

KANAWHA VALLEY SENIOR SERVICES, INC.

FINANCIAL STATEMENTS
WITH SUPPLEMENTAL INFORMATION

YEARS ENDED SEPTEMBER 30, 2009 AND 2008

WITH

INDEPENDENT AUDITORS' REPORT

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Kanawha Valley Senior Services, Inc.
Charleston, West Virginia

We have audited the accompanying statements of financial position of Kanawha Valley Senior Services, Inc. (KVSS), a nonprofit organization, as of September 30, 2009 and 2008, and the related statement activities and cash flows for the years then ended. These financial statements are the responsibility of KVSS'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 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of KVSS's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide 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 KVSS as of September 30, 2009 and 2008, and the results of its operations 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 February 24, 2010 on our consideration of KVSS's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* 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 KVSS taken as a whole. The supplemental Schedule of Federal, State and Other Support, Expenditures and Changes in Net Assets on pages 17 - 18 is presented for purposes of additional analysis and is 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 2009 financial statements taken as a whole.

A handwritten signature in cursive script that reads "Seattle & Stalaker, PLLC".

Charleston, West Virginia
February 24, 2010

KANAWHA VALLEY SENIOR SERVICES, INC.
 STATEMENTS OF FINANCIAL POSITION
 SEPTEMBER 30, 2009 AND 2008

	2009	2008
ASSETS		
Current assets		
Cash and cash equivalents	\$ 499,924	\$ 527,185
Client service receivables, less allowance for uncollectable accounts	364,014	388,459
Grants receivable	108,391	125,600
Other current assets	14,688	34,629
Total current assets	987,017	1,075,873
Property and equipment, less accumulated depreciation	796,197	801,347
Investments		
Beneficial interest in trust	22,242	13,758
Marketable securities	12,445	12,127
Total investments	34,687	25,885
Total assets	\$ 1,817,901	\$ 1,903,105
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	\$ 43,880	\$ 34,014
Accrued liabilities	109,976	97,922
Refundable advances	64,392	174,079
Other post employment benefits	175,956	54,159
Total current liabilities	394,204	360,174
Net assets		
Unrestricted	1,423,697	1,538,194
Temporarily restricted	-	4,737
Total net assets	1,423,697	1,542,931
Total liabilities and net assets	\$ 1,817,901	\$ 1,903,105

The Accompanying Notes Are An Integral
 Part Of These Financial Statements

KANAWHA VALLEY SENIOR SERVICES, INC.
STATEMENTS OF ACTIVITIES
YEARS ENDED SEPTEMBER 30, 2009 AND 2008

	2009	2008
Changes in unrestricted net assets		
Support and revenue		
Federal support	\$ 299,023	\$ 289,175
State support	1,205,034	1,230,737
Client service revenue	1,885,742	1,827,642
Other	154,804	116,426
Total support and revenue	3,544,603	3,463,980
Expenses		
Salaries and wages	2,216,525	1,996,104
Payroll taxes and fringes	508,224	440,696
Other post employment benefits	121,797	54,159
Insurance	37,565	81,131
Office expense	114,022	66,669
Program costs	191,122	188,110
Occupancy	65,360	67,472
Depreciation	65,593	66,230
Printing and publications	20,827	20,601
Travel	94,889	88,276
Equipment	9,762	7,170
Repairs and maintenance	15,551	13,712
Vehicles	81,529	96,623
Contractual services	71,934	95,253
Miscellaneous expense	49,137	22,093
Total expenses	3,663,837	3,304,299
Support and revenue over (under) expenditures	(119,234)	159,681
Net assets released from restrictions for the use of restricted property and equipment	4,737	3,946
Change in unrestricted net assets	(114,497)	163,627
Changes in temporarily restricted net assets		
Net assets released from restrictions	(4,737)	(3,946)
Change in temporarily restricted net assets	(4,737)	(3,946)
CHANGE IN NET ASSETS	(119,234)	159,681
Net assets, beginning of year	1,542,931	1,383,250
Net assets, end of year	\$ 1,423,697	\$ 1,542,931

