

FAMILY SERVICE - UPPER OHIO VALLEY, INC.
WHEELING, WEST VIRGINIA

FINANCIAL STATEMENTS AND REPORTS ON
COMPLIANCE AND INTERNAL CONTROL
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Family Service - Upper Ohio Valley, Inc.
Wheeling, WV 26003

We have audited the accompanying statements of financial position of Family Service - Upper Ohio Valley, Inc., (a nonprofit organization) as of December 31, 2009 and 2008 and the related statements of activities, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Family Service - Upper Ohio Valley, Inc. as of December 31, 2009 and 2008, 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 16, 2010, on our consideration of Family Service - Upper Ohio Valley, Inc.'s, internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of Family Service - Upper Ohio Valley, Inc. taken as a whole. The accompanying schedule of expenditures of federal awards, expenditures of state awards, and other revenues from state sources are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Wiseman Hutzell & Co.

WISEMAN HUTZELL & CO.

Wheeling, West Virginia

March 16, 2010

FAMILY SERVICE - UPPER OHIO VALLEY, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 761,251	\$ 1,019,470
Certificates of deposit	25,000	25,000
Accounts receivable	111,052	153,398
Grants receivable	65,976	84,374
Deposits and prepaid expenses	28,795	20,530
Endowment and investments	981,487	617,529
Property and equipment – at cost	595,476	550,262
<u>TOTAL ASSETS</u>	<u>\$ 2,569,037</u>	<u>\$ 2,470,563</u>
 <u>LIABILITIES AND NET ASSETS</u>		
<u>LIABILITIES</u>		
Accounts payable and accrued expenses	\$ 122,624	\$ 172,208
Clients' funds held by agency	357,199	249,588
Deposits	597	597
Deferred income	24,944	117,112
<u>TOTAL LIABILITIES</u>	<u>505,364</u>	<u>539,505</u>
 <u>NET ASSETS</u>		
<u>Unrestricted</u>		
Operating	1,468,197	1,380,796
Property and equipment	532,934	540,575
<u>Total Unrestricted</u>	<u>2,001,131</u>	<u>1,921,371</u>
 <u>Temporarily Restricted</u>	 <u>62,542</u>	 <u>9,687</u>
<u>TOTAL NET ASSETS</u>	<u>2,063,673</u>	<u>1,931,058</u>
 <u>TOTAL LIABILITIES AND NET ASSETS</u>	 <u>\$ 2,569,037</u>	 <u>\$ 2,470,563</u>

See the accompanying Notes to Financial Statements

FAMILY SERVICE - UPPER OHIO VALLEY, INC.

STATEMENT OF ACTIVITIES

FOR THE YEARS ENDED DECEMBER 31, 2009

2009

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUES, GAINS AND OTHER SUPPORT			
<u>Public Support</u>			
Federal Grants	\$ 331,285	\$	\$ 331,285
State government grants	664,874	62,138	727,012
Local government grants	31,689		31,689
United Way	65,467		65,467
Contributions	42,998		42,998
Fundraising	6,075		6,075
<u>Total Public Support</u>	<u>1,142,388</u>	<u>62,138</u>	<u>1,204,526</u>
<u>Revenues</u>			
Service and program fees	426,093		426,093
Rental income	24,787		24,787
Memberships	5,447		5,447
Special events - net of cost			
Of \$986,425 - 2009; \$908,519 - 2008	164,651		164,651
Interest and investment income	25,890		25,890
Net realized and unrealized gain (loss)			
on investments	161,468		161,468
Other program income	241,537		241,537
<u>Total Revenues</u>	<u>1,049,873</u>	<u>-</u>	<u>1,049,873</u>
<u>Total Public Support and Revenues</u>	<u>2,192,261</u>	<u>62,183</u>	<u>2,254,399</u>
 <u>NET ASSETS RELEASED FROM RESTRICTIONS</u>			
Expiration of time restrictions	9,283	(9,283)	-
Satisfaction of program restrictions			
<u>TOTAL REVENUES, GAINS AND OTHER SUPPORT</u>	<u>2,201,544</u>	<u>52,855</u>	<u>2,254,399</u>
 <u>EXPENSES</u>			
<u>Program Services</u>			
Title IIIB	24,043		24,043
Title IIIC-1	226,412		226,412
Title IIIC-2	334,187		334,187
Title IIID	5,841		5,841
Title IIIE	48,930		48,930
Adult Daycare/Treatment	169,930		169,930
Resource Center	15,425		15,425
In-home services	452,453		452,453
Consumer Credit	138,535		138,535
Conservator	101,044		101,044
Outreach and Recreation	74,158		74,158
Other Programs	370,930		370,930
<u>Total Program Services</u>	<u>1,961,888</u>	<u>-</u>	<u>1,961,888</u>
<u>Support Services</u>			
Administrative, indirect and property expenses	77,256		77,256
Depreciation and amortization	80,140		80,140
Fundraising	2,500		2,500
<u>Total Support Services</u>	<u>159,896</u>	<u>-</u>	<u>159,896</u>
<u>TOTAL EXPENSES</u>	<u>2,121,784</u>	<u>-</u>	<u>2,121,784</u>
 <u>CHANGE IN NET ASSETS</u>	<u>79,760</u>	<u>52,855</u>	<u>132,615</u>
 <u>NET ASSETS AT BEGINNING OF YEAR</u>	<u>1,921,371</u>	<u>9,687</u>	<u>1,931,058</u>
 <u>NET ASSETS AT END OF YEAR</u>	<u>\$ 2,001,131</u>	<u>\$ 62,542</u>	<u>\$ 2,063,673</u>

