

KANAWHA VALLEY SENIOR SERVICES, INC.

FINANCIAL STATEMENTS
WITH SUPPLEMENTAL INFORMATION

YEARS ENDED SEPTEMBER 30, 2010 AND 2009

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, 2010 and 2009, 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, 2010 and 2009, 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 March 15, 2011 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 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 16 - 17 and the Schedule of Direct State Grant Awards on page 18 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 2010 financial statements taken as a whole.

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

Charleston, West Virginia
March 15, 2011

KANAWHA VALLEY SENIOR SERVICES, INC.
 STATEMENTS OF FINANCIAL POSITION
 SEPTEMBER 30, 2010 AND 2009

	2010	2009
ASSETS		
Current assets		
Cash and cash equivalents	\$ 556,421	\$ 499,924
Client service receivables, less allowance for uncollectable accounts	294,035	364,014
Grants receivable	179,174	108,391
Other current assets	33,464	14,688
Total current assets	1,063,094	987,017
Property and equipment, less accumulated depreciation	807,488	796,197
Investments		
Beneficial interest in trust	24,004	22,242
Marketable securities	20,199	12,445
Total investments	44,203	34,687
Total assets	\$ 1,914,785	\$ 1,817,901
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	\$ 55,264	\$ 43,880
Accrued liabilities	132,450	109,976
Refundable advances	74,518	64,392
Other post employment benefits	387,881	175,956
Total current liabilities	650,113	394,204
Net assets		
Unrestricted	1,264,672	1,423,697
Total net assets	1,264,672	1,423,697
Total liabilities and net assets	\$ 1,914,785	\$ 1,817,901

The Accompanying Notes Are An Integral
 Part Of These Financial Statements

KANAWHA VALLEY SENIOR SERVICES, INC.
STATEMENTS OF ACTIVITIES
YEARS ENDED SEPTEMBER 30, 2010 AND 2009

	2010	2009
Changes in unrestricted net assets		
Support and revenue		
Federal support	\$ 294,296	\$ 299,023
State support	1,380,339	1,205,034
Client service revenue	1,755,931	1,885,742
Other	60,643	154,804
Total support and revenue	3,491,209	3,544,603
Expenses		
Salaries and wages	2,202,791	2,216,525
Payroll taxes and fringes	462,902	508,224
Other post employment benefits	251,237	121,797
Insurance	42,641	37,565
Office expense	114,026	114,022
Program costs	121,170	191,122
Occupancy	33,808	65,360
Depreciation	64,273	65,593
Printing and publications	28,751	20,827
Travel	91,142	94,889
Equipment	2,794	9,762
Repairs and maintenance	15,068	15,551
Vehicles	62,973	81,529
Contractual services	97,493	71,934
Miscellaneous expense	59,165	49,137
Total expenses	3,650,234	3,663,837
Support and revenue over (under) expenditures	(159,025)	(119,234)
Net assets released from restrictions for the use of restricted property and equipment	-	4,737
Change in unrestricted net assets	(159,025)	(114,497)
Changes in temporarily restricted net assets		
Net assets released from restrictions	-	(4,737)
Change in temporarily restricted net assets	-	(4,737)
CHANGE IN NET ASSETS	(159,025)	(119,234)
Net assets, beginning of year	1,423,697	1,542,931
Net assets, end of year	\$ 1,264,672	\$ 1,423,697