The Accompanying Notes Are An Integral
Part Of These Financial Statements

KANAWHA VALLEY SENIOR SERVICES, INC
STATEMENTS OF CASH FLOWS
YEARS ENDED SEPTEMBER 30, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
Cash flows from operating activities		
Change in net assets	\$ (119,234)	\$ 159,681
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	65,593	66,230
(Increase) decrease in assets		
Client service receivables	24,445	(129,899)
Grants receivable	17,209	(54,960)
Other current assets	19,941	(2,267)
Increase (decrease) in liabilities		
Accounts payable	9,866	(5,880)
Accrued liabilities	12,054	5,499
Refundable advances	(109,687)	174,079
Other post employment benefits	121,797	54,159
	<u>41,984</u>	<u>266,642</u>
Net cash provided (used) by operating activities		
Cash flows from investing activities		
Cash purchases of property and equipment	(60,443)	(152,546)
Purchases of securities	(8,802)	-
	<u>(69,245)</u>	<u>(152,546)</u>
Net cash provided (used) by investing activities		
Net increase (decrease) in cash and cash equivalents	(27,261)	114,096
Cash and cash equivalents, beginning of year	<u>527,185</u>	<u>413,089</u>
Cash and cash equivalents, end of year	<u>\$ 499,924</u>	<u>\$ 527,185</u>

NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF OPERATIONS - Kanawha Valley Senior Services, Inc. (KVSS) is a nonprofit organization located in Charleston, West Virginia created to provide programs to serve the elderly of the Kanawha Valley. The primary sources of support and revenue are fees for services provided and grants.

TEMPORARILY RESTRICTED NET ASSETS - The temporarily restricted category is comprised of funds whose use has been limited by donors to a specific time period and/or purpose. Temporarily restricted net assets are comprised of cash received for the purchase of real estate, and property and equipment purchased with grant funds that restrict the use and disposition of the property and equipment. KVSS records a release of these restrictions when the qualifying expenditure is made or over the life of the assets.

UNRESTRICTED NET ASSETS - Unrestricted net assets are comprised of funds whose use is limited only to the extent that the organization's by-laws limit the activities of the organization. Contributions with donor-imposed restrictions that are met in the same year in which the contribution is recognized are reported as changes in unrestricted net assets.

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

REVENUE RECOGNITION - Contributions and grants with donor imposed conditions are reported as revenue when qualifying expenses have been incurred or other conditions have been met. Cash received but not yet expended for these conditional grants is recorded as refundable advances. Use of this cash is restricted to the purposes of the grant or contribution. Unrestricted grants and contributions are recorded as revenue in the period received.

PROPERTY AND EQUIPMENT - Property and equipment with a cost of \$1,000 or more are capitalized at cost and depreciated over the estimated useful lives of the assets. Useful lives are 4 to 5 years for office equipment and vehicles, and 40 years for buildings.

INCOME TAXES - KVSS is a nonprofit corporation classified under Section 501(c)(3) of the Internal Revenue Code and is exempt from income taxes derived from its nonprofit activities. The Internal Revenue Service has classified KVSS as a publicly supported organization, which is not a private foundation.

KANAWHA VALLEY SENIOR SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED SEPTEMBER 30, 2009 AND 2008

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NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

CONTRIBUTED SERVICES - Contributions of services are recognized if the services received create or enhance nonfinancial assets, or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributed services and promises to give services that do not meet the above criteria are not recognized. Contributed services which are recognized are valued at the estimated cost that would have been incurred by KVSS to purchase similar services.

CASH AND CASH EQUIVALENTS - For purposes of the statements of cash flows, cash and cash equivalents include cash deposits in bank accounts and investments in highly liquid debt instruments with a maturity of three months or less.

CLIENT SERVICE RECEIVABLES - KVSS provides service programs for eligible seniors requiring in-home health related services and transportation to specific services. Caregiver programs are also provided to those who have a family member to whom they provide care. These services are reimbursable by Medicaid based on prospectively determined per diem rates. Services billed by KVSS are subject to adjustment by Medicaid. Adjustments, if any, are recorded when they are identified. Therefore, client service receivables are reported at estimated net realizable value. Amounts are generally written off if unresolved differences between KVSS and Medicaid exceed a twelve-month period. Receivables must have Board approval prior to charging off.

ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS - KVSS has established an allowance for uncollectible accounts based on amounts charged off subsequent to September 30, 2009, and an analysis of the likelihood of collectability of the remaining accounts. The allowance for doubtful accounts as of September 30, 2009 and 2008 was \$5,223 and \$9,182, respectively and has been netted against client service receivables and revenue.

INVESTMENTS - Investments consist of marketable securities with readily determinable fair values and amounts held by The Greater Kanawha Valley Foundation for the benefit of KVSS. Investment income or loss (including realized and unrealized gains and losses on investments, as well as interest and dividends) is included in the excess of expenses over revenues. Related expenses, such as custodial fees were reported net of related investment revenues.

OTHER POST EMPLOYMENT BENEFITS (OPEB) - KVSS is part of the state's OPEB plan. They have been billed \$175,956. This amount has been accrued as a liability for KVSS.

KANAWHA VALLEY SENIOR SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED SEPTEMBER 30, 2009 AND 2008

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NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

SUBSEQUENT EVENTS - In preparing these financial statements, KVSS has evaluated events and transactions for potential recognition or disclosure through February 24, 2010, the date the financial statements were issued.

RECLASSIFICATIONS - Certain amounts in the 2009 financial statements have been reclassified to conform with current year presentation. Such reclassifications had no effect on net assets or the change in net assets.

NOTE 2 -- CASH AND CASH EQUIVALENTS

KVSS maintains its account balances in local financial institutions. These accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000. KVSS did not have any unsecured funds at year end.

NOTE 3 -- PROPERTY AND EQUIPMENT

A summary of property and equipment at September 30, 2009 and 2008 is as follows:

	<u>2009</u>	<u>2008</u>
Land	\$ 55,000	\$ 50,000
Buildings	764,346	769,346
Equipment	<u>565,975</u>	<u>549,706</u>
	1,385,321	1,369,052
Less accumulated depreciation	<u>(589,124)</u>	<u>(567,705)</u>
	<u>\$ 796,197</u>	<u>\$ 801,347</u>

Depreciation expense charged to operations totaled \$65,593 and \$66,230 for the years ended September 30, 2009 and 2008, respectively.

KANAWHA VALLEY SENIOR SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED SEPTEMBER 30, 2009 AND 2008

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NOTE 4 -- INVESTMENTS

As of September 30, 2009, KVSS reported \$12,445 as marketable securities and \$22,242 related to the beneficial interest held by the Greater Kanawha Valley Foundation.

Investments in marketable securities, are reported at fair value and are subject to risks associated with general market conditions as well as risks associated with the type of security or with the industries in which the investments are concentrated. Future changes in market prices can cause financial instruments to be more or less valuable.

KVSS has contributed funds to the Greater Kanawha Valley Foundation (GKVF) with Kanawha Valley Senior Services, Inc. as the beneficiary. The GKVF was also granted variance power. Under professional accounting standards, if a community foundation accepts a contribution from an agency and agrees to transfer those assets, the return on investment of those assets or both back to the agency, then these contributions are presented as a reciprocal transfer, shown as a liability on the financial statements of the community foundation and as an asset on the financial statements of the agency. Furthermore, if additional contributions are received by the Foundation for the same funds from unrelated third party donors these contributions are considered contributions to the Foundation, and the Foundation is required to report that portion of the fund as a net asset (no offsetting liability for the Foundation and no asset is reported on the agency's records).

NOTE 5 -- TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets at September 30, 2008 consisted of vehicles acquired with grant funds whose title would revert to the grantor unless the vehicles were used for 5 years or 85,000 miles. Amounts so restricted at September 30, 2008 were \$4,737.

KANAWHA VALLEY SENIOR SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED SEPTEMBER 30, 2009 AND 2008

NOTE 6 -- CONCENTRATIONS OF CREDIT RISK

KVSS generates a substantial portion of its revenue from Medicaid reimbursements and Title III grants. Medicaid amounts are paid on a cost reimbursement basis and are subject to audit and disallowance of charges based on a determination of whether the charges complied with all pertinent Medicaid regulations. If amounts are required to be repaid, such amounts will be recognized if an audit is performed and an amount can be reasonably determined.