FAMILY SERVICE - UPPER OHIO VALLEY, INC.

STATEMENT OF ACTIVITIES

FOR THE YEARS ENDED DECEMBER 31, 2008

2008

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUES, GAINS AND OTHER SUPPORT			
<u>Public Support</u>			
Federal Grants	\$ 387,999	\$	\$ 387,999
State government grants	940,075		940,075
Local government grants	15,370		15,370
United Way	71,841		71,841
Contributions	87,494		87,494
<u>Total Public Support</u>	<u>1,502,779</u>	<u>-</u>	<u>1,502,779</u>
<u>Revenues</u>			
Service and program fees	530,555		530,555
Rental income	24,426		24,426
Memberships	6,277		6,277
Special events - net of cost			
Of \$908,519 - 2009; \$559,224 - 2008	143,064		143,064
Interest and investment income	17,233		17,233
Net realized and unrealized gain (loss)			
on investments	(233,238)		(233,238)
Other program income	330,855		330,855
<u>Total Revenues</u>	<u>819,172</u>	<u>-</u>	<u>819,172</u>
<u>Total Public Support and Revenues</u>	<u>2,321,951</u>	<u>-</u>	<u>2,321,951</u>
<u>NET ASSETS RELEASED FROM RESTRICTIONS</u>			
Expiration of time restrictions	17,454	(17,454)	-
Satisfaction of program restrictions			
<u>TOTAL REVENUES, GAINS AND OTHER SUPPORT</u>	<u>2,339,405</u>	<u>(17,454)</u>	<u>2,321,951</u>
<u>EXPENSES</u>			
<u>Program Services</u>			
Title IIIB	85,747		85,747
Title IIIC-1	242,225		242,225
Title IIIC-2	264,286		264,286
Title IIID	6,648		6,648
Title IIIE	30,213		30,213
Adult Daycare/Treatment	199,535		199,535
Resource Center	122,934		122,934
In-home services	445,687		445,687
Consumer Credit	160,725		160,725
Conservator	92,306		92,306
Outreach and Recreation	66,396		66,396
Other Programs	422,461		422,461
<u>Total Program Services</u>	<u>2,139,163</u>	<u>-</u>	<u>2,139,163</u>
<u>Support Services</u>			
Administrative, indirect and property expenses	92,812		92,812
Depreciation and amortization	74,801		74,801
Fundraising	2,240		2,240
Advocacy	-		-
<u>Total Support Services</u>	<u>169,853</u>	<u>-</u>	<u>169,853</u>
<u>TOTAL EXPENSES</u>	<u>2,309,016</u>	<u>-</u>	<u>2,309,016</u>
<u>CHANGE IN NET ASSETS</u>	<u>30,389</u>	<u>(17,454)</u>	<u>12,935</u>
<u>NET ASSETS AT BEGINNING OF YEAR</u>	<u>1,890,982</u>	<u>27,141</u>	<u>1,918,123</u>
<u>NET ASSETS AT END OF YEAR</u>	<u>\$ 1,921,371</u>	<u>\$ 9,687</u>	<u>\$ 1,931,058</u>

