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**KANAWHA VALLEY SENIOR SERVICES, INC.**

**FINANCIAL STATEMENTS  
WITH SUPPLEMENTAL INFORMATION**

**YEARS ENDED SEPTEMBER 30, 2021 AND 2020**

**WITH**

**INDEPENDENT AUDITOR'S REPORT**



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## INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the accompanying financial statements of Kanawha Valley Senior Services, Inc. (KVSS), a nonprofit organization, which comprise the statements of financial position as of September 30, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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**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, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Change in Accounting Principle**

As described in Note 1 to the financial statements, in the year ended September 30, 2021, KVSS adopted new accounting guidance, Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers* (ASC Topic 606). Our opinion is not modified with respect to this matter.

**Other Matters***Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental Schedule of Federal, State and Other Revenue, Expenditures and Changes in Net Assets on pages 22 – 23 and the Schedule of Direct State Grant Awards on page 24 are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented on page 25 for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated February 14, 2022, 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 solely 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 effectiveness of KVSS's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering KVSS's internal control over financial reporting and compliance.



Charleston, West Virginia  
February 14, 2022

**KANAWHA VALLEY SENIOR SERVICES, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**SEPTEMBER 30, 2021 AND 2020**

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	2021	2020
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 1,802,612	\$ 1,087,342
Investments	1,428,472	1,266,526
Client service receivables, less allowance for uncollectable accounts	165,146	225,143
Grants receivable	205,560	199,221
Other current assets	40,748	39,035
Total current assets	3,642,538	2,817,267
Property and equipment, less accumulated depreciation	1,181,788	1,395,696
Other noncurrent assets	14,009	12,489
Total noncurrent assets	1,195,797	1,408,185
<b>Total assets</b>	<b>\$ 4,838,335</b>	<b>\$ 4,225,452</b>
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities		
Accounts payable	\$ 50,753	\$ 188,102
Accrued liabilities	176,238	189,454
Refundable advances	443,870	118,491
Total current liabilities	670,861	496,047
Noncurrent liabilities		
Paycheck protection program loan payable	-	618,800
Deferred rent liability	85,044	47,136
Total noncurrent liabilities	85,044	665,936
Total liabilities	755,905	1,161,983
Net assets		
Without donor restrictions	3,992,847	2,982,587
With donor restrictions	89,583	80,882
Total net assets	4,082,430	3,063,469
<b>Total liabilities and net assets</b>	<b>\$ 4,838,335</b>	<b>\$ 4,225,452</b>

The Accompanying Notes Are An Integral  
Part Of These Financial Statements

**KANAWHA VALLEY SENIOR SERVICES, INC.**  
**STATEMENTS OF ACTIVITIES**  
**YEARS ENDED SEPTEMBER 30, 2021 AND 2020**

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	2021	2020
Changes in net assets without donor restrictions		
Revenue and gains		
Federal	\$ 889,621	\$ 854,593
State	1,667,150	1,664,470
Client service fees	772,936	715,055
Other income	439,938	310,988
Net assets released from restrictions	385	1,826
Total support and revenue	3,770,030	3,546,932
Expenses		
Salaries and wages	1,835,570	2,040,625
Payroll taxes and benefits	400,979	432,172
Insurance	34,547	34,626
Office expense	87,597	104,312
Program costs	66,250	53,322
Depreciation	174,772	125,194
Rent	144,662	47,136
Printing and publications	6,811	8,221
Travel	42,262	55,678
Equipment	295	1,949
Repairs and maintenance	16,722	34,036
Vehicle costs	62,561	58,086
Contractual services	103,753	98,008
Food	453,353	406,914
Miscellaneous	40,868	19,517
Total operating expenses	3,471,002	3,519,796
Operating income	299,028	27,136
Nonoperating revenue		
Paycheck protection program income	618,800	-
Grant support for capital expenditures	92,432	155,788
Total nonoperating revenue	711,232	155,788
Change in net assets without donor restrictions	1,010,260	182,924
Changes in net assets with donor restrictions		
Other support	9,086	62,600
Net assets released from restrictions	(385)	(1,826)
Change in net assets with donor restrictions	8,701	60,774
<b>CHANGE IN TOTAL NET ASSETS</b>	<b>1,018,961</b>	<b>243,698</b>
Net assets, beginning of year	3,063,469	2,819,771
<b>Net assets, end of year</b>	<b>\$ 4,082,430</b>	<b>\$ 3,063,469</b>