KVSS extends credit for services provided without collateral. The mix of net receivables and revenue of its total unrestricted support and revenue exclusive of investment income at September 30, 2009 and 2008 and for the years then ended was as follows:

	<u>2009</u>	<u>2008</u>
Net receivable from:		
Medicaid	21%	37%
Title III	15%	21%
Other	<u>64%</u>	<u>42%</u>
	<u>100%</u>	<u>100%</u>
 Net revenue from:		
Medicaid	30%	42%
Title III	16%	14%
Other	<u>54%</u>	<u>44%</u>
	<u>100%</u>	<u>100%</u>

A reduction in the level of this reimbursement and support, if this were to occur, may have a significant effect on KVSS's programs and activities.

KANAWHA VALLEY SENIOR SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED SEPTEMBER 30, 2009 AND 2008

NOTE 7 -- FUNCTIONAL EXPENSES

KVSS incurred expenses in the conduct of the following programs for the years ended September 30, 2009 and 2008:

	<u>2009</u>	<u>2008</u>
Community Care Program: KVSS provides an in-home care program, funded by the Medicaid program that makes personal assistance available to eligible adults.	\$ 1,467,274	\$ 1,286,931
Senior Support/Day Care: KVSS provides the elderly with a program of socialization and prevention as well as a clinical day center treatment program for adults.	426,819	320,030
Title III Programs: Older Americans Act funds that cover social support activities including case management, transportation, assessments, etc. KVSS also makes caregiver training available to family members providing care.	341,587	396,114
Lighthouse: KVSS provides for in-home assistance for seniors who have functional needs in their homes who do not qualify for other programs.	472,776	478,274
Transportation: KVSS provides transportation services to seniors.	476,812	454,463
Other programs that benefit senior citizens	<u>478,569</u>	<u>368,487</u>
	<u>\$ 3,663,837</u>	<u>\$ 3,304,299</u>

The above amounts include a proportionate allocation of all management and general and indirect costs, which totaled approximately \$580,000 and \$525,000 for the years ended September 30, 2009 and 2008, respectively.

NOTE 8 -- CONTINGENT LIABILITIES

KVSS's programs are generally funded from federal, state, and local sources, principal of which are programs of the U.S. Department of Health and Human Services and the U.S. Department of Agriculture. Federal and state grants received for specific purposes are subject to audit and review by grantor agencies. Such audits and reviews could result in requests for reimbursement to grantor agencies for expenditures disallowed under the terms of the grants. The amount, if any, or expenditures which may be disallowed by grantor agencies cannot be determined at this time, although management believes such amounts, if any, to be immaterial.

NOTE 9 -- PENSION PLAN

KVSS sponsors a contributory defined contribution pension plan covering qualified employees. All regular, full-time employees of KVSS with at least one full year of service are eligible to participate. Under the Plan employees are required to contribute 2.5% of their annual compensation to the Plan, which is 100% vested with the employee. KVSS's contribution to the Plan is 4.5% of eligible employee annual compensation, and becomes fully vested after four years. KVSS's contributions to the Plan for the years ended September 30, 2009 and 2008, totaled \$23,113 and \$26,239, respectively.

NOTE 10 -- FAIR VALUE MEASUREMENTS

Professional standards establish a hierarchy that prioritizes fair value measurements based on the types of inputs used for the various valuation techniques (market approach, income approach, and cost approach). The levels of the hierarchy are described below:

- Level 1: Observable inputs such as quoted prices in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly; these include quoted prices for similar assets or liabilities in active markets and quoted prices for identical or similar assets or liabilities in markets that are not active.
- Level 3: Unobservable inputs that reflect the reporting entity's own assumptions.

