

**METRO HEALTH, INC.**

**FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITOR'S REPORTS**

**DECEMBER 31, 2014 AND**

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## Independent Auditor's Report

To the Board of Directors  
Metro Health, Inc.  
Washington, DC

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

We have audited the accompanying financial statements of Metro Health, Inc., ("Metro Health"), a non-profit 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 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 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 Metro Health, Inc. as of December 31, 2014 and , and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

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 the Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 15, 2015 on our consideration of Metro Health, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Metro Health, Inc.'s internal control over financial reporting and compliance.

*Jane Warner & McQuade PA*

Washington, DC  
September 15, 2015

**METRO HEALTH, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2014 AND 2013**

	2014	2013
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 550,563	\$ 465,564
Grants receivable	240,950	232,547
Accounts receivable	54,108	36,810
Prepaid expenses	23,655	15,590
Total Current Assets	869,276	750,511
<b>PROPERTY</b>		
Furniture and equipment	66,393	66,393
Leasehold improvements	11,818	11,818
	78,211	78,211
Less: accumulated depreciation	(78,211)	(78,211)
Total Property, Net	-	-
<b>OTHER</b>		
Security deposits	14,192	14,192
	14,192	14,192
<b>TOTAL ASSETS</b>	<b>\$ 883,468</b>	<b>\$ 764,703</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 59,600	\$ 25,757
Deferred rent	-	19,868
Total current liabilities	59,600	45,625
<b>NET ASSETS</b>		
Unrestricted	823,868	719,078
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 883,468</b>	<b>\$ 764,703</b>

See independent auditor's report and accompanying notes to financial statements.

**METRO HEALTH, INC.**  
**STATEMENTS OF ACTIVITIES**  
**YEARS ENDING DECEMBER 31, 2014 AND 2013**

	2014	2013
<b>UNRESTRICTED REVENUE AND SUPPORT</b>		
Grants:		
Federal grants	\$ 1,038,124	\$ 1,391,566
Other grants	355,155	429,055
Total grants	1,393,279	\$ 1,820,621
Contributions	2,388	4,483
Other program services	240,262	12,266
Insurance reimbursement / billing	135,969	158,981
Interest and other	1,850	746
Total Revenue and Support	1,773,748	1,997,097
<b>EXPENSES</b>		
Program services:		
Ryan White HIV/AIDS Program Part A	678,545	1,047,874
Ryan White HIV/AIDS Program Part B	-	87,969
Ryan White HIV/AIDS Program Part C	113,875	107,966
DC Appropriated	140,490	159,827
Comprehensive Prevention Strategies	122,763	42,639
Other programs	275,914	284,763
Total Program Services	1,331,587	1,731,038
Support services:		
General and Administrative	337,371	222,439
Total Expenses	1,668,958	1,953,477
<b>CHANGE IN UNRESTRICTED NET ASSETS</b>	104,790	43,620
<b>UNRESTRICTED NET ASSETS, beginning of year</b>	719,078	675,458
<b>UNRESTRICTED NET ASSETS, end of year</b>	\$ 823,868	\$ 719,078

See independent auditor's report and accompanying notes to financial statements.