The Accompanying Notes Are An Integral  
Part Of These Financial Statements

**KANAWHA VALLEY SENIOR SERVICES, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED SEPTEMBER 30, 2021**

	Community Care Programs	Title III Programs	Lighthouse	Transportation	Other Programs	Total Program Expense	Management and General	Total
Salaries and wages	\$ 441,903	\$ 522,424	\$ 411,930	\$ 112,379	\$ 137,531	\$ 1,626,167	\$ 209,403	\$ 1,835,570
Payroll taxes and benefits	97,357	106,608	71,000	32,300	37,807	345,072	55,907	400,979
Insurance	3,118	8,998	3,185	11,532	611	27,444	7,103	34,547
Office expense	1,392	22,732	1,034	755	12,896	38,809	48,788	87,597
Program costs	1,486	60,856	1,426	329	1,344	65,441	809	66,250
Depreciation	325	58,459	-	13,923	186	72,893	101,879	174,772
Rent	1,410	34,633	1,392	1,002	6,325	44,762	99,900	144,662
Printing and publications	71	3,232	36	3	231	3,573	3,238	6,811
Travel	18,722	3,798	16,998	77	2,205	41,800	462	42,262
Equipment	-	295	-	-	-	295	-	295
Repairs and maintenance	54	7,540	11	46	422	8,073	8,649	16,722
Vehicle costs	-	23,141	-	35,173	3,303	61,617	944	62,561
Contractual services	6,981	9,117	7,917	991	4,845	29,851	73,902	103,753
Food	-	453,353	-	-	-	453,353	-	453,353
Miscellaneous	-	1,026	-	24	2,712	3,762	37,106	40,868
	<u>\$ 572,819</u>	<u>\$ 1,316,212</u>	<u>\$ 514,929</u>	<u>\$ 208,534</u>	<u>\$ 210,418</u>	<u>\$ 2,822,912</u>	<u>\$ 648,090</u>	<u>\$ 3,471,002</u>

The Accompanying Notes Are An Integral  
Part Of These Financial Statements

**KANAWHA VALLEY SENIOR SERVICES, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED SEPTEMBER 30, 2020**

	Community Care Programs	Title III Programs	Lighthouse	Transportation	Other Programs	Total Program Expense	Management and General	Total
Salaries and wages	\$ 447,351	\$ 554,277	\$ 498,829	\$ 126,760	\$ 165,857	\$ 1,793,074	\$ 247,551	\$ 2,040,625
Payroll taxes and benefits	100,477	112,377	79,238	36,125	43,422	371,639	60,533	432,172
Insurance	2,814	8,969	3,330	11,633	3,406	30,152	4,474	34,626
Office expense	949	23,191	562	1,252	35,567	61,521	42,791	104,312
Program costs	1,578	46,806	1,773	729	1,104	51,990	1,332	53,322
Depreciation	210	32,406	-	14,535	31,366	78,517	46,677	125,194
Rent	-	-	-	-	-	-	47,136	47,136
Printing and publications	133	649	147	11	2,031	2,971	5,250	8,221
Travel	18,722	8,661	25,265	14	1,230	53,892	1,786	55,678
Equipment	-	-	-	-	-	-	1,949	1,949
Repairs and maintenance	-	12,372	-	96	8,208	20,676	13,360	34,036
Vehicle costs	-	21,256	-	33,701	-	54,957	3,129	58,086
Contractual services	4,157	2,954	4,759	660	6,398	18,928	79,080	98,008
Food	-	406,914	-	-	-	406,914	-	406,914
Miscellaneous	45	1,143	15	94	578	1,875	17,642	19,517
	<u>\$ 576,436</u>	<u>\$ 1,231,975</u>	<u>\$ 613,918</u>	<u>\$ 225,610</u>	<u>\$ 299,167</u>	<u>\$ 2,947,106</u>	<u>\$ 572,690</u>	<u>\$ 3,519,796</u>

The Accompanying Notes Are An Integral  
Part Of These Financial Statements



**KANAWHA VALLEY SENIOR SERVICES, INC**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED SEPTEMBER 30, 2021 AND 2020**

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	2021	2020
Cash flows from operating activities		
Change in net assets	\$ 1,018,961	\$ 243,698
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	174,772	125,194
Net investment income credited directly to investment account	(161,946)	(90,528)
Gain on disposal of assets	(20,579)	(875)
Noncash rent expense	37,908	47,136
Forgiveness of paycheck protection program loan	(618,800)	-
(Increase) decrease in assets		
Client service receivables	59,997	(56,554)
Grants receivable	(6,339)	(679)
Other current assets	(1,713)	(16,792)
Other noncurrent assets	(1,520)	(1,086)
Increase (decrease) in liabilities		
Accounts payable	(7,497)	(1,705)
Accrued liabilities	(13,216)	7,639
Refundable advances	325,379	13,058
	<u>785,407</u>	<u>268,506</u>
Net cash provided by operating activities		
Cash flows from investing activities		
Cash purchases of property and equipment	(535,137)	(421,439)
Proceeds from disposal of assets	465,000	875
	<u>(70,137)</u>	<u>(420,564)</u>
Net cash used by investing activities		
Cash flows from financing activities		
Proceeds from paycheck protection program loan	-	618,800
	<u>-</u>	<u>618,800</u>
Net cash provided by financing activities		
	<u>-</u>	<u>618,800</u>
Net increase in cash and cash equivalents	715,270	466,742
Cash and cash equivalents, beginning of year	1,087,342	620,600
	<u>1,087,342</u>	<u>620,600</u>
<b>Cash and cash equivalents, end of year</b>	<b><u>\$ 1,802,612</u></b>	<b><u>\$ 1,087,342</u></b>

The Accompanying Notes Are An Integral  
Part Of These Financial Statements

**KANAWHA VALLEY SENIOR SERVICES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED SEPTEMBER 30, 2021 AND 2020**

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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. KVSS provides an in-home care program, funded by the Medicaid program and the Veterans Administration that makes personal assistance available to eligible adults. KVSS also administers programs under Title III that cover social support activities including nutrition, case management, transportation, assessments, etc. Under these programs KVSS makes caregiver training available to family members providing care. Additionally, KVSS provides for in-home assistance for seniors under the Lighthouse Program who have functional needs in their homes who do not qualify for other programs. The primary sources of revenue are fees for services provided and grants.

