

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

**FINANCIAL STATEMENTS AND REPORTS ON
COMPLIANCE AND INTERNAL CONTROL
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

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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, 2010 and 2009 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, 2010 and 2009, 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 May 2, 2011, 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 financial statements 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 as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and are not a required part of the basic 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.

Wiseman Hutzell & Co.

WISEMAN HUTZELL & CO.

Wheeling, West Virginia

May 2, 2011

FAMILY SERVICE - UPPER OHIO VALLEY, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 377,564	\$ 761,251
Certificates of deposit	25,000	25,000
Accounts receivable	83,510	111,052
Grants receivable	62,101	65,976
Deposits and prepaid expenses	28,545	28,795
Endowment and investments	1,259,841	981,487
Property and equipment – at cost	548,061	595,476
<u>TOTAL ASSETS</u>	<u>\$ 2,384,622</u>	<u>\$ 2,569,037</u>
 <u>LIABILITIES AND NET ASSETS</u>		
<u>LIABILITIES</u>		
Accounts payable and accrued expenses	\$ 156,802	\$ 122,624
Clients' funds held by agency	252,212	357,199
Deposits	597	597
Deferred income	11,000	24,944
<u>TOTAL LIABILITIES</u>	<u>420,611</u>	<u>505,364</u>
 <u>NET ASSETS</u>		
<u>Unrestricted</u>		
Operating	1,415,950	1,468,197
Property and equipment	474,055	532,934
<u>Total Unrestricted</u>	<u>1,890,005</u>	<u>2,001,131</u>
 <u>Temporarily Restricted</u>	 <u>74,006</u>	 <u>62,542</u>
 <u>TOTAL NET ASSETS</u>	 <u>1,964,011</u>	 <u>2,063,673</u>
 <u>TOTAL LIABILITIES AND NET ASSETS</u>	 <u>\$ 2,384,622</u>	 <u>\$ 2,569,037</u>

See the accompanying Notes to Financial Statements

FAMILY SERVICE - UPPER OHIO VALLEY, INC.
STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2010

2010

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUES, GAINS AND OTHER SUPPORT			
<u>Public Support</u>			
Federal Grants	\$ 397,358	\$	\$ 397,358
State government grants	674,039	36,246	710,285
Local government grants	23,262		23,262
United Way	63,698		63,698
Contributions	78,872		78,872
Fundraising	7,690		7,690
<u>Total Public Support</u>	<u>1,244,919</u>	<u>36,246</u>	<u>1,281,165</u>
<u>Revenues</u>			
Service and program fees	395,183		395,183
Rental income	22,378		22,378
Memberships	4,077		4,077
Special events - net of cost			
Of \$581,021 - 2010; \$986,425 - 2009	83,163		83,163
Interest and investment income	28,016		28,016
Net realized and unrealized gain (loss)			
on investments	74,937		74,937
Other program income	84,957		84,957
<u>Total Revenues</u>	<u>692,711</u>	<u>-</u>	<u>692,711</u>
<u>Total Public Support and Revenues</u>	<u>1,937,630</u>	<u>36,246</u>	<u>1,973,876</u>
 <u>NET ASSETS RELEASED FROM RESTRICTIONS</u>			
Expiration of time restrictions	24,782	(24,782)	-
Satisfaction of program restrictions			
<u>TOTAL REVENUES, GAINS AND OTHER SUPPORT</u>	<u>1,962,412</u>	<u>11,464</u>	<u>1,973,876</u>
 <u>EXPENSES</u>			
<u>Program Services</u>			
Title IIB	30,136		30,136
Title IIC-1	240,837		240,837
Title IIC-2	314,471		314,471
Title IID	6,301		6,301
Title IIE	36,347		36,347
Adult Daycare/Treatment Resource Center	246,257		246,257
In-home services	434,993		434,993
Consumer Credit	120,173		120,173
Conservator	85,133		85,133
Outreach and Recreation	3,925		3,925
Other Programs	412,610		412,610
<u>Total Program Services</u>	<u>1,931,183</u>	<u>-</u>	<u>1,931,183</u>
<u>Support Services</u>			
Administrative, indirect and property expenses	56,158		56,158
Depreciation and amortization	84,289		84,289
Fundraising	1,908		1,908
<u>Total Support Services</u>	<u>142,355</u>	<u>-</u>	<u>142,355</u>
<u>TOTAL EXPENSES</u>	<u>2,073,538</u>	<u>-</u>	<u>2,073,538</u>
 <u>CHANGE IN NET ASSETS</u>	 <u>(111,126)</u>	 <u>11,464</u>	 <u>(99,662)</u>
 <u>NET ASSETS AT BEGINNING OF YEAR</u>	 <u>2,001,131</u>	 <u>62,542</u>	 <u>2,063,673</u>
 <u>NET ASSETS AT END OF YEAR</u>	 <u>\$ 1,890,005</u>	 <u>\$ 74,006</u>	 <u>\$ 1,964,011</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 - 2010; \$908,519 - 2009	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			
TOTAL REVENUES, GAINS AND OTHER SUPPORT	2,201,544	52,855	2,254,399
 <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>
TOTAL EXPENSES	2,121,784	-	2,121,784
 <u>CHANGE IN NET ASSETS</u>	 79,760	 52,855	 132,615
 <u>NET ASSETS AT BEGINNING OF YEAR</u>	 1,921,371	 9,687	 1,931,058
 <u>NET ASSETS AT END OF YEAR</u>	 \$ 2,001,131	 \$ 62,542	 \$ 2,063,673