The Accompanying Notes Are An Integral
Part Of These Financial Statements

KANAWHA VALLEY SENIOR SERVICES, INC
 STATEMENTS OF CASH FLOWS
 YEARS ENDED SEPTEMBER 30, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
Cash flows from operating activities		
Change in net assets	\$ (159,025)	\$ (119,234)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities		
Depreciation	64,273	65,593
Loss on disposal of assets	3,195	-
(Increase) decrease in assets		
Client service receivables	69,979	24,445
Grants receivable	(70,783)	17,209
Other current assets	(18,776)	19,941
Increase (decrease) in liabilities		
Accounts payable	11,384	9,866
Accrued liabilities	22,474	12,054
Refundable advances	10,126	(109,687)
Other post employment benefits	211,925	121,797
	<u>144,772</u>	<u>41,984</u>
Net cash provided (used) by operating activities		
Cash flows from investing activities		
Cash purchases of property and equipment	(79,559)	(60,443)
Proceeds from disposal of assets	800	-
Purchases of securities	(9,516)	(8,802)
	<u>(88,275)</u>	<u>(69,245)</u>
Net cash provided (used) by investing activities		
Net increase (decrease) in cash and cash equivalents	56,497	(27,261)
Cash and cash equivalents, beginning of year	<u>499,924</u>	<u>527,185</u>
Cash and cash equivalents, end of year	<u>\$ 556,421</u>	<u>\$ 499,924</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.

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, 2010, and an analysis of the likelihood of collectability of the remaining accounts. The allowance for doubtful accounts as of September 30, 2010 and 2009 was \$5,302 and \$5,223, 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. OPEB costs are accrued based upon invoices received from the RHBT Trust Fund based upon actuarial determined amounts. At September 30, 2010 and 2009, the noncurrent liability related to OPEB costs was \$387,881 and \$175,956, respectively. The total OPEB expense incurred for the years ending June 30, 2010 and 2009 was \$251,236 and \$121,797, respectively.

KANAWHA VALLEY SENIOR SERVICES, INC.
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED SEPTEMBER 30, 2010 AND 2009

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 March 15, 2011, the date the financial statements were issued.

NOTE 2 -- CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand and deposits with banking institutions in checking and savings accounts. Bank balances are insured by federal deposit insurance by the Federal Deposit Insurance Corporation (FDIC). Balances in these accounts sometimes exceed the federal deposit insurance limits; however, management believes the financial institutions to be creditworthy and believes that credit risk associated with these deposits is minimal.

NOTE 3 -- PROPERTY AND EQUIPMENT

A summary of property and equipment at September 30, 2010 and 2009 is as follows:

	<u>2010</u>	<u>2009</u>
Land	\$ 55,000	\$ 55,000
Buildings and improvements	779,846	764,346
Equipment	<u>610,033</u>	<u>565,975</u>
	1,444,879	1,385,321
Less accumulated depreciation	<u>(637,391)</u>	<u>(589,124)</u>
	<u>\$ 807,488</u>	<u>\$ 796,197</u>

Depreciation expense charged to operations totaled \$64,273 and \$65,593 for the years ended September 30, 2010 and 2009, respectively.

NOTE 4 -- INVESTMENTS

As of September 30, 2010 and 2009, KVSS reported \$20,199 and \$12,445 as marketable securities and \$24,004 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.

KANAWHA VALLEY SENIOR SERVICES, INC.
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED SEPTEMBER 30, 2010 AND 2009

NOTE 4 -- INVESTMENTS (Continued)

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 -- 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, 2010 and 2009 and for the years then ended was as follows:

	<u>2010</u>	<u>2009</u>
Net receivable from:		
Medicaid	21%	21%
Title III	30%	15%
Other	<u>49%</u>	<u>64%</u>
	<u>100%</u>	<u>100%</u>
 Net revenue from:		
Medicaid	32%	30%
Title III	16%	16%
Other	<u>52%</u>	<u>54%</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, 2010 AND 2009

NOTE 6 -- FUNCTIONAL EXPENSES

KVSS incurred expenses in the conduct of the following programs for the years ended September 30, 2010 and 2009:

	<u>2010</u>	<u>2009</u>
Community Care Program: KVSS provides an in-home care program, funded by the Medicaid program that makes personal assistance available to eligible adults.	\$ 1,356,497	\$ 1,467,274
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.	301,147	426,819
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.	441,085	341,587
Lighthouse: KVSS provides for in-home assistance for seniors who have functional needs in their homes who do not qualify for other programs.	617,326	472,776
Transportation: KVSS provides transportation services to seniors.	437,858	476,812
Other programs that benefit senior citizens	<u>496,321</u>	<u>478,569</u>
	<u>\$ 3,650,234</u>	<u>\$ 3,663,837</u>

The above amounts include a proportionate allocation of all management and general and indirect costs, which totaled approximately \$550,000 and \$580,000 for the years ended September 30, 2010 and 2009, respectively.

