)	-	-	-
Other	9,446	-	9,446	7,098	-	7,098
Total other revenues and support	4,105,546	77,921	4,183,467	4,686,276	725,776	5,412,052
Net assets released from restrictions	664,850	(664,850)	-	248,400	(248,400)	-
Total revenues and support	7,239,731	12,071	7,251,802	10,253,156	856,210	11,109,366
Expenses:						
Program services	6,687,991	-	6,687,991	6,123,478	-	6,123,478
Administrative services	909,272	-	909,272	658,417	-	658,417
Fundraising	323,638	-	323,638	282,077	-	282,077
Total expenses	7,920,901	-	7,920,901	7,063,972	-	7,063,972
Change in Net Assets	(681,170)	12,071	(669,099)	3,189,184	856,210	4,045,394
Net Assets at Beginning of Year	7,350,163	1,106,210	8,456,373	4,160,979	250,000	4,410,979
Net Assets at End of Year	$ 6,668,993	$ 1,118,281	$ 7,787,274	$ 7,350,163	$ 1,106,210	$ 8,456,373

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

WASATCH HOMELESS HEALTH CARE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2014

	Program Services	Administrative Services	Fundraising	Total
Expenses:				
Salaries and wages	$ 2,001,494	$ 519,399	$ 173,134	$ 2,694,027
Payroll taxes and benefits	416,017	102,517	32,099	550,633
Outside services	78,697	-	-	78,697
Supplies and minor equipment	255,325	49,399	4,750	309,474
Insurance	8,043	6,848	80	14,971
Interest	18,835	1,215	203	20,253
Facilities	54,648	3,212	535	58,395
Communications	53,792	2,787	1,774	58,353
Training and travel	44,876	6,449	2,777	54,102
Dues and license	37,798	1,858	943	40,599
Fundraising events	1,400	-	54,654	56,054
Printing and postage	9,247	1,162	4,604	15,013
Respite housing and transportation	113,581	-	-	113,581
In-kind contributions - supplies and pharmaceuticals	2,594,661	18,024	1,202	2,613,887
In-kind contributions - volunteer labor	251,760	4,015	2,432	258,207
Contracted services	363,314	127,919	41,524	532,757
Pharmaceuticals	112,543	-	-	112,543
Other	26,793	27,408	76	54,277
Depreciation	245,167	37,060	2,851	285,078
Total expenses	$ 6,687,991	$ 909,272	$ 323,638	$ 7,920,901

The accompanying notes are an integral part of this financial statement.

WASATCH HOMELESS HEALTH CARE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2013

	Program Services	Administrative Services	Fundraising	Total
Expenses:				
Salaries and wages	$ 1,543,698	$ 387,782	$ 146,850	$ 2,078,330
Payroll taxes and benefits	311,590	97,932	39,318	448,840
Outside services	90,021	-	-	90,021
Supplies and minor equipment	355,653	66,235	3,552	425,440
Insurance	4,978	5,853	106	10,937
Interest	23,228	988	494	24,710
Facilities	55,202	2,144	1,073	58,419
Communications	44,718	1,542	2,142	48,402
Training and travel	47,932	1,951	4,879	54,762
Dues and license	31,958	1,088	649	33,695
Fundraising events	1,259	-	60,116	61,375
Printing and postage	7,180	2,200	3,758	13,138
Respite housing and transportation	91,305	-	-	91,305
In-kind contributions - supplies and pharmaceuticals	2,684,228	1	120	2,684,349
In-kind contributions - volunteer labor	309,342	2,974	-	312,316
Contracted services	312,776	61,999	14,794	389,569
Pharmaceuticals	91,021	-	-	91,021
Other	16,925	17,489	107	34,521
Depreciation	100,464	8,239	4,119	112,822
Total expenses	$ 6,123,478	$ 658,417	$ 282,077	$ 7,063,972

The accompanying notes are an integral part of this financial statement.