KANAWHA VALLEY SENIOR SERVICES, INC.
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED SEPTEMBER 30, 2009 AND 2008

NOTE 10 -- FAIR VALUE MEASUREMENTS (Continued)

Fair value of assets and liabilities measured on a recurring basis at September 30, 2009 are as follows:

<u>September 30, 2009</u>	<u>Fair Value</u>	Quoted Prices in Active Markets for Identical Assets/Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Beneficial interest in GKVF	\$ 22,242	\$ -	\$ 22,242	\$ -
Marketable securities	<u>12,445</u>	<u>12,445</u>	<u>-</u>	<u>-</u>
	<u>\$ 34,687</u>	<u>\$ 12,445</u>	<u>\$ 22,242</u>	<u>\$ -</u>

NOTE 11 -- RELATED ENTITY

KVSS has an independent auxiliary called Kanawha Valley Senior Services Auxiliary, Inc. This entity is used to facilitate programs and fund raising activities for the benefit of KVSS. Currently KVSS handles all accounting functions for this entity. However, the entity maintains its own checking account. The following summarizes the transactions within the account during September 30, 2009 and 2008:

	<u>2009</u>	<u>2008</u>
Cash	<u>\$ 2,224</u>	<u>\$ 1,719</u>
Revenues	\$ 1,655	\$ 657
Expenses	<u>1,150</u>	<u>1,066</u>
Change in Cash	<u>\$ 505</u>	<u>\$ (409)</u>

These transactions have not been incorporated into the transactions of KVSS due to the independent nature of the Board.

SUPPLEMENTAL INFORMATION

KANAWHA VALLEY SENIOR SERVICES, INC.
 Schedule of Federal, State and Other Support, Expenditures and Changes in Net Assets
 Year Ended September 30, 2009

Federal Agency	Department of Health and Human Services							N/A			
State Agency	WV Bureau of Senior Services (WVBOSS)							WVBOSS & WVDHHR	West Virginia Department of Health and Human Resources (WVDHHR)		
Pass-Thru Grantor	WVSC Metro Area Agency on Aging							N/A			
Program Title	Title IIIB Senior Citizens	Title IIID Preventative Health	Title IIIE Caregiver	Elder Abuse	LIFE	Lighthouse	FAIR	Transportation	Community Care Program (CCP)	Medicaid Waiver	Safe Harbor/ Day Treatment
Program Year	10/01/08 - 09/30/09	10/01/08 - 09/30/09	10/01/08 - 09/30/09	10/01/08 - 09/30/09	07/01/08 - 06/30/09	07/01/08 - 06/30/09	07/01/08 - 06/30/09	10/01/08 - 09/30/09	10/01/08 - 09/30/09	10/01/08 - 09/30/09	10/01/08 - 09/30/09
Federal CFDA Number	93.044	93.043	93.052	93.041							
<u>Support and Revenue</u>											
Federal support	\$ 129,797	\$ 16,310	\$ 108,487	\$ 4,429	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State support	190,651	2,000	-	-	206,714	535,552	105,944	65,036	-	-	-