**METRO HEALTH, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2014**

	Program Services										Total
	Ryan White		Comprehensive				Other			General and Administrative	
	HIV/AIDS PART A	HIV/AIDS PART C	DC Appropriated	Prevention Strategies	Other Programs	Total Programs	Administrative				
Salaries and related expenses	\$ 450,157	\$ 83,595	\$ 11,373	\$ 68,054	\$ 171,899	\$ 785,078	\$ 66,206	\$ 851,284			
Audit fees	-	-	-	-	-	-	12,200	12,200			
Bank fees	-	-	-	-	-	-	1,756	1,756			
Client costs	25,625	3,848	57,023	8,304	1,500	96,300	-	96,300			
Communications	18,880	-	1,676	1,358	4,828	26,742	2,652	29,394			
Consultants / experts	75,404	5,816	52,746	27,417	45,232	206,615	23,181	229,796			
Dues and subscriptions	-	-	-	-	-	-	7,033	7,033			
Fringe benefits	42,948	8,582	1,092	6,404	14,972	73,998	6,859	80,857			
Insurance	-	-	-	2,080	-	2,080	10,738	12,818			
Medical billing fees	4,153	5,312	-	-	3,100	12,565	3,908	16,473			
Legal	-	-	-	-	-	-	2,500	2,500			
Licenses	-	-	-	-	-	-	1,473	1,473			
Meetings	-	-	-	-	-	-	1,568	1,568			
Miscellaneous	-	-	-	-	1,014	1,014	1,119	2,133			
Occupancy	42,302	-	13,517	5,727	12,841	74,387	172,179	246,566			
Payroll service fees	-	-	-	-	-	-	7,045	7,045			
Supplies and minor equipment	17,278	3,615	2,847	1,739	19,257	44,736	16,446	61,182			
Travel and transportation	1,798	3,107	216	1,680	1,271	8,072	508	8,580			
Sub-total	\$ 678,545	\$ 113,875	\$ 140,490	\$ 122,763	\$ 275,914	\$ 1,331,587	\$ 337,371	\$ 1,668,958			
General and administrative allocation per grants	326	-	167	680	-	1,173	(1,173)	-			
Total	678,871	113,875	140,657	123,443	275,914	1,332,760	336,198	1,668,958			

See independent auditor's report and accompanying notes to financial statements.

**METRO HEALTH, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2013**

	Program Services									
	Ryan White			Ryan White			Comprehensive			
	HIV/AIDS PART A	HIV/AIDS PART B	HIV/AIDS PART C	DC Appropriated	Prevention Strategies	Other Programs	Total Programs	General and Administrative	Total	
Salaries and related expenses	\$ 533,431	\$ 62,107	\$ 78,966	\$ 11,379	\$ 18,916	\$ 148,186	\$ 852,985	\$ 56,700	\$ 909,685	
Advertising	140	-	-	-	-	-	140	659	799	
Audit fees	-	-	-	-	-	-	-	11,800	11,800	
Bank fees	-	-	-	-	-	-	-	1,907	1,907	
Client costs	129,468	2,170	8,292	98,992	8,481	16,115	263,518	1,236	264,754	
Communications	19,878	2,162	-	1,602	594	1,720	25,956	221	26,177	
Consultants / experts	182,218	2,565	6,421	30,660	8,664	30,103	260,631	31,116	291,747	
Dues and subscriptions	1,023	-	-	-	-	72	1,095	8,296	9,391	
Fringe benefits	58,227	7,344	8,365	1,215	1,748	14,775	91,674	3,491	95,165	
Insurance	8,129	2,259	-	690	-	-	11,078	5,625	16,703	
Medical billing fees	2,130	-	1,411	-	-	600	4,141	3,792	7,933	
Legal	-	-	-	-	-	-	-	2,500	2,500	
Licenses	-	-	-	-	-	-	-	563	563	
Meetings	-	-	-	-	-	-	-	2,924	2,924	
Miscellaneous	565	-	-	-	-	1,014	1,579	1,889	3,468	
Occupancy	62,467	5,712	-	12,478	3,218	11,239	95,114	141,039	236,153	
Payroll service fees	-	-	-	-	-	-	-	5,447	5,447	
Supplies and minor equipment	36,141	3,450	2,665	2,093	844	6,887	52,080	1,480	53,560	
Travel and transportation	6,470	200	1,846	250	174	3,147	12,087	714	12,801	
Sub-total	1,040,287	87,969	107,966	159,359	42,639	233,858	1,672,078	281,399	1,953,477	
General and administrative allocation										
per grants	7,587	-	-	468	-	50,905	58,960	(58,960)	-	
Total	\$ 1,047,874	\$ 87,969	\$ 107,966	\$ 159,827	\$ 42,639	\$ 284,763	\$ 1,731,038	\$ 222,439	\$ 1,953,477	

See independent auditor's report and accompanying notes to financial statements.