FAMILY SERVICE – UPPER OHIO VALLEY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Title IIB</u>	<u>Title III C-1</u>	<u>Title III C-2</u>	<u>Title IID</u>	<u>Title III E</u>	<u>Adult Daycare/ Treatment</u>	<u>Resource Center</u>	<u>In Home</u>
<u>FUNCTIONAL EXPENSES</u>								
<u>Program Services</u>								
Payroll:								
Salaries and wages	\$ 13,001	\$ 87,470	\$ 93,696	\$	\$ 24,640	\$ 93,013	\$ 5,638	\$ 255,616
Payroll taxes	584	10,250	10,511		2,766	10,957	1,410	29,993
Employee benefits	1,708	5,815	6,596		3,172	10,400	90	4,958
Total Payroll	<u>15,293</u>	<u>103,535</u>	<u>110,803</u>		<u>30,578</u>	<u>114,370</u>	<u>7,138</u>	<u>290,567</u>
Other:								
Supplies		59,033	144,127	1,838	2,021	1,242		70
Telephone		629	949					21
Postage		175	250		136	47		1,102
Occupancy		8,453	6,941		213	3,836	4,562	10,725
Property maintenance & rental		4,322	8,033					
Insurance	5,608	4,695	4,789		2,313	1,731	438	5,731
Transportation		3,071	5,531			20		
Printing and publications								
Professional fees				3,970				5,943
Taxes								86
Dues and memberships		69	117		120	60		35
Purchase service		827	871		1,162	1,293	410	5,188
Other program expense		1,309	8,794	33	1,219	1,263	23	12,231
Allocated Administrative & Indirect Costs	3,142	40,294	42,982		11,168	46,068	2,854	120,754
Total Other Expenses	<u>8,750</u>	<u>122,877</u>	<u>223,384</u>	<u>5,841</u>	<u>18,352</u>	<u>55,560</u>	<u>8,287</u>	<u>161,886</u>
Total Expenses before Depreciation and Amortization	<u>24,043</u>	<u>226,412</u>	<u>334,187</u>	<u>5,841</u>	<u>48,930</u>	<u>169,930</u>	<u>15,425</u>	<u>452,453</u>
Depreciation and amortization								
<u>TOTAL FUNCTIONAL EXPENSES</u>	<u>\$ 24,043</u>	<u>\$ 226,412</u>	<u>\$ 334,187</u>	<u>\$ 5,841</u>	<u>\$ 48,930</u>	<u>\$ 169,930</u>	<u>\$ 15,425</u>	<u>\$ 452,453</u>

See the accompanying Notes to Financial Statements.

FAMILY SERVICE – UPPER OHIO VALLEY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2009