WASATCH HOMELESS HEALTH CARE, INC.
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2014 and 2013

	2014	2013
Cash Flows from Operating Activities:		
Change in net assets	$ (669,099)	$ 4,045,394
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	382,695	152,890
Investment gains realized	(120,712)	(102,015)
Loss on disposal of fixed assets	226,482	-
In-kind contributions	(11,387)	(5,624)
Changes in operating assets and liabilities:		
Accounts, contributions, and grants receivable	641,911	(913,250)
Inventory	246,259	(208,516)
Prepaid expenses	(196)	(10,102)
Accounts payable	(218,135)	202,543
Accrued expenses	38,779	22,019
Deferred wages payable	2,911	33,326
Net cash provided by operating activities	519,508	3,216,665
Cash Flows from Investing Activities:		
Proceeds from sales of investments	46,134	9,705
Proceeds from maturity of certificate of deposit	-	233,862
Purchases of fixed assets	(221,250)	(2,506,509)
Purchases of investments	(234,381)	(546,346)
Net cash used by investing activities	(409,497)	(2,809,288)
Cash Flows from Financing Activities:		
Repayment of note payable	(72,508)	(68,853)
Net Change in Cash	37,503	338,524
Cash at Beginning of Year	1,232,527	894,003
Cash at End of Year	$ 1,270,030	$ 1,232,527

Supplemental Data:

The Center paid $43,309 and $46,963 in interest during the years ended December 31, 2014 and 2013, respectively. The Center paid no income taxes during those years.

The Center had no noncash investing or financing activities during the years ended December 31, 2014 and 2013.

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

Note 1. Summary of Significant Accounting Policies

The financial statements of Wasatch Homeless Health Care, Inc. (the Center) have been prepared on the accrual basis of accounting. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

Business Activity – Wasatch Homeless Health Care, Inc. is a nonprofit organization located in Salt Lake City, Utah, created for the purpose of, but not limited to, providing primary medical, dental, pharmacy, and mental health services to indigent and homeless persons. The Center operates under the name "Fourth Street Clinic."

Accounts Receivable – The Center's accounts receivable consist of amounts due from Medicaid, Medicare, and other amounts due from local sources. No allowance for doubtful accounts has been established as the Center deems all amounts to be fully collectible.

Inventory – Inventory consists of pharmaceuticals for Center patients. Inventory is valued at current market values provided by the Center's 340B pharmaceuticals suppliers.

Fixed Assets – Fixed assets with a cost of $5,000 or more are capitalized and depreciated over their estimated useful lives using the straight-line method of depreciation (see Note 4). Donated equipment is recorded at estimated fair value at the time of donation.

Maintenance, repairs and renewals, which neither materially add value to the property nor prolong its useful economic life, are charged to expense as incurred.

Revenue Recognition – The Center recognizes revenue when services are provided to the patient. Grant revenues are recognized when qualifying expenses have been incurred and all other grant requirements have been met. Contributions received with restrictions that are met in the same reporting period are treated as unrestricted support. Promises to give (pledges) are recognized in the period the promise was made.

Donated Services and Supplies – Donated services are recognized as contributions at fair value when the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Center. Donated supplies are recognized as contributions when the supplies would otherwise be purchased by the Center and are recorded at fair value (manufacturer's wholesale price).

Income Taxes – The Center is exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code (IRC), though it would be subject to tax on income unrelated to exempt purposes (unless that income is otherwise excluded by the IRC). Contributions to the Center are tax deductible to donors under Section 170 of the IRC. The Center is not classified as a private foundation.

Allocation of Costs – Direct costs are charged to the appropriate function. Indirect costs are allocated to the functions based on personnel costs and square footage used.

Note 1. Summary of Significant Accounting Policies (Continued)

Unrestricted Net Assets – Unrestricted net assets are resources to support operations. The only limit on the use of unrestricted net assets are the broad limits resulting from the nature of the organization, the environment in which it operates, the purposes specified in its charter and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its opeations.

The Center reports a designated a portion of net assets to reflect its net investment in fixed assets. The Center uses these fixed assets to provide services to patients. Accordingly, these assets are not available for future spending. Although the Center's investment in fixed assets is reported net of related debt, it should be noted that the resources used to repay the debt must be provided from other sources, since the fixed assets themselves cannot be used to liquidate these liabilities.

All revenues and net gains are reported as increases in unrestricted net assets in the statement of activities unless the use of the related resources is subject to donor restrictions not satisfied in the period. All expenses and net losses are reported as decreases in unrestricted net assets.

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

Subsequent Events – The Center has evaluated subsequent events through June 22, 2015, the date the financial statements were available to be issued. Events occurring after that date have not been evaluated to determine whether a change in the financial statements would be required.