**METRO HEALTH, INC.**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED DECEMBER 31, 2014 AND 2013**

	2014	2013
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 104,790	\$ 43,620
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Decrease (increase) in assets:		
Grants receivable	(8,403)	71,655
Accounts receivable	(17,298)	(6,277)
Inventory	-	755
Prepaid expenses	(8,065)	7,180
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	33,843	(8,842)
Deferred rent	(19,868)	19,868
Net Cash Provided By Operating Activities	84,999	127,959
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	84,999	127,959
<b>CASH AND CASH EQUIVALENTS, beginning of year</b>	465,564	337,605
<b>CASH AND CASH EQUIVALENTS, end of year</b>	\$ 550,563	\$ 465,564

See independent auditor's report and accompanying notes to financial statements.

**METRO HEALTH, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2014 AND 2013**

**NOTE A – NATURE OF ORGANIZATION**

Metro Health, Inc., (“Metro Health”) is a non-profit, community based organization, which was incorporated in the District of Columbia, and chartered in 1988. Metro Health provides multidisciplinary and integrated medical healthcare that embodies all aspects of a person’s physical, mental, and emotional well-being. Metro Health helps medically underserved individuals to become full partners and informed advocates in managing their health. Metro Health offers the following services and programs funded by government grants and contributions: primary medical care; *Get Healthy DC!*; case management services; mental health services; nutritional counseling; rehabilitation and therapy services; early intervention services; and treatment education and adherence program.

Metro Health administers the following federally funded programs:

*Ryan White HIV/AIDS Program PART A* - HIV Emergency Relief Project Grants

*Ryan White HIV/AIDS Program PART B* - HIV Care Formula Grants

*Ryan White HIV/AIDS Program PART C* - Grants to Provide Outpatient Early Intervention Services with HIV Disease.

*DC Appropriated* - HIV counseling, testing, referral, outreach, recruitment, evaluation, and food bank services.

*Comprehensive Prevention Strategies* - Provides strategies for HIV prevention with positives and prevention with negatives and unknown.

Other programs include the following:

*Behavioral Health Services* - Licensed professionals provide comprehensive services for all types of behavioral health needs, including mental illness, addiction and behavioral changes.

*Food Bank* - Provides food and nutrition services for clients who need the benefit of these services.

**NOTE B - SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Accounting**

The accompanying financial statements have been prepared on the accrual basis of accounting, which recognizes revenue when earned and expenses when incurred.

**METRO HEALTH, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2014 AND 2013**

**NOTE B - SIGNIFICANT ACCOUNTING POLICIES - continued**

Financial Statement Presentation

Net assets, revenue, and gains and losses are classified based on the existence or absence of donor imposed restrictions. Accordingly, the net assets of Metro Health and changes therein are classified and reported as follows:

*Unrestricted Net Assets* – Net assets that are not subject to donor-imposed stipulations.

*Temporarily Restricted Net Assets* – Net assets subject to donor-imposed stipulations that may or will be met either by actions of Metro Health and/or the passage of time. There were no temporarily restricted net assets as of December 31, 2014 or .

*Permanently Restricted Net Assets* – Net assets subject to donor-imposed stipulations that they be maintained permanently by Metro Health. There were no permanently restricted net assets as of and for the years ended December 31, 2014 or .

Cash and Cash Equivalents

For financial statement purposes, Metro Health considers money market accounts, and investments with original maturities of three months or less to be cash equivalents.

Grants and Accounts Receivable

Grants receivable are funds due from the District of Columbia for services performed in accordance with the terms of the grant agreements.