	Consumer Credit	Conservator	Outreach & Recreation	Other Programs	Total Program Expenses	Administrative, Indirect and Property Expenses	Fundraising	Total Support Expenses	Total Expenses
<u>FUNCTIONAL EXPENSES</u>									
<u>Program Services</u>									
Payroll:									
Salaries and wages	\$ 64,015	\$ 41,365	\$ 25,995	\$ 165,430	\$ 869,879	\$ 296,792	\$ 1,154	\$ 297,946	\$ 1,167,825
Payroll taxes	7,415	4,874	2,792	18,732	100,284	29,292	167	29,459	129,743
Employee benefits	9,052	11,368	556	19,119	72,834	41,281	69	41,350	114,184
<u>Total Payroll</u>	<u>80,482</u>	<u>57,607</u>	<u>29,343</u>	<u>203,281</u>	<u>1,042,997</u>	<u>367,365</u>	<u>1,390</u>	<u>368,755</u>	<u>1,411,752</u>
Other:									
Supplies	691	994	2,909	32,657	245,582	20,386	896	21,282	266,864
Telephone				4,476	6,075	10,479		10,479	16,554
Postage	1,648	2,693	2,349	803	9,203	5,421	212	5,633	14,836
Occupancy	5,758	3,888	3,304	11,473	59,153	(2,042)		(2,042)	57,111
Property maintenance & rental	178	771	276	10,354	23,934	12,272		12,272	36,206
Insurance	2,866	1,506	1,504	9,425	40,606	17,142	2	17,144	57,750
Transportation			12,462	16,649	37,733	48		48	37,781
Printing and publications					-			-	-
Professional fees	2,411	5,996	852		19,172	28,976		28,976	48,148
Taxes					86	180		180	266
Dues and memberships	1,076		753	284	2,514	675		675	3,189
Purchase service	7,978	4,047	3,310	2,822	27,908	9,044		9,044	36,952
Other program expense	3,889	690	2,059	2,219	33,729	20,506		20,506	54,235
Allocated Administrative & Indirect Costs	31,558	22,852	15,037	76,487	413,196	(413,196)		(413,196)	-
<u>Total Other Expenses</u>	<u>58,053</u>	<u>43,437</u>	<u>44,815</u>	<u>167,649</u>	<u>918,891</u>	<u>(290,109)</u>	<u>1,110</u>	<u>(288,999)</u>	<u>629,892</u>
<u>Total Expenses before Depreciation and Amortization</u>	<u>138,535</u>	<u>101,044</u>	<u>74,158</u>	<u>370,930</u>	<u>1,961,888</u>	<u>77,256</u>	<u>2,500</u>	<u>79,756</u>	<u>2,041,644</u>
Depreciation and amortization						80,140		80,140	80,140
<u>TOTAL FUNCTIONAL EXPENSES</u>	<u>\$ 138,535</u>	<u>\$ 101,044</u>	<u>\$ 74,158</u>	<u>\$ 370,930</u>	<u>\$ 1,961,888</u>	<u>\$ 157,396</u>	<u>\$ 2,500</u>	<u>\$ 159,896</u>	<u>\$ 2,121,784</u>

See the accompanying Notes to Financial Statements.

FAMILY SERVICE – UPPER OHIO VALLEY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2008

FUNCTIONAL EXPENSES	Title IIB	Title III C-1	Title III C-2	Title IID	Title III E	Adult Daycare/ Treatment	Resource Center	In Home
Program Services								
Payroll:								
Salaries and wages	\$ 39,102	\$ 83,055	\$ 72,544	\$ 2,046	\$ 15,498	\$ 115,015	\$ 66,134	\$ 261,936
Payroll taxes	4,986	9,262	8,212	216	2,510	12,532	7,360	30,894
Employee benefits	3,707	6,194	6,033	142	4,461	7,867	8,510	3,819
Total Payroll	47,795	98,511	86,789	2,404	22,469	135,414	82,004	296,649
Other:								
Supplies	115	81,889	115,280	52		4,235	2,842	859
Telephone	883	1,005	915				13	22
Postage	113	177	153			181	189	1,076
Occupancy	2,419	9,492	6,742			4,048	4,562	10,962
Property maintenance & rental		7,120	7,564				150	400
Insurance	8,688	5,571	5,295	94	1,164	4,072	1,618	9,021
Transportation	8,068	4,644	5,018			40		
Printing and publications								
Professional fees				3,215				6,467
Taxes								53
Dues and memberships		23	20		19	204		66
Purchase service	1,893	781	681	17	159	2,125	1,669	5,075
Other program expense	15	850	7,782	866	50	2,381	2,135	12,355
Allocated Administrative & Indirect Costs	15,758	32,162	28,047		6,352	46,835	27,752	102,682
Total Other Expenses	37,952	143,714	177,497	4,244	7,744	64,121	40,930	149,038
Total Expenses before Depreciation and Amortization	85,747	242,225	264,286	6,648	30,213	199,535	122,934	445,687
Depreciation and amortization								
TOTAL FUNCTIONAL EXPENSES	\$ 85,747	\$ 242,225	\$ 264,286	\$ 6,648	\$ 30,213	\$ 199,535	\$ 122,934	\$ 445,687

See the accompanying Notes to Financial Statements.