**NET ASSETS WITH DONOR RESTRICTIONS** - Net assets with donor restrictions are comprised of funds whose use has been limited by donors to a specific time period and/or purpose. When donor restrictions expire, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the statements of activities as net assets released from restrictions.

**NET ASSETS WITHOUT DONOR RESTRICTIONS** - Net assets without donor restrictions 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 net assets without donor restrictions.

**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. Unrestricted grants and contributions are recorded as revenue in the period received.

During fiscal year 2021, KVSS adopted FASB Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers* (ASC Topic 606) using the modified retrospective method. ASU 2014-09 provides comprehensive guidance on the recognition of revenue from contracts with customers arising from the transfer of goods and services. Under ASC Topic 606, KVSS must identify the contract with a customer, identify the performance obligations in the contract, determine the transaction price, allocate the transaction price to the performance obligations in the contract, and recognize revenue when (or as) KVSS satisfies a performance obligation. Significant revenue has not been recognized in the current reporting period that results from performance obligations satisfied in previous periods.

**KANAWHA VALLEY SENIOR SERVICES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED SEPTEMBER 30, 2021 AND 2020**

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

KVSS has evaluated the nature of its contracts with clients in regards to client services provided. KVSS determined that further disaggregation of revenue from contracts into more granular categories beyond what is presented in the statements of activities was not necessary. KVSS fully satisfies its performance obligations on its contracts with customers at a point in time when the services are provided, which management considers an output method. The transaction prices are based on a fixed price depending on the services provided. Because performance obligations for contracts with clients are satisfied at a point in time and the transaction prices are fixed prices, there is little judgment in applying Topic 606 that significantly affects the determination of the amount and timing of revenue from contracts with third-party payers. A portion of KVSS's revenues also come from grants, interest, and various other miscellaneous sources that are outside the scope of Topic 606.

**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 3 to 7 years for office equipment and vehicles, 10 years for leasehold improvements, 20 years for building improvements, and 39 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. Accordingly, no provision for income taxes has been recorded.

For the year ended September 30, 2021, KVSS has no material uncertain tax positions to be accounted for in the financial statements under professional standards. KVSS recognizes interest and penalties, if any, related to unrecognized tax benefits in interest expense. KVSS returns for years ending on or after September 30, 2018 remain subject to examination.

**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 third party payers, primarily Medicaid based on prospectively determined per diem rates. Services billed by KVSS are subject to adjustment by the third party payers. 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.

**KANAWHA VALLEY SENIOR SERVICES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED SEPTEMBER 30, 2021 AND 2020**

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

ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS - KVSS has established an allowance for uncollectible accounts based on an analysis of the likelihood of collectability of the accounts. The allowance for doubtful accounts as of September 30, 2021 and 2020 was \$28,212 and \$29,758, respectively, and has been netted against client service receivables and revenue.

ADVERTISING COSTS - Advertising costs are expensed as incurred. Total advertising costs for the years ended September 30, 2021 and 2020 were \$2,048 and \$19, respectively.

FUNCTIONAL ALLOCATION OF EXPENSES – Expenses are allocated among program services and management and general based on the purposes for which the expenses have been incurred. KVSS incurs certain joint costs which are not specifically attributable to a particular component of activities. Joint costs are allocated primarily on the basis of estimates of time and effort.

RECLASSIFICATIONS – Certain amounts in the 2020 financial statements have been reclassified to conform to the 2021 presentation. The reclassifications had no impact on the change in net assets or total net assets.

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 occasionally exceed the FDIC insurance limits; however, management believes the financial institutions to be creditworthy and believes that credit risk associated with these deposits is minimal.

**KANAWHA VALLEY SENIOR SERVICES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED SEPTEMBER 30, 2021 AND 2020**

NOTE 3 -- INVESTMENTS

Investments are stated at fair value and consist of the following:

	2021		
	Cost	Fair Value	Unrealized Appreciation (Depreciation)
Fixed Income:			
Cash equivalents	\$ 16,998	\$ 16,998	\$ -
Corporate bonds	780,286	801,519	21,233
Equity:			
Corporate stocks	238,412	425,735	187,323
Small cap growth equities	7,500	9,491	1,991
Mid cap growth equities	15,000	21,699	6,699
Small cap value equities	7,500	10,824	3,324
Mid cap blend equities	15,091	25,030	9,939
International equities	17,500	20,605	3,105
Mutual funds	80,808	96,571	15,763
	<u>\$ 1,179,095</u>	<u>\$ 1,428,472</u>	<u>\$ 249,377</u>
	2020		
	Cost	Fair Value	Unrealized Appreciation (Depreciation)
Fixed Income:			
Cash equivalents	\$ 3,709	\$ 3,709	\$ -
Corporate bonds	659,058	686,709	27,651
Equity:			
Corporate stocks	334,531	466,899	132,368
Small cap growth equities	7,500	8,182	682
Mid cap growth equities	10,000	12,575	2,575
Small cap value equities	7,500	7,074	(426)
Mid cap blend equities	15,091	18,362	3,271
International equities	25,000	22,787	(2,213)
Mutual funds	40,311	40,229	(82)
	<u>\$ 1,102,700</u>	<u>\$ 1,266,526</u>	<u>\$ 163,826</u>

**KANAWHA VALLEY SENIOR SERVICES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED SEPTEMBER 30, 2021 AND 2020**

NOTE 3 -- INVESTMENTS (Continued)

Investment return is summarized as follows:

	2021	2020
Interest and dividend income	\$ 29,416	\$ 32,920
Net realized and unrealized gains	142,460	67,115
Investment fees	(9,930)	(9,507)
Net investment return	\$ 161,946	\$ 90,528

NOTE 4 -- FAIR VALUE MEASUREMENTS

Accounting standards generally accepted in the United States of America 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.