NOTE 7 -- 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 8 -- 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 able to contribute up to 6% of their annual compensation to the Plan, which is 100% vested with the employee. KVSS matches 200% of contributions up to 2% of employee salary and 50% of contributions that exceed 2% of salary, but do not exceed 6% of salary. Employer contributions become fully vested after four years. KVSS's contributions to the Plan for the years ended September 30, 2010 and 2009, totaled \$26,003 and \$23,113, respectively.

NOTE 9 -- 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, 2010 AND 2009

NOTE 9 -- FAIR VALUE MEASUREMENTS (Continued)

Fair value of assets and liabilities measured on a recurring basis at September 30, 2010 are as follows:

<u>September 30, 2010</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	\$ 24,004	\$ -	\$ 24,004	\$ -
Marketable securities	<u>20,199</u>	<u>20,199</u>	<u>-</u>	<u>-</u>
	<u>\$ 44,203</u>	<u>\$ 20,199</u>	<u>\$ 24,004</u>	<u>\$ -</u>

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 10 -- 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, 2010 and 2009:

	<u>2010</u>	<u>2009</u>
Cash	<u>\$ 2,606</u>	<u>\$ 2,224</u>
Revenues	\$ 1,607	\$ 1,655
Expenses	<u>1,225</u>	<u>1,150</u>
Change in Cash	<u>\$ 382</u>	<u>\$ 505</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, 2010