FAMILY SERVICE – UPPER OHIO VALLEY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2008

	Consumer Credit	Outreach & Conservator Recreation	Other Programs	Total Program Expenses	Administrative, Indirect and Property Expenses	Fundraising	Total Support Expenses	Total Expenses	
<u>FUNCTIONAL EXPENSES</u>									
<u>Program Services</u>									
Payroll:									
Salaries and wages	\$ 73,961	\$ 45,006	\$ 23,184	\$ 155,296	\$ 246,651	\$ 103	\$ 246,754	\$ 1,199,531	
Payroll taxes	7,667	4,555	3,171	16,676	27,265		27,265	135,306	
Employee benefits	20,918	12,684	199	22,067	36,892		36,892	133,493	
<u>Total Payroll</u>	<u>102,546</u>	<u>62,245</u>	<u>26,554</u>	<u>194,039</u>	<u>310,808</u>	<u>103</u>	<u>310,911</u>	<u>1,468,330</u>	
Other:									
Supplies	1,335	605	4,670	90,241	302,123	15,410	2,067	17,477	319,600
Telephone	12		1,240	4,599	8,689	12,451		12,451	21,140
Postage	2,253	2,695	1,553	1,872	10,262	6,885	70	6,955	17,217
Occupancy	5,758	3,888	4,111	15,264	67,246	(19,733)		(19,733)	47,513
Property maintenance & rental	225			13,220	28,679	9,970		9,970	38,649
Insurance	2,772	1,436	997	8,922	49,650	9,489		9,489	59,139
Transportation			10,338	27,582	55,690	65		65	55,755
Printing and publications						131		131	131
Professional fees	2,797	914		40	13,433	75,818		75,818	89,251
Taxes					53	196		196	249
Dues and memberships	1,076		750	77	2,235	739		739	2,974
Purchase service	8,208	2,703	1,902	2,601	27,814	44,292		44,292	72,106
Other program expense	3,443		2,864	3,617	36,358	6,667		6,667	43,025
Allocated Administrative & Indirect Costs	30,300	17,820	11,417	60,387	379,512	(380,376)		(380,376)	(864)
<u>Total Other Expenses</u>	<u>58,179</u>	<u>30,061</u>	<u>39,842</u>	<u>228,422</u>	<u>981,744</u>	<u>(217,996)</u>	<u>2,137</u>	<u>(215,859)</u>	<u>765,885</u>
<u>Total Expenses before Depreciation and Amortization</u>	<u>160,725</u>	<u>92,306</u>	<u>66,396</u>	<u>422,461</u>	<u>2,139,163</u>	<u>92,812</u>	<u>2,240</u>	<u>95,052</u>	<u>2,234,215</u>
Depreciation and amortization						74,801		74,801	74,801
<u>TOTAL FUNCTIONAL EXPENSES</u>	<u>\$ 160,725</u>	<u>\$ 92,306</u>	<u>\$ 66,396</u>	<u>\$ 422,461</u>	<u>\$ 2,139,163</u>	<u>\$ 167,613</u>	<u>\$ 2,240</u>	<u>\$ 169,853</u>	<u>\$ 2,309,016</u>

See the accompanying Notes to Financial Statements.

FAMILY SERVICE UPPER OHIO VALLEY, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

	2009	2008
<u>OPERATING ACTIVITIES</u>		
Change in net assets	\$ 132,615	\$ 12,935
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	80,140	74,801
Unrealized (gain) loss on investments	(160,221)	222,162
Realized (gain) loss on investments	(1,247)	11,076
Changes in operating assets and liabilities		
Accounts and grants receivable	60,744	(58,773)
Deposit and prepaid expenses	(8,265)	354
Accounts payable and other liabilities	58,027	(76,027)
Deferred income	(92,168)	117,112
 <u>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u>	 69,625	 303,640
 <u>INVESTMENT ACTIVITIES</u>		
Purchase of property and equipment	(125,353)	(21,353)
Proceeds from sale of investments	1,024,239	251,608
Purchase of investments	(1,226,730)	(747,262)
 <u>NET CASH PROVIDED (USED) BY INVESTMENT ACTIVITIES</u>	 (327,844)	 (517,007)
 <u>FINANCING ACTIVITIES</u>		
Repayment of notes payable	-	-
 <u>NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES</u>	 -	 -
 <u>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</u>	 (258,219)	 (213,367)
 <u>CASH AND CASH EQUIVALENTS AS OF BEGINNING OF YEAR</u>	 1,019,470	 1,232,837
 <u>CASH AND CASH EQUIVALENTS AS OF END OF YEAR</u>	 \$ 761,251	 \$ 1,019,470

See the accompanying Notes to Financial Statements.