Fair value of assets and liabilities measured on a recurring basis at September 30, 2021 and 2020 are as follows:

<u>September 30, 2021</u>	<u>Fair Value</u>	2021		
		<u>Quoted Prices in Active Markets for Identical Assets/Liabilities (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Fixed Income:				
Cash equivalents	\$ 16,998	\$ 16,998	\$ -	\$ -
Corporate bonds	801,519	801,519	-	-
Equity:				
Corporate stocks	425,735	425,735	-	-
Small cap growth equities	9,491	9,491	-	-
Mid cap growth equities	21,699	21,699	-	-
Small cap value equities	10,824	10,824	-	-
Mid cap blend equities	25,030	25,030	-	-
International equities	20,605	20,605	-	-
Mutual funds	96,571	96,571	-	-
Total investments at fair value	<u>\$ 1,428,472</u>	<u>\$ 1,428,472</u>	<u>\$ -</u>	<u>\$ -</u>

**KANAWHA VALLEY SENIOR SERVICES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED SEPTEMBER 30, 2021 AND 2020**

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NOTE 4 -- FAIR VALUE MEASUREMENTS (Continued)

<u>September 30, 2020</u>	2020			
	<u>Fair Value</u>	Quoted Prices in Active Markets for Identical Assets/Liabilities <u>(Level 1)</u>	Significant Other Observable Inputs <u>(Level 2)</u>	Significant Unobservable Inputs <u>(Level 3)</u>
Fixed Income:				
Cash equivalents	\$ 3,709	\$ 3,709	\$ -	\$ -
Corporate bonds	686,709	686,709	-	-
Equity:				
Corporate stocks	466,899	466,899	-	-
Small cap growth equities	8,182	8,182	-	-
Mid cap growth equities	12,575	12,575	-	-
Small cap value equities	7,074	7,074	-	-
Mid cap blend equities	18,362	18,362	-	-
International equities	22,787	22,787	-	-
Mutual funds	40,229	40,229	-	-
Total investments at fair value	\$ 1,266,526	\$ 1,266,526	\$ -	\$ -

NOTE 5 -- PROPERTY AND EQUIPMENT

A summary of property and equipment at September 30, 2021 and 2020 is as follows:

	<u>2021</u>	<u>2020</u>
Land and land improvements	\$ 20,222	\$ 74,972
Buildings and improvements	585,652	1,482,341
Equipment	943,261	865,890
Leasehold improvements	543,964	113,353
Construction in progress	-	179,790
	2,093,099	2,716,346
Less accumulated depreciation	(911,311)	(1,320,650)
	\$ 1,181,788	\$ 1,395,696

Depreciation expense charged to operations totaled \$174,772 and \$125,194 for the years ended September 30, 2021 and 2020, respectively.

**KANAWHA VALLEY SENIOR SERVICES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED SEPTEMBER 30, 2021 AND 2020**

NOTE 6 -- CONCENTRATIONS OF CREDIT RISK

KVSS generates a substantial portion of its revenue from Medicaid reimbursements, Title III grants, and Lighthouse revenue. Medicaid amounts are paid on prospectively determined per diem rates, 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 support and revenue at September 30, 2021 and 2020 and for the years then ended was as follows:

	<u>2021</u>	<u>2020</u>
Net receivable from:		
Medicaid	14%	12%
Title III	33%	33%
Lighthouse	24%	24%
Other	<u>29%</u>	<u>31%</u>
	<u>100%</u>	<u>100%</u>
Net revenue from:		
Medicaid	16%	16%
Title III	47%	46%
Lighthouse	15%	19%
Other	<u>22%</u>	<u>19%</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.

NOTE 7 -- COMMITMENTS AND CONTINGENCIES

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. 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, of expenditures which may be disallowed by grantor agencies cannot be determined at this time, although management believes such amounts, if any, to be immaterial.

Also, KVSS is involved in various legal actions from time to time in the ordinary course of business. Management is not currently aware of any matters, which will have a significant adverse effect on the accompanying financial statements.



**KANAWHA VALLEY SENIOR SERVICES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED SEPTEMBER 30, 2021 AND 2020**

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**NOTE 8 -- PAYCHECK PROTECTION PROGRAM LOAN**

KVSS applied for and received a forgivable loan under the Paycheck Protection Program (PPP) as amended by the PPP Flexibility Act of 2020 in May of 2020. The PPP is a program designed to assist certain employers with payroll and other expenses. Under this program, unsecured loans are available that are forgivable for amounts related to certain payroll, mortgage, rent, utilities, employee benefits, and state and local employer tax expenses for a period of 24 weeks after the loan is received. Forgiveness provisions are, also, based on how employers utilize the funds for these designated expenses and maintaining or quickly rehiring employees and wage and salary levels. Forgiveness will be reduced if full-time headcount declines, or if salaries and wages decrease. If not forgiven, the PPP loan has a maturity of 2 years (unless extended), an interest rate of 1%, and loan payments are deferred until a determination on forgiveness is made and remitted to the lender. Additionally, under the Flexibility Act, if an application for forgiveness is not made by August of 2021, then payments of principal, interest, and fees will begin.