Client service revenue	-	-	-	-	-	-	6,009	76,851	891,913	81,343	197,562
Other	22,563	2,768	39,461	-	-	-	773	400	120	-	1,055
Total support and revenue	<u>343,011</u>	<u>21,078</u>	<u>147,948</u>	<u>4,429</u>	<u>206,714</u>	<u>535,552</u>	<u>112,726</u>	<u>142,287</u>	<u>892,033</u>	<u>81,343</u>	<u>198,617</u>
<u>Expenses</u>											
Salary and wages	87,701	6,263	78,482	-	-	303,771	77,594	166,468	563,816	54,302	213,129
Payroll taxes and benefits	23,610	1,373	10,824	-	-	50,405	12,263	44,904	102,951	7,254	59,871
Other post employment benefits	17,980	1,739	4,063	-	-	10,697	2,799	27,386	14,669	608	33,741
Insurance	480	18	742	-	-	1,982	901	16,492	6,206	301	1,370
Office expense	2,072	360	2,318	-	4,497	224	253	8,670	5,823	14	10,896
Program costs	1,153	7,573	7,140	2,624	8,251	386	143	9,110	6,255	58	2,386
Occupancy - space	-	-	12,000	-	-	2,520	-	12,000	13,481	-	22,400
Printing and publications	640	949	843	-	8,185	230	-	1,484	1,602	41	836
Travel	8,747	79	3,488	419	-	21,990	2,394	219	28,475	5,439	1,638
Non-capitalized equipment	302	-	723	-	3,800	-	-	1,014	243	-	536
Repairs and maintenance	-	-	35	-	550	-	-	1,680	208	-	2,800
Vehicle costs	-	-	-	50	-	-	-	79,630	34	-	-
Consultant/Contractual	-	-	875	-	6,949	-	-	1,192	8,267	-	1,733
Miscellaneous	24	-	726	688	-	1,921	350	1,181	3,723	25	3,357
Capitalized property and equipment	-	-	-	-	1,710	-	-	-	-	-	-
Total expenses	142,709	18,354	122,259	3,781	33,942	394,126	96,697	371,430	755,753	68,042	354,693
Allocation of indirect costs	28,146	3,691	24,586	727	7,214	78,651	19,076	78,588	148,783	13,412	70,103
Total expenditures	<u>170,855</u>	<u>22,045</u>	<u>146,845</u>	<u>4,508</u>	<u>41,156</u>	<u>472,777</u>	<u>115,773</u>	<u>450,018</u>	<u>904,536</u>	<u>81,454</u>	<u>424,796</u>
Support and revenue over (under) expenditures	172,156	(967)	1,103	(79)	165,558	62,775	(3,047)	(307,731)	(12,503)	(111)	(226,179)
Depreciation expense under GAAP	(396)	-	(1,445)	-	-	-	-	(26,795)	(1,052)	-	(2,024)
Capitalized equipment	-	-	-	-	-	-	-	-	-	-	-
Property and equipment capitalized	-	-	-	-	-	-	-	-	-	-	-
Transfer in/(out)	(182,310)	-	(4,276)	-	(155,050)	-	-	316,858	-	-	(16,999)
CHANGE IN NET ASSETS	(10,550)	(967)	(4,618)	(79)	10,508	62,775	(3,047)	(17,668)	(13,555)	(111)	(245,202)
Net assets, beginning of year	-	-	-	196	-	91,810	-	(19,938)	249,197	-	850,385
Net assets, end of year	<u>\$ (10,550)</u>	<u>\$ (967)</u>	<u>\$ (4,618)</u>	<u>\$ 117</u>	<u>\$ 10,508</u>	<u>\$ 154,585</u>	<u>\$ (3,047)</u>	<u>\$ (37,606)</u>	<u>\$ 235,642</u>	<u>\$ (111)</u>	<u>\$ 605,183</u>