FAMILY SERVICE - UPPER OHIO VALLEY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Agency

Family Service - Upper Ohio Valley, Inc. (The Agency) is a non-profit organization. The Agency provides a variety of social and health related services to individuals, couples and families; including consumer credit and housing counseling. Other services provided by the Agency are educational programs, a volunteer program, a conservator/representative payee program, and student training.

The Agency also has an extensive Senior Service Division; including social support services, In-home Care, nutrition, health screening, recreation, transportation and adult day care.

As of December 31, 1998 The Human Resource Center of the Upper Ohio Valley merged with and into Family Service Upper Ohio Valley, Inc. The Human Resource Center owned the building housing the Agency at 51 Eleventh Street, Wheeling, West Virginia. Other nonprofit entities and commercial businesses continue to rent space in the building from the Agency. Family Service-Upper Ohio Valley, Inc. was identified as the surviving corporation as a result of the merger.

Business Combinations

Effective January 1, 2000, the Agency became a subsidiary of Ohio Valley Health Services and Education Corporation (OVHS&E), a not-for-profit corporation. In addition to the Agency, OVHS&E serves as sole/member parent of the following corporations:

- Ohio Valley Medical Center, Incorporated
- East Ohio Regional Hospital
- River Health Enterprises, Inc.
- OVHS&E Foundation, Inc.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board its Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-profit Organizations. Under SFAS No. 117, the Organization 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. Family Service has no permanently restricted net assets.

Investments

The Agency carries investments at their fair values in the Statement of Financial Position.

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Agency considers all unrestricted, highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Property and Equipment

Property and equipment is stated at cost. Depreciation of property and equipment is computed on the straight-line method over the estimated useful lives of the assets, which range from three to twenty years. The Agency has followed the practice of capitalizing all expenditures for property and equipment in excess of \$500 during the fiscal years ended December 31, 2009 and 2008.

FAMILY SERVICE - UPPER OHIO VALLEY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Other Items

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Those funds restricted by the donor are recorded under restricted funds. The Agency is a non-profit organization, exempt under Section 501 (c)(3) of the Internal Revenue Code.

Concentration of Credit Risk

The agency receives significant revenue from services provided to the State of West Virginia Medical Assistance Program Title XIX (Medicaid) patients. During the fiscal years ended December 31, 2009 and 2008, revenue recognized from Medicaid Services totaled \$126,468 and \$159,520 respectively. Also, the agency may extend credit for services rendered to clients in the Upper Ohio Valley.

Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual amounts could differ from those estimates.

NOTE 2 - CASH

Family Service - Upper Ohio Valley, Inc. maintains checking and savings accounts at various local financial institutions. At December 31, 2009 and 2008, the amount on deposit in one institution exceeded the \$100,000 federally insured limit. The institution has pledged securities to cover amounts on deposit in excess of the FDIC coverage.

NOTE 3 - PROPERTY AND EQUIPMENT

Property and equipment at December 31, 2009 and 2008 consists of the following:

	<u>2009</u>	<u>2008</u>
Land	\$ 126,000	\$ 126,000
Building	466,108	403,683
Building improvements	798,065	798,065
Equipment	1,049,435	994,793
	<u>2,439,608</u>	<u>2,322,541</u>
<u>Less: Accumulated depreciation</u>	<u>1,844,132</u>	<u>1,772,279</u>
	<u>\$ 595,476</u>	<u>\$ 550,262</u>

Equipment purchased exclusively by the Nutrition Title III-C program could revert to the restrictive authority should the Agency lose the Title III-C contract. These assets have a cost of \$176,491 and have a net book value of \$62,542 on December 31, 2008.

FAMILY SERVICE - UPPER OHIO VALLEY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

NOTE 4 - LEASES

All leases in 2009 and 2008 are month to month leases.