KVSS used all of the funds as directed by the SBA within the required time frame, and the lender has forgiven the loan in its entirety. During the year ended September 30, 2021, KVSS recognized income of \$618,800 in the statements of activities.

The Paycheck Protection Program loan and forgiveness of that loan are subject to audit by the SBA for six years after the date the loan is forgiven or repaid in full. The possible disallowance by the SBA of any item charged to the program cannot be determined until such time when an audit occurs. Therefore, no provision for any potential disallowances that may result from such audit has been made in the accompanying financial statements. Management is of the opinion that disallowances, if any, will not be material to the accompanying financial statements.

**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 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, 2021 and 2020, totaled \$31,600 and \$33,625, respectively.

**NOTE 10 -- OTHER POST EMPLOYMENT BENEFITS**

KVSS participates in the West Virginia Retiree Health Benefits Trust Fund (RHBT) to provide certain other post employment benefits (OPEB). RHBT is a cost-sharing, multiple-employer defined benefits post-employment healthcare plan administered by the West Virginia Public Employees Insurance Agency (PEIA). RHBT provides medical benefits to eligible retired employees of participating employers. Eligibility is primarily established through participation in certain defined benefit plans. RHBT issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to: West Virginia Retiree Health Benefits Trust (RHBT), 601 57th Street, SE, Suite 2, Charleston, WV 25304-2345 or <https://peia.wv.gov>.

**KANAWHA VALLEY SENIOR SERVICES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED SEPTEMBER 30, 2021 AND 2020**

NOTE 10 -- OTHER POST EMPLOYMENT BENEFITS (Continued)

The funded status of the RHBT plan as of the most recent actuarial valuation date, is as follows (total plan assets and accumulated benefit obligation dollar amounts in thousands):

Pension Fund	Total Plan Assets (in thousands)	Accumulated Benefit Obligation (in thousands)	Percentage Funded	Paid Contributions of KVSS		
				2021	2020	2019
RHBT	\$1,673,024	\$1,643,289	> 100%	\$ 48,120	\$ 59,440	\$ 68,756

All retired employees are eligible to obtain health insurance coverage through PEIA with the retired employee's premium contribution established by the Finance Board. The Finance Board has allowed retirees to obtain health insurance coverage at essentially the same premium rate as active employees with the difference between the retirees' premium contributions and the cost of providing health care to retirees subsidized by the State. It is this subsidy that has created the major portion of the OPEB unfunded accumulated benefit obligation.

In 2018, the RHBT changed its method of accounting based on new Government Accounting Standards. In conjunction with this change, the RHBT ceased billing participating employers for their portions of the Annual Required Contribution (ARC), and also withdrew/forgave all prior unpaid and outstanding ARC billings. As a result, KVSS is no longer required by professional standards to record a liability for its unpaid ARC billings or for its allocated portion of the plan's unfunded accumulated benefit obligation.

Following is a summary of OPEB expense included as part of payroll taxes and benefits in the statements of activities for the years ended September 30, 2021 and 2020.

	<u>2021</u>	<u>2020</u>
Current "pay as you go" amounts	<u>\$ 48,120</u>	<u>\$ 59,440</u>

As of the year ended September 30, 2021, there was one retiree receiving these benefits.

At September 30, 2021 and 2020, the unfunded accumulated benefit obligation allocated by RHBT to KVSS was \$141,661 and \$534,949, respectively. Since all unpaid prior ARC billings have been withdrawn/forgiven, and it is not considered probable that KVSS will withdraw from the plan and be required to make any payments in excess of the "pay as you go" amounts for their allocated portion of the unfunded accumulated benefit obligation, these amounts are not required to be recorded as a liability by KVSS.

The West Virginia Legislature has passed legislation to provide alternate funding sources for the RHBT/OPEB unfunded accumulated benefit obligation. In addition, the PEIA Finance Board imposed limits on the retiree subsidy currently provided for PEIA premiums for retirees. Future increases in the subsidy will be limited to no more than 3% per year. These actions are expected to ultimately fund the full accumulated benefit obligation.

**KANAWHA VALLEY SENIOR SERVICES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED SEPTEMBER 30, 2021 AND 2020**

NOTE 11 -- NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following at September 30, 2021 and 2020.

	<u>2021</u>	<u>2020</u>
Donor restricted net assets available for Title III C program	\$ 88,201	\$ 79,500
Donor restricted net assets available for Title III E program	<u>1,382</u>	<u>1,382</u>
	<u>\$ 89,583</u>	<u>\$ 80,882</u>

NOTE 12 -- LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

As of September 30, 2021 and 2020, financial assets available within one year to meet cash needs for general expenditure are as follows:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 1,802,612	\$ 1,087,342
Client service receivables	165,146	225,143
Grants receivables	<u>205,560</u>	<u>199,221</u>
	<u>\$ 2,173,318</u>	<u>\$ 1,511,706</u>

As part of KVSS's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. None of the financial assets are subject to contractual or other restrictions that make them unavailable for general expenditure within one year of the statement of financial position date.