See the accompanying Notes to Financial Statements

FAMILY SERVICE - UPPER OHIO VALLEY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Title IIIB</u>	<u>Title III C-1</u>	<u>Title III C-2</u>	<u>Title IIID</u>	<u>Title IIIE</u>	<u>Adult Daycare/ Treatment</u>	<u>Resource Center</u>	<u>In Home</u>
FUNCTIONAL EXPENSES								
<u>Program Services</u>								
Payroll:								
Salaries and wages	\$ 15,174	\$ 99,941	\$ 96,069	\$ 20,217	\$ 113,466	\$ 243,296		
Payroll taxes	1,716	12,471	11,397	2,274	13,148	27,935		
Employee benefits	3,855	5,058	6,913	3,428	17,258	4,626		
Total Payroll	20,745	117,470	114,379	25,919	143,872	275,857		
Other:								
Supplies		57,419	117,389	2,361	109	4,783		6
Telephone		693	1,078					44
Postage		131	210			1,903		868
Occupancy		11,029	6,983			7,353		10,725
Property maintenance & rental		4,700	7,458					
Insurance		6,034	7,108		547	5,772		9,852
Transportation		749	4,078			10,825		
Professional fees				3,940				6,245
Taxes								8
Dues and memberships		210	255		33	853		36
Purchase service	107	360	399		96	5,237		3,902
Other program expense		58	9,693		289	6,403		9,707
Allocated Administrative & Indirect Costs	9,284	41,984	45,441		9,354	59,256		117,743
Total Other Expenses	9,391	123,367	200,092	6,301	10,428	102,385		159,136
Total Expenses before Depreciation and Amortization	30,136	240,837	314,471	6,301	36,347	246,257		434,993
Depreciation and amortization								
TOTAL FUNCTIONAL EXPENSES	\$ 30,136	\$ 240,837	\$ 314,471	\$ 6,301	\$ 36,347	\$ 246,257	\$ -	\$ 434,993

See the accompanying Notes to Financial Statements.

FAMILY SERVICE - UPPER OHIO VALLEY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2010

	Administrative, Indirect and					Total	
	Consumer Credit	Outreach & Recreation	Other Programs	Total Program Expenses	Property Expenses		Support Expenses
FUNCTIONAL EXPENSES							
<u>Program Services</u>							
Payroll:							
Salaries and wages	\$ 52,912	\$ 37,316	\$ 1,513	\$ 160,666	\$ 294,648	\$ 560	\$ 295,208
Payroll taxes	6,155	4,432	371	19,156	33,006	128	33,134
Employee benefits	7,801	9,421		19,355	50,078	34	50,112
Total Payroll	66,868	51,169	1,884	199,177	377,732	722	378,454
Other:							
Supplies	113	937		65,425	10,168	1,051	11,219
Telephone				4,973	10,155		10,155
Postage	487	2,714		1,044	4,499	97	4,596
Occupancy	5,758	3,810		11,890	(6,582)		(6,582)
Property maintenance & rental				19,219	20,192		20,192
Insurance	2,527	1,575		18,501	10,533	2	10,535
Transportation				11,194	26,846		26,846
Professional fees	3,081			13,266	22,814		22,814
Taxes					8		8
Dues and memberships	2,000			125	1,006		1,006
Purchase service	7,865	3,795	3	1,939	5,129		5,129
Other program expense	2,706			2,563	12,109		12,109
Allocated Administrative & Indirect Costs	28,768	21,133	2,038	76,560	(411,597)	36	(411,561)
Total Other Expenses	53,305	33,964	2,041	213,433	(321,574)	1,186	(320,388)
Total Expenses before Depreciation and Amortization	120,173	85,133	3,925	412,610	56,158	1,908	58,066
Depreciation and amortization					84,289		84,289
TOTAL FUNCTIONAL EXPENSES	\$ 120,173	\$ 85,133	\$ 3,925	\$ 412,610	\$ 140,447	\$ 1,908	\$ 142,355
							\$ 2,073,538

See the accompanying Notes to Financial Statements.