NOTE 5 - ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses at December 31, 2009 and 2008 consist of the following:

	2009	2008
	<u>Unrestricted</u>	<u>Unrestricted</u>
Accrued payables and expenses	\$ 34,394	\$ 78,266
Accrued payroll and payroll taxes	10,762	12,789
Accrued vacation pay	77,468	81,153
	<u>\$ 122,624</u>	<u>\$ 172,208</u>

NOTE 6 - CLIENTS' FUNDS HELD BY THE AGENCY

The Consumer Credit Counseling Division of Family Service - Upper Ohio Valley, Inc. consists of two distinct programs, regular Consumer Credit Counseling and Conservator Program. The regular program receives funds from clients and assists these individuals by paying the clients' obligations as they become due. At December 31, 2009 and 2008, the Agency held \$2,291 and \$5,027 of clients funds in the regular program. The Conservator Program receives funds from third parties (i.e. social security) on behalf of certain clients who are unable to manage their finances. The program disburses these funds to clients on a request/needs basis and also pays the clients' obligations as they become due. At December 31, 2009 and 2008, the Agency held \$354,908 and \$244,561 of clients' funds in the Conservator Program.

NOTE 7 - RETIREMENT PLANS

The Agency has a policy of contributing to each qualified employee's individual retirement contract. No separate plan is maintained by the Agency. The Agency will contribute to each employee's individual contract, up to 6% of the employee's gross salary, if the employee contributed up to 3% of his gross salary. Plan costs for the fiscal periods ended December 31, 2009 and 2008, were \$37,094 and \$44,564, respectively.

NOTE 8 - DEFERRED INCOME

The balance in unrestricted deferred income represents revenue for various programs received in advance.

FAMILY SERVICE - UPPER OHIO VALLEY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

NOTE 9 - RESTRICTIONS ON NET ASSETS

Temporarily restricted net assets are available for the following purposes:

	2009	2008
Provide Nutrition Program Assistance - (Property and Equipment)	\$ 62,542	\$ 9,687
	\$ 62,542	\$ 9,687

NOTE 10 - ENDOWMENT AND INVESTMENTS

Cost and fair value of investments at December 31, 2009 and 2008, are as follows:

	2009		2008	
	Cost	Fair Value	Cost	Fair Value
Long-term investments	\$ 755,023	\$ 981,487	\$ 839,690	\$ 617,529

Components of investment return consist of the following:

	2009	2008
Investment income	\$ 25,473	\$ 12,207
Unrealized gain (loss) on investments	160,221	(222,162)
Realized gain (loss)	1,247	(11,076)
	\$ 186,941	\$ (221,031)

FAMILY SERVICE - UPPER OHIO VALLEY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

NOTE 11 - BUSINESS COMBINATIONS

Effective January 1, 2000, the Agency combined with Ohio Valley Health Services and Education Corporation (OVHS&E) with the acquisition of the Agency by OVHS&E. No consideration was exchanged in the transaction and the acquisition was accounted for as a pooling of interest.

The following summarized the activity and inter-company accounts between the Agency and OVHS&E and Subsidiaries:

	<u>2009</u>	<u>2008</u>
Accounts receivable as of December 31 from OVHS&E	-	8,945
Accounts payable as of December 31 to OVHS&E	422	-
Revenue earned net of adjustment for year ended December 31 from OVHS&E	-	9,047
Administrative and other expenses for year ended December 31 paid to OVHS&E	24,952	49,168

NOTE 12 - CONTINGENCIES

In July 2007 the Agency became aware of suspicious activity by one employee working in the Conservator program. This employee has been terminated and the SSA investigation has not yet been concluded. The SSA estimates the provable theft to be in the approximate range of \$40,000 to \$45,000. If the Agency were deemed liable for these amounts it appears they would be covered by insurance with the exception of a small deductible. To date there have been no claims against the Agency. Accordingly, no provision for possible loss has been made to these financial statements.

During 2008 the investigation was concluded. The Agency is liable for \$40,893. This amount is included as a liability at December 31, 2008. There is also a receivable from the insurance company of \$38,393 at December 31, 2008. During 2009 proceeds were received from the Insurance Company and the Agency's liability was fulfilled.

The Agency is listed as co-borrower and has provided security for a loan held by its parent Corporation (OVHS&E). The security for the loan includes the investments in the WesBanco trust. The total value of these assets at December 31, 2009 was \$1,191,792. Total outstanding debt is \$1,000,000 at December 31, 2009. Family Service – Upper Ohio Valley defers to the audit report of Ohio Valley Health Services and Education to the extent any additional information is needed or required regarding the subject loan.

NOTE 13 - EVALUATION OF SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through March 16, 2010, the date the financial statements were available to be issued.