NOTE 13 -- LEASES

KVSS leases its office space and parking lot under operating leases expiring June 1, 2030. The terms of the lease agreements provide an abatement of rent and include an escalation clause that adjusts annual base rentals. Generally accepted accounting principles requires that the rent abatement and scheduled rent increases resulting from the escalation of base rentals be recorded as a liability and amortized ratably so as to record rent expense on a straight-line basis over the term of the lease agreements.

Minimum future rental payments under these operating leases as of September 30, 2021 are:

2022	\$ 140,070
2023	142,871
2024	145,729
2025	148,805
2026	151,670
Thereafter	<u>581,433</u>
	<u>\$ 1,310,578</u>

**KANAWHA VALLEY SENIOR SERVICES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED SEPTEMBER 30, 2021 AND 2020**

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NOTE 13 -- LEASES (Continued)

Rent expense for the years ended September 30, 2021 and 2020 was \$144,662 and \$47,136, respectively. The deferred rent relating to the rent abatement described above was \$85,044 and \$47,136 at September 30, 2021 and 2020, respectively.

NOTE 14 -- SUBSEQUENT EVENTS

In preparing these financial statements, KVSS has evaluated events and transactions for potential recognition or disclosure through February 14, 2022, the date the financial statements were issued.

The American Rescue Plan Act increased the federal matching rate for Medicaid Home and Community Based Services (HCBS) spending by 10 percentage points from April 1, 2021 through March 31, 2022. The increased rates were not provided to provider agencies until September 21, 2021. Retroactive payments for these programs were issued for paid claims with service dates between April 1, 2021 and August 31, 2021. Subsequent to year-end, KVSS received retroactive payments totaling \$175,945. KVSS is required to pass at least 85% of the increased rate payments on to direct-care workers in the form of compensation increases as well as other incentives, which may include retention bonuses, hiring bonuses, raises in wages, and increased benefit packages.

## SUPPLEMENTAL INFORMATION

**KANAWHA VALLEY SENIOR SERVICES, INC.**  
**SCHEDULE OF FEDERAL, STATE AND OTHER REVENUE, EXPENDITURES AND CHANGES IN NET ASSETS**  
**YEAR ENDED SEPTEMBER 30, 2021**

Federal Agency	U.S. Department of Health and Human Services (USDHHS)				N/A		USDHHS	N/A	
State Agency	WV Bureau of Senior Services (WVBOSS)								WVBOSS & WVDHHR
Pass-Thru Grantor	WVSC Metro Area Agency on Aging				N/A		N/A	N/A	N/A
Program Title	Title IIB Senior Citizens	Title IIC Nutrition Services	Title IID Preventative Health	Title III E Caregiver	LIFE	Lighthouse	FAIR	State Health Insurance Assistance	Transportation
Program Year	10/01/20 - 09/30/21	10/01/20 - 09/30/21	10/01/20 - 09/30/21	10/01/20 - 09/30/21	07/01/20 - 06/30/21	07/01/20 - 06/30/21	07/01/20 - 06/30/21	04/01/20 - 05/31/22	10/01/20 - 09/30/21
Federal CFDA Number	93.044	93.045	93.043	93.052				93.071/93.779	
<u>Revenue and Gains</u>									
Federal	\$ 130,782	\$ 673,195	\$ 9,514	\$ 25,573	\$ -	\$ -	\$ -	\$ 50,557	\$ -
State	191,125	542,274	1,500	-	219,581	587,768	124,902	-	-
Client service fees	-	-	-	-	-	-	-	-	-
Other income	32,454	198,556	2,576	3,868	-	-	1,805	6,321	5,496
Total revenue and gains	354,361	1,414,025	13,590	29,441	219,581	587,768	126,707	56,878	5,496
<u>Expenditures</u>									
Salaries and wages	138,997	359,397	-	24,030	-	411,930	116,527	19,988	112,379
Payroll taxes and benefits	38,167	62,582	-	5,859	-	71,000	29,861	7,767	32,300
Insurance	439	8,420	-	139	-	3,185	541	45	11,532
Office expense	3,480	17,952	-	1,300	12,110	1,034	621	165	755
Program costs	274	60,109	-	473	1,221	1,426	123	-	329
Rent	2,830	26,352	-	5,451	-	1,392	6,325	-	1,002
Printing and publications	1,395	1,837	-	-	231	36	-	-	3
Travel	1,399	2,198	-	201	-	16,998	1,918	287	77
Equipment	-	295	-	-	-	-	-	-	-
Repairs and maintenance	32	6,067	-	1,441	328	11	94	-	46
Vehicle costs	-	23,141	-	-	3,303	-	-	-	35,173
Contractual services	2,007	6,061	-	1,049	3,975	7,917	870	-	991
Food	-	453,353	-	-	-	-	-	-	-
Miscellaneous	810	-	1	215	2,497	-	215	-	24
Total expenses	189,830	1,027,764	1	40,158	23,665	514,929	157,095	28,252	194,611
Allocation of indirect costs	25,178	140,955	-	5,265	2,522	68,310	20,678	3,734	27,381
Total expenditures	215,008	1,168,719	1	45,423	26,187	583,239	177,773	31,986	221,992
Support and revenue over (under) expenditures	139,353	245,306	13,589	(15,982)	193,394	4,529	(51,066)	24,892	(216,496)
Depreciation expense under GAAP	(1,865)	(55,863)	-	(731)	-	-	(186)	-	(13,923)
Paycheck protection program income	-	-	-	-	-	-	-	-	-
Grant support for capital expenditures	-	52,977	-	2,755	28,435	-	-	-	-
Transfer in/(out)	(140,930)	28,460	-	10,442	(150,305)	1,160	3,610	(12,105)	233,127
CHANGE IN NET ASSETS	\$ (3,442)	\$ 270,880	\$ 13,589	\$ (3,516)	\$ 71,524	\$ 5,689	\$ (47,642)	\$ 12,787	\$ 2,708