Accounts receivables are stated at the amount management expects to collect from balances outstanding at year end. Annually, management determined if an allowance for doubtful accounts is necessary based upon a review of outstanding receivables, historical collections of information and existing economic conditions. Accounts deemed uncollectible are charged off based on specific circumstances of the parties involved. As of December 31, 2014 and , management has determined that all significant receivables are collectible within one year or less; therefore, an allowance for doubtful accounts has not been established.

Inventory

Inventory consists of health and nutritional products available for sale. The value is stated at the lower of cost or market using the first-in, first-out method.

**METRO HEALTH, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2014 AND 2013**

**NOTE B - SIGNIFICANT ACCOUNTING POLICIES - continued**

Furniture, Equipment, and Leasehold Improvements

Furniture, equipment, and leasehold improvements are recorded at cost if purchased or recorded at fair market value at the date of gift if donated. Depreciation for furniture and equipment is computed using the straight-line method over the life of the assets, generally five years. Leasehold improvements are amortized over the shorter of the asset life or the remaining term of the lease agreement. Maintenance and repairs are expensed, while expenditures for improvements that extend the useful lives of the assets are capitalized.

Grants, Contributions and Revenue

Federally funded grants are recognized as unrestricted revenue to the extent of related expenses incurred for grant purposes.

Unconditional contributions are recorded as revenue in the year notification is received from the donor. Contributions received with donor restrictions are recorded as temporarily or permanently restricted revenue based on donor intent. Expirations of temporary restrictions are reported as reclassifications from temporarily restricted net assets to unrestricted net assets.

Insurance reimbursement revenue is revenue received from insurance carriers as a result of patient visits to the clinic.

Use of 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 the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Actual results may differ from those estimates.

Functional Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities and the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**NOTE C - INCOME TAXES**

Metro Health is a 501(c)(3) organization exempt from federal income tax under Section 501(a) of the Internal Revenue Code. Metro Health is, however, subject to tax on business income unrelated to their exempt purpose. For the years ended December 31, 2014 and , no provision for income taxes has been made in the accompanying financial statements.

**METRO HEALTH, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2014 AND 2013**

**NOTE C - INCOME TAXES - continued**

Metro Health believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements or that would have an effect on its tax-exempt status. There are no unrecognized tax benefits or liabilities that need to be recorded.

Metro Health's income tax returns are subject to examination by the Internal Revenue Service for a period of three years from the date they were filed, except under certain circumstances. Metro Health's tax returns for the years through are open for a tax examination by the Internal Revenue Service, although no request has been made as of the date of these financial statements.

**NOTE D - GRANTS RECEIVABLE**

Grants receivable totaled \$240,950 and \$232,547, respectively as of December 31, 2014 and . All grants receivable are collectible within a year.

**NOTE E - LEASE COMMITMENTS**

Metro Health leases the 7th floor in an office building located at 1012 14th Street, N.W., Washington, DC. The lease expires on February 28, 2015. Future minimum rentals under the lease total \$38,888.

Rent expense for the years ended December 31, 2014 and totaled \$246,566 and \$236,153, respectively.

**NOTE F - CONCENTRATION OF REVENUE**

Federal agencies provided approximately 58% and 70% of the revenue in 2014 and , respectively.

**NOTE G - RETIREMENT PLAN**

Metro Health provides a qualified retirement plan, IRS Code Section 403(b), to all full-time employees. Employees are eligible to participate at date of hire. Currently Metro Health contributes 3% of the eligible employees' salary to the employees' annuity portfolios. Retirement expense for the years ended December 31, 2014 and was \$20,177 and \$15,892, respectively.

**NOTE H - SUBSEQUENT EVENTS**

In preparing these financial statements Metro Health's management has evaluated events and transactions for potential recognition or disclosure through September 15, 2015, the date the financial statements were available to be issued. There were no additional events or transactions that were discovered during the evaluation that required further disclosure.