ADDITIONAL INFORMATION

FAMILY SERVICE - UPPER OHIO VALLEY, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2009

<u>Federal Grantor/ Pass-Through Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
U.S. Department of Health and Human Services			
Pass-Through programs from Bel-O-Mar			
Interstate Planning Commission			
Special Programs for the Aging	93.041	Elder Abuse -11-09	\$ 832
	93.041	#2932	<u>1,109</u>
			<u>1,941</u>
Title IIID	93.043	T3 B/D/E-11-09	<u>3,930</u>
Title IIIB	93.044	T3 B/D/E-11-09	<u>41,265</u>
Title IIIC	93.045		85,334
	93.045		<u>144,576</u>
			<u>229,910</u>
Title IIIE	93.052	T3 B/D/E-11-09	<u>23,718</u>
Health Care Financing Research	93.779	SH2933 & SH21029	<u>2,500</u>
Nutrition Stimulus – Recovery Act Award	93.705		<u>21,820</u>
Total U.S. Department of Health and Human Resources			<u>\$ 325,084</u>

FAMILY SERVICE - UPPER OHIO VALLEY, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2009

<u>Federal Grantor/ Pass-Through Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
U.S. Department of Agriculture			
Pass-Through programs from Bel-O-Mar Interstate Planning Commission Nutrition Program for Elderly (Commodities)	10.575		<u>15,535</u>
Total U.S. Department of Agriculture			<u>15,535</u>
Total Expenditures of Federal Awards			<u>\$ 340,619</u>

FAMILY SERVICE - UPPER OHIO VALLEY, INC.
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2009

NOTE A - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Family Service - Upper Ohio Valley, Inc. and is presented on the accrual basis of accounting. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

FAMILY SERVICE - UPPER OHIO VALLEY, INC.
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2009

State Grantor/ Pass-Through Grantor/ Program Title	Award #/ Account #	State Financial Awards Expenditures
West Virginia Bureau of Senior Services		
Direct Program		
Non-Medicaid Grant:		
Lighthouse Grant	LH2834	\$ 90,122
Lighthouse Grant	LH2834	71,932
Alzheimer Grant	ALZ2834	29,412
Alzheimer Grant	ALZ2834	35,712
Community Based Service Funds	HC# 2908	31,246
In-Home Transportation		5,117
In-Home Transportation		3,851
Legislative Grant	SC2866	50,937
Legislative Grant	SC2954	40,144
Legislative Grant	SC2888	18,398
Pass-through Bel-O-Mar		
Interstate Planning Commission		
State funds for:		
Title III-B	T3 B/D/E-11-09	33,792
	T3 B/D/E-11-10	30,891
Title III-D	T3 B/D/E-11-09	79
	T3 B/D/E-11-10	532
Title III-C (C-1)		39,006
Title III-C (C-1)		41,354
Title III-C (C-2)		10,656
Title III-C (C-2)		72,219
Life Services	11-09	73,892
Life Services	11-10	135,053
LIEAP		1,847
Total Expenditures of State Awards		<u>\$ 816,192</u>

SCHEDULE OF OTHER REVENUES FROM STATE SOURCES
FOR THE YEAR ENDED DECEMBER 31, 2009

West Virginia Department of Health and
Human Resources-

Medicaid Reimbursements

Personal care, case management clinical
services, rehabilitation services

\$ 126,468



**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
Family Service - Upper Ohio Valley, Inc.
Wheeling, West Virginia 26003

We have audited the financial statements of Family Service - Upper Ohio Valley, Inc., (a nonprofit organization), as of and for the years ended December 31, 2009 and 2008, and have issued our report thereon dated March 16, 2010. 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.

Internal Control over Financial Reporting

In planning and performing our audit, we considered Family Service-Upper Ohio Valley Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Family Service-Upper Ohio Valley Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the organization's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the organization's financial statements that is more than inconsequential will not be prevented or detected by the organization's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the organization's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and other matters

As part of obtaining reasonable assurance about whether Family Service - Upper Ohio Valley, 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*.

We noted certain matters that we reported to management of Family Service – Upper Ohio Valley, Inc. in a separate letter dated March 16, 2010.

This report is intended solely for the information and use of the Board of Directors and management and is not intended to be and should not be used by anyone other than these specified parties.

Wiseman Hutzell & Co.

WISEMAN HUTZELL & CO.

Wheeling, West Virginia

March 16, 2010