KANAWHA VALLEY SENIOR SERVICES, INC.  
SCHEDULE OF FEDERAL, STATE AND OTHER REVENUE, EXPENDITURES AND CHANGES IN NET ASSETS  
(CONTINUED)  
YEAR ENDED SEPTEMBER 30, 2021

Federal Agency	USDHHS		Veterans Administration	N/A						
	West Virginia Department of Health and Human Resources (WVDHHR)			N/A	N/A					
State Agency	N/A		N/A	N/A						
Pass-Thru Grantor	N/A	N/A	N/A	N/A						
Program Title	Community Care Program (CCP)	Medicaid Waiver	Veterans Homemaker	Creative Care Program	Management and General	Property & Building	Tiskelwah	1710 Pennsylvania Avenue	Indirect	Totals
Program Year	10/01/20 - 09/30/21				10/01/20 - 09/30/21	10/01/20 - 09/30/21	10/01/20 - 09/30/21	10/01/20 - 09/30/21	10/01/20 - 09/30/21	
Federal CFDA Number										
<u>Revenue and Gains</u>										
Federal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 889,621
State	-	-	-	-	-	-	-	-	-	1,667,150
Client service fees	518,877	117,934	134,145	1,980	-	-	-	-	-	772,936
Other income	-	-	89	-	172,414	20,579	3,565	1,301	-	449,024
Total revenue and gains	518,877	117,934	134,234	1,980	172,414	20,579	3,565	1,301	-	3,778,731
<u>Expenditures</u>										
Salaries and wages	304,181	68,004	69,718	1,016	-	-	-	-	209,403	1,835,570
Payroll taxes and benefits	73,859	9,735	13,763	179	-	-	-	-	55,907	400,979
Insurance	2,325	509	284	25	-	-	2,501	-	4,602	34,547
Office expense	992	133	267	-	6,253	-	19,298	489	22,748	87,597
Program costs	1,107	241	138	-	37	-	-	-	772	66,250
Rent	846	282	282	-	14,082	-	3,675	67,908	14,235	144,662
Printing and publications	35	-	36	-	300	-	-	-	2,938	6,811
Travel	11,538	3,563	3,621	-	-	-	-	-	462	42,262
Equipment	-	-	-	-	-	-	-	-	-	295
Repairs and maintenance	50	2	2	-	1,838	-	3,423	720	2,668	16,722
Vehicle costs	-	-	-	-	-	-	-	-	944	62,561
Contractual services	5,210	1,359	412	-	378	-	-	4,620	68,904	103,753
Food	-	-	-	-	-	-	-	-	-	453,353
Miscellaneous	-	-	-	-	32,563	-	-	-	4,543	40,868
Total expenses	400,143	83,828	88,523	1,220	55,451	-	28,897	73,737	388,126	3,296,230
Allocation of indirect costs	52,969	11,041	11,639	203	6,981	2,328	6,209	4,951	(390,344)	-
Total expenditures	453,112	94,869	100,162	1,423	62,432	2,328	35,106	78,688	(2,218)	3,296,230
Support and revenue over (under) expenditures	65,765	23,065	34,072	557	109,982	18,251	(31,541)	(77,387)	2,218	482,501
Depreciation expense under GAAP	(325)	-	-	-	(2,439)	(38,385)	(23,595)	(35,242)	(2,218)	(174,772)
Paycheck protection program income	-	-	-	-	618,800	-	-	-	-	618,800
Grant support for capital expenditures	-	-	-	-	1,438	-	-	6,827	-	92,432
Transfer in/(out)	705	235	235	-	10,296	-	21,897	(6,827)	-	-
CHANGE IN NET ASSETS	\$ 66,145	\$ 23,300	\$ 34,307	\$ 557	\$ 738,077	\$ (20,134)	\$ (33,239)	\$ (112,629)	\$ -	\$ 1,018,961

**KANAWHA VALLEY SENIOR SERVICES  
SCHEDULE OF DIRECT STATE GRANT AWARDS  
YEAR ENDED SEPTEMBER 30, 2021**

AWARDING AGENCY: Bureau of Senior Services

GRANT NAME	GRANT IDENTIFICATION	PERIOD AWARDED	TOTAL AWARD	FUNDS RECEIVED	FUNDS EXPENDED	UNEXPENDED FUNDS RECEIVED	GRANT BALANCE
In-Home Service Funds - Kanawha County	1H2119	7/1/20-6/30/21	\$ 654,176	\$ 654,176	\$ 654,176	\$ -	\$ -
In-Home Service Funds - Kanawha County	1H2219	7/1/21-6/30/22	815,690	98,349	98,349	-	717,341
In-Home Service Funds - Putnam County	1H2159	7/1/20-6/30/21	11,208	11,208	11,208	-	-
In-Home Service Funds - Putnam County	1H2259	7/1/21-6/30/22	40,000	3,552	3,552	-	36,448
Connecting the DOTS	MPDOTS1702	1/1/17-12/31/17	5,000	5,000	4,736	264	264
Connecting the DOTS	MPDOTS1812	3/1/18-12/31/18	5,000	5,000	-	5,000	5,000