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	Community Partnership	Transportation	Community Care Program (CCP)	Medicaid Waiver	Safe Harbor/ Day Treatment
Program Year	10/01/09 - 09/30/10	10/01/09 - 09/30/10	10/01/09 - 09/30/10	10/01/09 - 09/30/10	07/01/09 - 06/30/10	07/01/09 - 06/30/10	07/01/09 - 06/30/10		10/01/09 - 09/30/10	10/01/09 - 09/30/10		10/01/09 - 09/30/10
Federal CFDA Number	93.044	93.043	93.052	93.041								
<u>Support and Revenue</u>												
Federal support	\$ 154,330	\$ 15,082	\$ 114,660	\$ 4,507	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State support	201,148	2,200	960	-	207,857	671,846	114,377	106,914	65,037	-	-	-
Client service revenue	-	-	-	-	-	-	-	-	64,686	840,940	90,407	177,087
Other	1,512	-	1,625	-	-	75	100	-	800	80	-	49
Total support and revenue	<u>356,990</u>	<u>17,282</u>	<u>117,245</u>	<u>4,507</u>	<u>207,857</u>	<u>671,921</u>	<u>114,477</u>	<u>106,914</u>	<u>130,523</u>	<u>841,020</u>	<u>90,407</u>	<u>177,136</u>
<u>Expenditures</u>												
Salary and wages	128,632	6,541	97,087	-	-	406,480	88,419	-	148,150	553,207	59,326	137,303
Payroll taxes and benefits	38,275	1,760	15,319	-	-	63,593	13,439	-	44,293	90,584	9,645	38,175
Other post employment benefits	39,829	2,192	6,588	-	-	16,011	4,386	-	34,749	13,470	1,849	33,844
Insurance	710	23	1,108	-	-	3,153	915	-	17,077	5,874	544	1,282
Office expense	3,121	60	3,310	-	5,439	1,541	347	-	6,996	1,853	306	8,489
Program costs	903	6,012	2,742	680	3,504	1,770	503	86,214	5,757	3,685	268	1,731
Occupancy - space	-	-	-	-	-	-	-	-	12,000	-	-	19,800
Printing and publications	296	2,407	1,230	-	6,532	1,571	429	-	5,317	2,197	489	1,249
Travel	7,579	-	3,087	226	-	25,221	2,254	-	286	26,618	3,961	305
Non-capitalized equipment	-	-	-	-	-	10	-	-	847	20	-	-
Repairs and maintenance	-	-	-	-	-	9	55	-	978	18	3	2,400
Vehicle costs	-	-	-	-	-	-	-	-	60,630	-	-	-
Consultant/Contractual	-	-	1,139	-	9,486	-	-	-	950	2,041	-	2,117
Miscellaneous	1,403	115	1,911	2,841	-	4,022	778	-	7,016	5,007	773	4,780
Capitalized property and equipment	-	-	-	-	-	-	-	-	-	-	-	-
Total expenses	220,748	19,110	133,521	3,747	24,961	523,381	111,525	86,214	345,046	704,574	77,164	251,475
Allocation of indirect costs	38,590	3,562	24,453	634	4,773	93,853	20,397	-	67,490	128,734	14,319	48,336
Total expenditures	<u>259,338</u>	<u>22,672</u>	<u>157,974</u>	<u>4,381</u>	<u>29,734</u>	<u>617,234</u>	<u>131,922</u>	<u>86,214</u>	<u>412,536</u>	<u>833,308</u>	<u>91,483</u>	<u>299,811</u>
Support and revenue over (under) expenditures	97,652	(5,390)	(40,729)	126	178,123	54,687	(17,445)	20,700	(282,013)	7,712	(1,076)	(122,675)
Depreciation expense under GAAP	(558)	-	(545)	-	-	(92)	-	-	(25,322)	(1,151)	-	(1,335)
Capitalized equipment	-	-	-	-	-	-	-	-	-	-	-	-
Property and equipment capitalized	-	-	-	-	-	-	-	-	-	-	-	-
Transfer in/(out)	(140,520)	2,768	39,049	-	(178,167)	-	-	(20,700)	277,975	-	-	(12,018)
CHANGE IN NET ASSETS	(43,426)	(2,622)	(2,225)	126	(44)	54,595	(17,445)	-	(29,360)	6,561	(1,076)	(136,028)
Net assets, beginning of year	(10,550)	(967)	(4,618)	117	10,508	154,585	(3,047)	-	(37,606)	235,642	(111)	605,183
Net assets, end of year	<u>\$ (53,976)</u>	<u>\$ (3,589)</u>	<u>\$ (6,843)</u>	<u>\$ 243</u>	<u>\$ 10,464</u>	<u>\$ 209,180</u>	<u>\$ (20,492)</u>	<u>\$ -</u>	<u>\$ (66,966)</u>	<u>\$ 242,203</u>	<u>\$ (1,187)</u>	<u>\$ 469,155</u>

KANAWHA VALLEY SENIOR SERVICES, INC.
Schedule of Federal, State and Other Support, Expenditures and Changes in Net Assets
(Continued)
Year Ended September 30, 2010