KANAWHA VALLEY SENIOR SERVICES, INC.
Schedule of Federal, State and Other Support, Expenditures and Changes in Net Assets
(Continued)
Year Ended September 30, 2009

Federal Agency	N/A		Veterans Administration	Department of Health and Human Services WV Office of Economic Opportunity	N/A			
State Agency	WVBOSS		N/A		N/A			
Pass-Thru Grantor	N/A	N/A	N/A	N/A	N/A			
Program Title	Budget Digest 07/01/08 - 12/31/09	Health Benefits Counseling 05/01/09 - 12/31/09	Veterans Homemaker	Management and General 10/01/08 - 09/30/09	Property & Building 10/01/08 - 09/30/09	Tiskelwah 10/01/08 - 09/30/09	Indirect 10/01/08 - 09/30/09	Totals
Program Year	07/01/08 - 12/31/09	05/01/09 - 12/31/09		10/01/08 - 09/30/09	10/01/08 - 09/30/09	10/01/08 - 09/30/09	10/01/08 - 09/30/09	
Federal CFDA Number		93.779		93.779				
<u>Support and Revenue</u>								
Federal support	\$ -	\$ 20,000	\$ -	\$ 20,000	\$ -	\$ -	\$ -	\$ 299,023
State support	99,138	-	-	-	-	-	-	1,205,035
Client service revenue	-	-	632,063	-	-	-	-	1,885,741
Other	-	-	187	60,697	-	26,780	-	154,804
Total support and revenue	99,138	20,000	632,250	80,697	-	26,780	-	3,544,603
<u>Expenses</u>								
Salary and wages	-	13,847	316,383	-	-	1,080	329,146	2,211,982
Payroll taxes and benefits	-	5,445	49,020	-	-	99	87,031	455,050
Other post employment benefits	-	-	10,418	833	-	-	49,882	174,816
Insurance	-	-	1,737	-	-	1,063	6,273	37,565
Office expense	-	-	352	-	-	49,653	28,877	114,009
Program costs	101,796	-	501	70,966	-	-	939	219,281
Occupancy - space	-	-	-	-	-	-	2,360	64,761
Printing and publications	-	-	206	-	-	-	5,811	20,827
Travel	-	708	19,867	-	-	-	1,393	94,856
Non-capitalized equipment	-	-	1,044	-	-	-	389	8,051
Repairs and maintenance	-	-	-	-	-	4,752	5,526	15,551
Vehicle costs	-	-	-	-	-	-	1,815	81,529
Consultant/Contractual	-	-	-	-	-	250	52,668	71,934
Miscellaneous	-	-	1,510	-	-	1,368	11,333	26,206
Capitalized property and equipment	117	-	-	-	-	-	-	1,827
Total expenses	101,913	20,000	401,038	71,799	-	58,265	583,443	3,598,244
Allocation of indirect costs	-	-	79,194	12,452	3,608	11,764	(579,995)	-
Total expenditures	101,913	20,000	480,232	84,251	3,608	70,029	3,448	3,598,244
Support and revenue over (under) expenditures	(2,775)	-	152,018	(3,554)	(3,608)	(43,249)	(3,448)	(53,641)
Depreciation expense under GAAP	-	-	-	(8,531)	(20,584)	(1,179)	(3,587)	(65,593)
Capitalized equipment	117	-	-	-	(117)	-	-	-
Property and equipment capitalized	(117)	-	-	-	117	-	-	-
Transfer in/(out)	-	-	-	-	-	34,368	7,409	-
CHANGE IN NET ASSETS	(2,775)	-	152,018	(12,085)	(24,192)	(10,060)	374	(119,234)
Net assets, beginning of year	-	-	-	(379,145)	749,426	1,000	-	1,542,931
Net assets, end of year	\$ (2,775)	\$ -	\$ 152,018	\$ (391,230)	\$ 725,234	\$ (9,060)	\$ 374	\$ 1,423,697

KANAWHA VALLEY SENIOR SERVICES
 SCHEDULE OF DIRECT STATE GRANT AWARDS
 YEAR ENDED SEPTEMBER 30, 2009

AWARDING AGENCY: Bureau of Senior Services

GRANT NAME	GRANT IDENTIFICATION	PERIOD OF AWARD	TOTAL AWARD	FUNDS RECEIVED	FUNDS EXPENDED	ENDING BALANCE
Tiskelwah Center	SC2959	07/01/08 - 06/30/09	\$ 13,500	\$ -	\$ -	\$ -
East End Family Resource Center	SC2970	07/01/08 - 06/30/09	35,000	13,357	13,357	-
Chesapeake Senior Center	SC2976	07/01/08 - 06/30/09	2,000	2,000	2,000	-
Rand Community Center	SC2958	07/01/08 - 06/30/09	40,000	40,000	40,000	-
Alum Creek Senior Center	SC2960	07/01/08 - 06/30/09	29,500	29,500	29,500	-
	TOTAL		<u>\$ 120,000</u>	<u>\$ 84,857</u>	<u>\$ 84,857</u>	<u>\$ -</u>



INDEPENDENT AUDITORS' 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

The Board of Directors
Kanawha Valley Senior Services, Inc.
Charleston, West Virginia

We have audited the financial statements of Kanawha Valley Senior Services, Inc. (KVSS) as of and for the year ended September 30, 2009, and have issued our report thereon dated February 24, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the KVSS'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 the KVSS's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the KVSS'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 entity'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 entity's financial statements that is more than inconsequential will not be prevented or detected by the entity'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 entity'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 KVSS'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 have reported to management of KVSS in a separate letter dated February 24, 2010.

This report is intended solely for the information and use of the Board of Directors, management, federal awarding agencies, pass through entities, and other grantor agencies and is not intended to be and should not be used by anyone other than these specified parties.



Charleston, West Virginia
February 24, 2010