**KANAWHA VALLEY SENIOR SERVICES, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED SEPTEMBER 30, 2021**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures	Expenditures to Subrecipients
U.S. Department of Health and Human Services				
Passed through WVSC Metro Area Agency on Aging				
Aging Cluster				
Special Programs for the Aging - Title III, Part B Grants for				
Supportive Services and Senior Centers	93.044	22136	\$ 130,782	\$ -
Special Programs for the Aging - Title III, Part C Nutrition Services	93.045	22136	478,525	-
COVID 19: Special Programs for the Aging - Title III, Part C Nutrition Services	93.045	22136	89,157	-
Nutrition Services Incentive Program	93.053	22136	105,513	-
Aging Cluster total			<u>803,977</u>	<u>-</u>
Special Programs for the Aging - Title III, Part D Disease Prevention and Health Promotion Services				
	93.043	22136	9,514	-
National Family Caregiver Support, Title III, Part E				
	93.052	22136	25,573	-
Passed through WV Bureau of Senior Services				
Medicare Enrollment Assistance Program				
	93.071	MIPPA2119	23,500	-
Centers for Medicare and Medicaid Services				
(CMS) Research, Demonstrations and Evaluations	93.779	SHIP2112/SHIP2212/SMP2112	27,057	-
Total for U.S. Department of Health and Human Services			<u>889,621</u>	<u>-</u>
Total Expenditures of Federal Awards			<u>\$ 889,621</u>	<u>\$ -</u>

**KANAWHA VALLEY SENIOR SERVICES, INC.**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED SEPTEMBER 30, 2021**

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**NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**NOTE 2 -- INDIRECT COST RATE**

KVSS has not elected to use the 10% de minimis indirect cost rate allowed under Section 200.414 of the Uniform Guidance.

**NOTE 3 -- BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of KVSS under programs of the Federal government for the year ended September 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of KVSS, it is not intended to and does not present the financial position and changes in net position of KVSS.

**KANAWHA VALLEY SENIOR SERVICES, INC.  
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
YEAR ENDED SEPTEMBER 30, 2021**

Program	Findings/Noncompliance	Questioned Costs
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There were no prior year audit findings.



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT  
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
*GOVERNMENT AUDITING STANDARDS*

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Kanawha Valley Senior Services, Inc. (KVSS), which comprise the statement of financial position as of September 30, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 14, 2022.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered KVSS's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of KVSS's internal control. Accordingly, we do not express an opinion on the effectiveness of KVSS's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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Suite 100  
Charleston, WV 25301

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The Rivers Office Park  
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## Compliance and Other Matters

As part of obtaining reasonable assurance about whether KVSS's financial statements are free from 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 financial statements. 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*.

## Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of KVSS's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering KVSS's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Suttle & Stalnak, PLLC".

Charleston, West Virginia  
February 14, 2022



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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

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

We have audited Kanawha Valley Senior Services, Inc.'s (KVSS's) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of KVSS's major federal programs for the year ended September 30, 2021. KVSS's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of KVSS's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about KVSS's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of KVSS's compliance.

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**Opinion on Each Major Federal Program**

In our opinion, KVSS complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2021.

**Report on Internal Control over Compliance**

Management of KVSS is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered KVSS's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of KVSS's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Charleston, West Virginia  
February 14, 2022

**KANAWHA VALLEY SENIOR SERVICES, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED SEPTEMBER 30, 2021**

SECTION I - SUMMARY OF AUDITOR'S RESULTS

**Financial Statements**

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP

Unmodified Opinion

Internal control over financial reporting:

Material weakness(es) identified?

\_\_\_\_\_ yes      X   no

Significant deficiency(ies) identified?

\_\_\_\_\_ yes      X   none reported

Noncompliance material to financial statements noted?

\_\_\_\_\_ yes      X   no

**Federal Awards**

Internal control over major programs:

Material weakness(es) identified?

\_\_\_\_\_ yes      X   no

Significant deficiency(ies) identified?

\_\_\_\_\_ yes      X   none reported

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

Unmodified Opinion

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

\_\_\_\_\_ yes      X   no

Identification of major federal programs:

CFDA Number

Name of Federal Program or Cluster

93.044/93.045/93.053

Aging Cluster

Dollar threshold used to distinguish between Type A and Type B programs:

\$750,000

Auditee qualified as low-risk auditee?

  X   yes    \_\_\_\_\_ no



**KANAWHA VALLEY SENIOR SERVICES, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED SEPTEMBER 30, 2021**

SECTION II

FINANCIAL STATEMENT

FINDINGS SECTION

None

**KANAWHA VALLEY SENIOR SERVICES, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED SEPTEMBER 30, 2021**

SECTION III

FEDERAL AWARD FINDINGS  
AND QUESTIONED COSTS SECTION

None