Federal Agency	Veterans Administration							N/A
State Agency	N/A							N/A
Pass-Thru Grantor	N/A	N/A						N/A
Program Title	Health Benefits Counseling	Veterans Homemaker	Creative Care Program	Management and General	Property & Building	Tiskelwah	Indirect	Totals
Program Year	05/01/10 - 12/31/10			10/01/09 - 09/30/10	10/01/09 - 09/30/10	10/01/09 - 09/30/10	10/01/09 - 09/30/10	
Federal CFDA Number	93.779							93.779
<u>Support and Revenue</u>								
Federal support	\$ 5,717	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 294,296
State support	-	-	-	-	-	10,000	-	1,380,339
Client service revenue	-	582,811	-	-	-	-	-	1,755,931
Other	-	169	-	29,618	-	26,615	-	60,643
Total support and revenue	<u>5,717</u>	<u>582,980</u>	<u>-</u>	<u>29,618</u>	<u>-</u>	<u>36,615</u>	<u>-</u>	<u>3,491,209</u>
<u>Expenditures</u>								
Salary and wages	3,364	270,314	945	2,150	-	11,123	289,750	2,202,791
Payroll taxes and benefits	1,636	47,036	12	(0)	-	1,334	97,801	462,902
Other post employment benefits	-	15,283	-	83,036	-	-	-	251,237
Insurance	-	2,695	-	22	-	1,651	7,587	42,641
Office expense	-	1,212	-	88	-	49,466	31,798	114,026
Program costs	-	1,417	-	148	-	441	5,395	121,170
Occupancy - space	-	-	-	88	-	-	1,920	33,808
Printing and publications	717	867	-	105	-	7	5,338	28,751
Travel	-	21,455	(1,707)	39	-	-	1,818	91,142
Non-capitalized equipment	-	-	-	-	-	762	1,155	2,794
Repairs and maintenance	-	14	-	-	-	4,229	7,362	15,068
Vehicle costs	-	-	-	-	-	-	2,343	62,973
Consultant/Contractual	-	-	-	-	-	299	81,461	97,493
Miscellaneous	34	2,721	-	11,540	-	3,632	12,592	59,165
Capitalized property and equipment	-	-	-	-	-	-	-	-
Total expenses	<u>5,751</u>	<u>363,014</u>	<u>(750)</u>	<u>97,216</u>	<u>-</u>	<u>72,944</u>	<u>546,320</u>	<u>3,585,961</u>
Allocation of indirect costs	-	67,540	-	19,605	3,769	13,907	(549,962)	-
Total expenditures	<u>5,751</u>	<u>430,554</u>	<u>(750)</u>	<u>116,821</u>	<u>3,769</u>	<u>86,851</u>	<u>(3,642)</u>	<u>3,585,961</u>
Support and revenue over (under) expenditures	(34)	152,426	750	(87,203)	(3,769)	(50,236)	3,642	(94,752)
Depreciation expense under GAAP	-	-	-	(8,537)	(20,584)	(2,825)	(3,324)	(64,273)
Capitalized equipment	-	-	-	-	-	-	-	-
Property and equipment capitalized	-	-	-	-	-	-	-	-
Transfer in/(out)	-	-	-	-	20,700	10,913	-	-
CHANGE IN NET ASSETS	(34)	152,426	750	(95,740)	(3,653)	(42,148)	318	(159,025)
Net assets, beginning of year	-	152,018	-	(394,005)	725,234	(9,060)	374	1,423,697
Net assets, end of year	<u>\$ (34)</u>	<u>\$ 304,444</u>	<u>\$ 750</u>	<u>\$ (489,745)</u>	<u>\$ 721,581</u>	<u>\$ (51,208)</u>	<u>\$ 692</u>	<u>\$ 1,264,672</u>

KANAWHA VALLEY SENIOR SERVICES
 SCHEDULE OF DIRECT STATE GRANT AWARDS
 YEAR ENDED SEPTEMBER 30, 2010

AWARDING AGENCY: Bureau of Senior Services

GRANT NAME	GRANT IDENTIFICATION	PERIOD OF AWARD	TOTAL AWARD	FUNDS RECEIVED	FUNDS EXPENDED	ENDING BALANCE
Alum Creek	SC21066	07/01/09 - 06/30/10	\$ 30,000	\$ 30,000	\$ 30,000	\$ -
Rand	SC21067	07/01/09 - 06/30/10	30,000	30,000	30,000	-
East End Family Resource Center	SC2970	07/01/09 - 06/30/10	35,000	19,935	19,935	-
	TOTAL		<u>\$ 95,000</u>	<u>\$ 79,935</u>	<u>\$ 79,935</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, 2010, and have issued our report thereon dated March 15, 2011. 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 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 KVSS's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of KVSS'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 material misstatement of the entity'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 would not necessarily identify all deficiencies in internal control 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 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 March 15, 2011.

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

March 15, 2011