Note 2. Contributions Receivable

Contributions are recorded when the unconditional promise to give's collection is expected in the near term and is probable. All contributions receivable (at their net present value) are restricted for the Center's dental services. Unconditional promises to give will be received over the next three years. Contributions have been discounted to their net present value using the December 2013 Applicable Federal Rate (1.65 percent) for the anticipated collection period. No allowance for uncollectible pledges has been established as the Center believes all amounts will be received.

The total amount to be received is $375,000 ($125,000 in each of the next three years) and has been discounted to $362,957 at December 31, 2014.

Note 3. Investments

Investments are carried at fair value based on quoted prices in active markets (all level 1 measurements – quoted prices in active markets) and consist of the following at December 31, 2014 and 2013, respectively:

	2014	2013
Common stock	$ 733,965	$ 432,366
Equity mutual funds	125,018	120,662
Bond mutual funds	723,449	709,058
	$ 1,582,432	$ 1,262,086

Investment return for the years ended December 31, 2014 and 2013 is summarized as follows:

	2014	2013
Dividend income	$ 47,669	$ 32,497
Net investment gains	73,043	69,518
Total investment income	$ 120,712	$ 102,015

Note 4. Fixed Assets

Fixed assets held by the Center at December 31, 2014 and 2013 are as follows:

	2014	2013	Estimated Useful Lives (Years)
Land	$ 1,898,271	$ 1,898,271	
Construction in progress	26,193	2,390,142	
Building and improvements	3,455,145	1,627,659	15 to 30 years
Furniture and fixtures	37,106	27,366	5 years
Office equipment	162,284	88,130	3 years
Computer equipment	153,718	226,086	3 years
Medical equipment	210,534	183,660	5 to 15 years
Dental equipment	99,756	-	5 years
Computer software	56,550	56,781	3 years
	6,099,557	6,498,095	
Accumulated depreciation	(934,853)	(938,964)	
Net fixed assets	$ 5,164,704	$ 5,559,131	

Note 5. Line of Credit

The Center has established a line of credit of $52,000 at a bank. No amount was outstanding on this line of credit at December 31, 2014 and 2013. The interest rate on the line of credit is prime plus 6.75 percent.

Note 6. Note Payable

During 2012, the Center refinanced the note on its building. The note is payable in monthly installments of $9,651 and bears interest at 5.14 percent. The mortgage is collateralized by the building and is due May 2023. There is a prepayment penalty should the Center retire the note before August 2017. The balance owed was $791,036 and $863,544 at December 31, 2014 and 2013, respectively. Future principal maturities at December 31, 2014 are as follows:

Year Ending December 31,	
2015	$ 76,406
2016	80,380
2017	84,774
2018	89,299
2019	94,066
Thereafter	366,111
	$ 791,036

Note 7. Temporarily Restricted Net Assets

Donations specifically restricted by a donor for use for a particular purpose or in a particular future period are recorded as temporarily restricted net assets. When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from temporarily restricted to unrestricted net assets. A summary of temporarily restricted net assets at December 31, 2014 and 2013 is as follows:

	2014	2013
Restricted for:		
General services	$ 218,322	$ 234,600
Dental equipment and services	712,493	830,160
Information technology	130,966	-
Cardiovascular services	40,000	-
Hearing	-	1,600
Behavorial health	-	36,600
Women's health	16,500	3,250
	$ 1,118,281	$ 1,106,210

Note 8. In-kind Donations

The Center receives donated services in the form of medical, dental, and other professional resources provided to the Center at no charge.

The Center receives donated supplies in the form of prescription drugs (pharmaceuticals), immunizations, and medical supplies at no charge. The manufacturer's wholesale price of these supplies is recognized as a donation.

The total value of in-kind donations for the years ended December 31, 2014 and 2013 is as follows:

	2014	2013
Donated services	$ 258,207	$ 312,316
Donated pharmaceuticals	2,233,356	2,858,291
Donated supplies	130,343	34,173
Total	$ 2,621,906	$ 3,204,780

Note 9. Concentrations

At December 31, 2014, the Center's book balance of cash accounts totaled $1,276,530 and the bank balance was $1,155,895, of which $280,743 is covered by federal depository and securities investor insurance.