## **SUPPLEMENTAL INFORMATION**

**METRO HEALTH, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED DECEMBER 31, 2014**

MAJOR PROGRAMS	CFDA NUMBER	PASS THROUGH	2014 EXPENDITURES
<b>U.S. DEPARTMENT OF HEALTH &amp; HUMAN SERVICES:</b>			
Ryan White HIV/AIDS Program Part A	93.914	District of Columbia	\$ 678,871
Ryan White HIV/AIDS Program Part C	93.918	No	113,875
Capacity Development and Planning	93.918	No	13,798
HIV Prevention and Intervention Services	93.523	District of Columbia	123,443
Preventions at Home	93.610	George Washington University	11,349
In-Person Assister Services	93.525	No	36,786
<b>TOTAL FEDERAL AWARDS</b>			<b>\$ 978,122</b>

See accompanying notes to the Schedule of Expenditures of Federal Awards.

**METRO HEALTH, INC.**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**DECEMBER 31, 2014**

**NOTE A - BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (“SEFA”) includes the federal grant activity of Metro Health, Inc. under programs of the federal government for the year ended December 31, 2014. 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 SEFA presents only a selected portion of the activities of Metro Health, Inc., it is not intended to and does not present either the financial position, changes in net assets, or cash flows of Metro Health, Inc.

**NOTE B - SIGNIFICANT ACCOUNTING POLICIES**

Major Programs

The Single Audit Act of 1984 and OMB Circular A-133 establish criteria to be used in defining major federal financial assistance programs. Major programs for Metro Health, Inc. are those programs selected for testing by the auditor using a risk-assessment model, as well as certain minimum expenditure requirements, as outlined in OMB Circular A-133. Programs with similar requirements may be grouped into a cluster for testing purposes.

Basis of Accounting

The expenditures reported on the SEFA are reported on the accrual basis of accounting in accordance with generally accepted accounting principles. 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.



**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  
Metro Health, Inc.  
Washington, D.C.

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 *Governmental Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Metro Health, Inc. (“Metro Health”), 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 September 15, 2015.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Metro Health’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 Metro Health’s internal control. Accordingly, we do not express an opinion on the effectiveness of Metro Health’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 was limited for the 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.

To the Board of Directors  
Metro Health, Inc.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Metro Health'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 and 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.

*Jane Warner & McQuade PA*

Washington, DC  
September 15, 2015

## **Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by OMB Circular A-133**

Board of Directors  
Metro Health, Inc.  
Washington, D.C.

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

We have audited Metro Health, Inc.'s ("Metro Health") 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 Metro Health's major federal programs for the year ended December 31, 2014. Metro Health'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 Metro Health'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 Metro Health'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 Metro Health's compliance.

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

In our opinion, Metro Health, 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.

To the Board of Directors  
Metro Health, Inc.

### ***Other Matters***

The results of our auditing procedures disclosed no instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133.

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

Management of Metro Health 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 Metro Health's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Metro Health's internal control over compliance.

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

Our consideration of 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.

Washington, DC  
September 15, 2015

**METRO HEALTH, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**DECEMBER 31, 2014**

**I. Summary of Auditor's Results**

***Financial Statements***

Type of report issued on the financial statements: Unmodified opinion

Internal control over financial reporting:

Material weakness identified?	No
Significant deficiencies identified that are not Considered to be material weakness?	No
Noncompliance material to financial statements noted?	No

***Federal Awards***

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

Internal control over major programs:

Material weakness identified?	No
Significant deficiencies identified that are not considered to be material weakness?	No

Any audit findings disclosed that are required to be reported under Section 510(a) of OMB Circular A-133? No

***Major programs:***

Names of Federal Programs and CFDA Numbers:

CFDA Number	Name of Federal Program or Cluster
93.914	Ryan White HIV/AIDS Program PART A

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

Auditee qualified as low-risk auditee: Yes

**II. Findings – Financial Statement Audit** None reported

**III. Findings and Questioned Costs – Major Federal Award Program Audit** None reported