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

	Title IIIB	Title III C-1	Title III C-2	Title IIID	Title IIIE	Adult Daycare/ Treatment	Resource Center	In Home
FUNCTIONAL EXPENSES								
Program Services								
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	15,293	103,535	110,803	30,578	114,370	7,138	290,567	
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	10,725	
Property maintenance & rental		4,322	8,033					
Insurance	5,608	4,695	4,789	2,313		438	5,731	
Transportation		3,071	5,531			20		
Professional fees				3,970			5,943	
Taxes							86	
Dues and memberships		69	117		120	60	35	
Purchase service		827	871		1,162	1,293	5,188	
Other program expense		1,309	8,794	33	1,219	1,263	12,231	
Allocated Administrative & Indirect Costs	3,142	40,294	42,982		11,168	46,068	120,754	
Total Other Expenses	8,750	122,877	223,384	5,841	18,352	55,560	161,886	
Total Expenses before Depreciation and Amortization	24,043	226,412	334,187	5,841	48,930	169,930	452,453	
Depreciation and amortization								
TOTAL FUNCTIONAL EXPENSES	\$ 24,043	\$ 226,412	\$ 334,187	\$ 5,841	\$ 48,930	\$ 169,930	\$ 452,453	

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 Expenses	Total Support Expenses	Total Expenses
FUNCTIONAL EXPENSES									
<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
Total Payroll	80,482	57,607	29,343	203,281	1,042,997	367,365	1,390	368,755	1,411,752
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
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)	-
Total Other Expenses	58,053	43,437	44,815	167,649	918,891	(290,109)	1,110	(288,999)	629,892
Total Expenses before Depreciation and Amortization	138,535	101,044	74,158	370,930	1,961,888	77,256	2,500	79,756	2,041,644
Depreciation and amortization						80,140		80,140	80,140
TOTAL FUNCTIONAL EXPENSES	\$ 138,535	\$ 101,044	\$ 74,158	\$ 370,930	\$ 1,961,888	\$ 157,396	\$ 2,500	\$ 159,896	\$ 2,121,784

See the accompanying Notes to Financial Statements.

FAMILY SERVICE . UPPER OHIO VALLEY, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

	2010	2009
<u>OPERATING ACTIVITIES</u>		
Change in net assets	\$ (99,662)	\$ 132,615
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	84,289	80,140
Unrealized (gain) loss on investments	(88,436)	(160,221)
Realized (gain) loss on investments	13,499	(1,247)
Changes in operating assets and liabilities		
Accounts and grants receivable	31,417	60,744
Deposit and prepaid expenses	250	(8,265)
Accounts payable and other liabilities	(70,809)	58,027
Deferred income	(13,944)	(92,168)
	(143,396)	69,625
<u>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u>		
<u>INVESTMENT ACTIVITIES</u>		
Purchase of property and equipment	(36,874)	(125,353)
Proceeds from sale of investments	482,522	1,024,239
Purchase of investments	(685,939)	(1,226,730)
	(240,291)	(327,844)
<u>NET CASH PROVIDED (USED) BY INVESTMENT ACTIVITIES</u>		
<u>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</u>	(383,687)	(258,219)
<u>CASH AND CASH EQUIVALENTS AS OF BEGINNING OF YEAR</u>	761,251	1,019,470
<u>CASH AND CASH EQUIVALENTS AS OF END OF YEAR</u>	\$ 377,564	\$ 761,251

See the accompanying Notes to Financial Statements.

FAMILY SERVICE - UPPER OHIO VALLEY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

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, 2010 and 2009.

FAMILY SERVICE - UPPER OHIO VALLEY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

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, 2010 and 2009, revenue recognized from Medicaid Services totaled \$101,152 and \$126,468 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, 2010 and 2009, the amount on deposit in one institution exceeded the \$250,000 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, 2010 and 2009 consists of the following:

	<u>2010</u>	<u>2009</u>
Land	\$ 126,000	\$ 126,000
Building	466,108	466,108
Building improvements	798,065	798,065
Equipment	<u>1,061,099</u>	<u>1,049,435</u>
	2,451,272	2,439,608
<u>Less: Accumulated depreciation</u>	<u>1,903,211</u>	<u>1,844,132</u>
	<u>\$ 548,061</u>	<u>\$ 595,476</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 \$212,737 and have a net book value of \$74,006 on December 31, 2010.

FAMILY SERVICE - UPPER OHIO VALLEY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

NOTE 4 - LEASES

All leases in 2010 and 2009 are month to month leases.