The Center receives much of its revenue as a service provider under grants from public and private sources. These grants funded 42 and 51 percent of total revenues for the years ended December 31, 2014 and 2013, respectively.

During 2012, the Center was awarded a federal grant totaling $2,928,599 to remodel/expand its existing facilities and to equip these facilities. At December 31, 2014, the Center had expended $2,915,664 of the grant funds. The remaining grant funds ($12,935) are anticipated to be used during the year ending December 31, 2015.

Note 10. Retirement Plans

The Center participates in a defined contribution plan for employees who meet certain eligibility and service requirements. The Center contributes 4 percent of an employee's eligible earnings. The Center made contributions to the plan totaling $69,301 and $67,612 during the years ended December 31, 2014 and 2013, respectively.

The Center sponsors a nonqualified deferred compensation plan covering eligible management-level employees. Plan benefits are based on the employee's current compensation. The Center owes $124,725 and $121,814 to these employees at December 31, 2014 and 2013, respectively, reported as "deferred wages payable" on the statements of financial position.

Note 10. Retirement Plans (Continued)

In an effort to provide the funds necessary to pay these benefits to its employees upon retirement or leaving the Center's employment, the Center has placed $125,018 and $120,710 in an investment account at December 31, 2014 and 2013, respectively.

Note 11. Commitments and Contingencies

The Center entered into a lease in August 2014 for equipment. The lease requires monthly payments of $547. The lease expires in July 2019.

Minimum future lease payments are as follows:

Year Ending December 31,		
2015	$	6,564
2016		6,564
2017		6,564
2018		6,564
2019		4,376

Disallowed Costs – The Center receives funds from government and private entities to perform specific services. The grantors reserve the right to perform certain audit work in addition to the services performed by the Center's independent auditors. Disallowed costs, if any, resulting from such additional work, would need to be repaid by the Center from unrestricted funds. Management does not believe that any significant costs will be incurred by the Center if such additional work should occur.

Federal Interest in Building – As a condition of a federal grant to fund the remodel/expansion of the Center's facilities (see Note 9), the Center has signed a "Notice of Federal Interest" limiting the Center's ability to mortgage, sell, transfer, or change the use of its facilities without approval by the U.S. Department of Health and Human Services, Health Resources and Services Administration.

Unemployment Insurance – The Center maintains a self-insurance program for unemployment claims. Costs are accrued based on the maximum amount a terminated employee can claim against the Center as of the balance sheet date. The Center has no liability for self-insurance at December 31, 2014 and 2013.

Note 12. Leasing Activities

The Center leases office space to tenants under noncancelable operating leases with terms of one to five years. The following is a schedule by year of future minimum rentals under these leases at December 31, 2014:

Year Ending December 31,	
2015	$ 55,120
2016	22,844
2017	12,055
2018	6,117
	$ 96,136

Rent revenue is shown net of related expenses on the statements of activities as follows for the years ended December 31, 2014 and 2013:

	2014	2013
Rent revenue	$ 113,429	$ 84,186
Depreciation	(14,228)	(40,068)
Mortgage interest	(22,838)	(21,913)
Property taxes	(13,049)	(10,564)
Salaries and wages	(17,605)	(14,804)
Payroll taxes and benefits	(2,422)	(2,070)
Contracted services	(2,399)	(7,988)
Facilities	(14,750)	(15,762)
Supplies and minor equipment	(1,315)	(719)
Rent revenue, net of rent expenses	$ 24,823	$ (29,702)

REPORTS IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS
AND OMB CIRCULAR A-133

Year Ended December 31, 2014

WASATCH HOMELESS HEALTH CARE, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2014

Grantor/Pass-through Grantor/Program Title	CFDA Number	Receivable (Deferral) 12/31/2013	Received	Expended	Receivable (Deferral) 12/31/2014
U.S. Department of Housing and Urban Development:					
Passed through Salt Lake County:					
Community Development Block Grants/Entitlement Grants	14.218	$ 1,945	$ 23,195	$ 26,250	$ 5,000
Passed through Salt Lake City:					
Community Development Block Grants/Entitlement Grants	14.218	10,275	37,006	35,527	8,796
		12,220	60,201	61,777	13,796
U.S. Department of Health and Human Services:					
Direct:					
Health Center Cluster:					
Consolidated Health Centers	93.224	-	673,292	673,292	-
Affordable Care Act Grants for New and Expanded Services under the Health Centers Program	93.527	69,585	133,175	172,634	109,044
Affordable Care Act Grants for Capital Development in Health Centers	93.526	288,862	1,473,807	1,184,945	-
Passed through Association for Utah Community Health:					
Technical and Non-Financial Assistance to Health Centers	93.129	-	1,500	1,500	-
Immunization Cooperative Agreements	93.268	2,502	23,887	21,385	-
PPHF Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance financed in part by Prevention and Public Health Funds	93.539	3,334	8,116	4,782	-
National Bioterrorism Hospital Preparedness Program	93.889	-	2,275	2,275	-
Passed through Utah Department of Health:					
Assistance Programs for Chronic Disease Prevention and Control	93.945	-	2,905	3,668	763
		364,283	2,318,957	2,064,481	109,807
Federal Emergency Management Agency:					
Direct:					
Emergency Food and Shelter National Board Program	97.024	-	15,544	29,923	14,379
Total federal awards		$ 376,503	$ 2,394,702	$ 2,156,181	$ 137,982

The accompanying notes are an integral part of this schedule.

WASATCH HOMELESS HEALTH CARE, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note A. General

The schedule of expenditures of federal awards presents the activity of all federal award programs of Wasatch Homeless Health Care, Inc. (the Center). All federal financial awards received directly from federal agencies as well as federal financial awards passed through from other government agencies are included on the schedule. The schedule reports the federal awards expended on the accrual basis of accounting.

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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
Wasatch Homeless Health Care, Inc.

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 Wasatch Homeless Health Care, Inc. (a nonprofit organization) which comprise the statement of financial position as of December 31, 2014, 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 June 22, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Wasatch Homeless Health Care, 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 Wasatch Homeless Health Care, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Wasatch Homeless Health Care, 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 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 over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control over financial reporting 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 Wasatch Homeless Health Care, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an

opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Squire & Company, PC

Orem, Utah
June 22, 2015

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Independent Auditor's Report on Compliance with
Requirements That Could Have a Direct and Material
Effect on Each Major Program and on Internal Control Over
Compliance in Accordance with by OMB Circular A-133

Board of Directors
Wasatch Homeless Health Care, Inc.

Report on Compliance for Each Major Federal Program

We have audited Wasatch Homeless Health Care, Inc.'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 Wasatch Homeless Health Care, Inc.'s major federal programs for the year ended December 31, 2014. Wasatch Homeless Health Care, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Wasatch Homeless Health Care, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Wasatch Homeless Health Care, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Wasatch Homeless Health Care, Inc.'s compliance.

Opinion on Each Major Federal Program

In our opinion, Wasatch Homeless Health Care, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2014.

Report on Internal Control Over Compliance

Management of Wasatch Homeless Health Care, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit, we considered Wasatch Homeless Health Care, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Wasatch Homeless Health Care, Inc.'s internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance 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 compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Squire & Company, PC

Orem, Utah
June 22, 2015

WASATCH HOMELESS HEALTH CARE, INC.
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended December 31, 2014

No matters were reported in the prior year.

WASATCH HOMELESS HEALTH CARE, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2014

I. Summary of auditor's results:

Financial Statements:

Type of auditor's report issued: unmodified

Internal control over financial reporting:

-Material weaknesses identified? ____ yes _X_ no

-Significant deficiencies identified that are not considered to be material weaknesses?
____ yes _X_ none reported

Noncompliance material to financial statements noted?
____ yes _X_ no

Federal Awards:

Internal control over major programs:

-Material weaknesses identified? ____ yes _X_ no

- Significant deficiencies identified that are not considered to be material weaknesses?
____ yes _X_ none reported

Type of auditor's report issued on compliance for major programs: unmodified

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

Identification of major programs:

CFDA Numbers	Name of Federal Program or Cluster
	Health Centers Cluster:
93.224	Consolidated Health Centers
93.527	Affordable Care Act Grants for New and Expanded Services under the Health Centers Program

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

Auditee qualified as low-risk auditee? _X_ yes ____ no

II. Financial statement findings:
No matters were reported.

III. Federal award findings and questioned costs:
No matters were reported.