NOTE 5 - ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses at December 31, 2010 and 2009 consist of the following:

	<u>2010</u>	<u>2009</u>
	<u>Unrestricted</u>	<u>Unrestricted</u>
Accrued payables and expenses	\$ 51,766	\$ 34,394
Accrued payroll and payroll taxes	27,699	10,762
Accrued vacation pay	77,337	77,468
	<u>\$ 156,802</u>	<u>\$ 122,624</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, 2010 and 2009, the Agency held \$1,913 and \$2,291 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, 2010 and 2009, the Agency held \$250,299 and \$354,908 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, 2010 and 2009, were \$36,665 and \$37,094, 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, 2010 AND 2009

NOTE 9 - RESTRICTIONS ON NET ASSETS

Temporarily restricted net assets are available for the following purposes:

	<u>2010</u>	<u>2009</u>
Provide Nutrition Program Assistance - (Property and Equipment)	\$ 74,006	\$ 62,542
	<u>\$ 74,006</u>	<u>\$ 62,542</u>

NOTE 10 - ENDOWMENT AND INVESTMENTS

Cost and fair value of investments at December 31, 2010 and 2009, are as follows:

	<u>2010</u>		<u>2009</u>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Long-term investments	<u>\$ 1,212,772</u>	<u>\$ 1,259,841</u>	<u>\$ 755,023</u>	<u>\$ 981,487</u>

Components of investment return consist of the following:

	<u>2010</u>	<u>2009</u>
Investment income	\$ 27,400	\$ 25,473
Unrealized gain (loss) on investments	88,436	160,221
Realized gain (loss)	(13,499)	1,247
	<u>\$ 102,337</u>	<u>\$ 186,941</u>

FAMILY SERVICE - UPPER OHIO VALLEY, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

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>2010</u>	<u>2009</u>
Accounts receivable as of December 31 from OVHS&E	-	-
Accounts payable as of December 31 to OVHS&E	422	422
Revenue earned net of adjustment for year ended December 31 from OVHS&E	-	-
Administrative and other expenses for year ended December 31 paid to OVHS&E	5,064	24,952

NOTE 12 - CONTINGENCIES

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, 2010 was \$1,274,534. Total outstanding debt is \$758,697.68 at December 31, 2010. 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 May 2, 2011, 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, 2010

<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			
Title IIID	93.043	T3 B/D/E-11-10	\$ 4,806
	93.043	T3 B/D/E-11-11	265
			<u>5,071</u>
Title IIIB	93.044	T3 B/D/E-11-10	<u>59,392</u>
Title IIIC	93.045		77,871
	93.045		12,716
	93.045		126,060
	93.045		<u>20,591</u>
			<u>237,238</u>
Title IIIE	93.052	T3 B/D/E-11-10	29,713
	93.052	T3 B/D/E-11-11	<u>7,950</u>
			<u>37,663</u>
Total U.S. Department of Health and Human Resources			<u>\$ 339,364</u>

FAMILY SERVICE - UPPER OHIO VALLEY, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2010

<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	10.575		30,655
Nutrition Program for Elderly (Commodities)	10.575		<u>47,320</u>
 Total U.S. Department of Agriculture			 <u>77,975</u>
 Total Expenditures of Federal Awards			 <u>\$ 417,339</u>

FAMILY SERVICE - UPPER OHIO VALLEY, INC.
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2010

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, 2010

<u>State Grantor/ Pass-Through Grantor/ Program Title</u>	<u>Award #/ Account #</u>	<u>State Financial Awards Expenditures</u>
West Virginia Bureau of Senior Services		
Direct Program		
Non-Medicaid Grant:		
Lighthouse Grant	LH2834	\$ 100,104
Lighthouse Grant	LH2834	93,232
Alzheimer Grant	ALZ2834	38,051
Alzheimer Grant	ALZ2834	46,366
Community Based Service Funds	21007	31,500
Legislative Grant	SC21057	13,181
Legislative Grant	SC2888	12,350
Pass-through Bel-O-Mar		
Interstate Planning Commission		
State funds for:		
Title III-B	T3 B/D/E-11-10	25,493
	T3 B/D/E-11-11	31,960
Title III-D	T3 B/D/E-11-10	253
	T3 B/D/E-11-11	185
Title III-C (C-1)		5,740
Title III-C (C-1)		23,494
Title III-C (C-2)		478
Title III-C (C-2)		42,466
Life Services	11-10	87,304
Life Services	11-11	124,498
LIEAP		1,832
Total Expenditures of State Awards		<u>\$ 678,493</u>

SCHEDULE OF OTHER REVENUES FROM STATE SOURCES
FOR THE YEAR ENDED DECEMBER 31, 2010

West Virginia Department of Health and
Human Resources-

Medicaid Reimbursements

Personal care, case management clinical
services, rehabilitation services

\$ 101,152



**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, 2010 and 2009, and have issued our report thereon dated May 2, 2011. 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 deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a misstatement of the organization's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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*.

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

May 2, 2011

