

KANAWHA VALLEY SENIOR SERVICES, INC.

FINANCIAL STATEMENTS
WITH SUPPLEMENTAL INFORMATION

YEARS ENDED SEPTEMBER 30, 2013 AND 2012

WITH

INDEPENDENT AUDITOR'S REPORT

CONTENTS

	Page
INDEPENDENT AUDITOR'S REPORT	3 – 4
FINANCIAL STATEMENTS	
Statements of Financial Position	5
Statements of Activities	6
Statements of Cash Flows	7
Notes to Financial Statements	8 – 14
SUPPLEMENTAL INFORMATION	
Schedule of Federal, State and Other Support, Expenditures and Changes in Net Assets	16 – 17
Schedule of Direct State Grant Awards	18
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 <i>Government Auditing Standards</i>	19 – 20



CERTIFIED PUBLIC ACCOUNTANTS

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, 2013 and 2012, and the related statements activities 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.

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

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, 2013 and 2012, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the 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 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 26, 2014 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* in considering KVSS's internal control over financial reporting and compliance.



Charleston, West Virginia
February 26, 2014

KANAWHA VALLEY SENIOR SERVICES, INC.
 STATEMENTS OF FINANCIAL POSITION
 SEPTEMBER 30, 2013 AND 2012

	2013	2012
ASSETS		
Current assets		
Cash and cash equivalents	\$ 1,048,215	\$ 789,287
Client service receivables, less allowance for uncollectable accounts	226,639	372,645
Grants receivable	126,225	91,901
Other current assets	20,144	21,420
Total current assets	1,421,223	1,275,253
Property and equipment, less accumulated depreciation	1,116,375	1,050,844
Other noncurrent assets	46,795	46,634
Total noncurrent assets	1,163,170	1,097,478
Total assets	\$ 2,584,393	\$ 2,372,731
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	\$ 133,498	\$ 33,522
Accrued liabilities	122,001	129,616
Refundable advances	124,644	133,524
Other post employment benefits	696,124	683,243
Total current liabilities	1,076,267	979,905
Net assets		
Unrestricted	1,508,126	1,392,826
Total net assets	1,508,126	1,392,826
Total liabilities and net assets	\$ 2,584,393	\$ 2,372,731

The Accompanying Notes Are An Integral
 Part Of These Financial Statements

KANAWHA VALLEY SENIOR SERVICES, INC.
 STATEMENTS OF ACTIVITIES
 YEARS ENDED SEPTEMBER 30, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
Changes in unrestricted net assets		
Support and revenue		
Federal support	\$ 237,199	\$ 301,715
State support	1,654,579	1,709,734
Client service revenue	1,300,821	1,307,975
Other	<u>68,455</u>	<u>39,405</u>
Total support and revenue	<u>3,261,054</u>	<u>3,358,829</u>
Expenses		
Salaries and wages	1,970,393	1,979,981
Payroll taxes and fringes	342,264	360,274
Other post employment benefits	44,080	160,881
Insurance	19,233	31,191
Office expense	115,736	108,493
Program costs	164,192	163,987
Rent	21,076	20,811
Depreciation	82,156	81,323
Printing and publications	28,675	20,283
Travel	86,578	92,850
Equipment	5,054	5,853
Repairs and maintenance	24,967	23,769
Vehicles	50,754	60,376
Contractual services	154,357	99,319
Miscellaneous expense	<u>36,239</u>	<u>36,425</u>
Total expenses	<u>3,145,754</u>	<u>3,245,816</u>
CHANGE IN UNRESTRICTED NET ASSETS	115,300	113,013
Net assets, beginning of year	<u>1,392,826</u>	<u>1,279,813</u>
Net assets, end of year	<u>\$ 1,508,126</u>	<u>\$ 1,392,826</u>

KANAWHA VALLEY SENIOR SERVICES, INC
 STATEMENTS OF CASH FLOWS
 YEARS ENDED SEPTEMBER 30, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
Cash flows from operating activities		
Change in net assets	\$ 115,300	\$ 113,013
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities		
Depreciation	82,156	81,323
Loss on disposal of assets	2,650	-
(Increase) decrease in assets		
Client service receivables	146,006	(162,858)
Grants receivable	(34,324)	(4,714)
Other current assets	1,276	10,621
Other noncurrent assets	(161)	(2,744)
Increase (decrease) in liabilities		
Accounts payable	99,976	(20,924)
Accrued liabilities	(7,615)	6,556
Refundable advances	(8,880)	38,060
Other post employment benefits	12,881	127,498
Net cash provided (used) by operating activities	<u>409,265</u>	<u>185,831</u>
Cash flows from investing activities		
Cash purchases of property and equipment	<u>(150,337)</u>	<u>(156,854)</u>
Net cash provided (used) by investing activities	<u>(150,337)</u>	<u>(156,854)</u>
Net increase (decrease) in cash and cash equivalents	258,928	28,977
Cash and cash equivalents, beginning of year	<u>789,287</u>	<u>760,310</u>
Cash and cash equivalents, end of year	<u><u>\$ 1,048,215</u></u>	<u><u>\$ 789,287</u></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. KVSS had no temporarily restricted net assets at September 30, 2013 or 2012.

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 3 to 7 years for office equipment and vehicles, 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.

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

KVSS has adopted ASC Topic 740-10, *Accounting for Uncertainty in Income Taxes*, which prescribes a recognition threshold and measurement attribute for financial statement recognitions and measurement of a tax position taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be more-likely-than-not to be sustained upon examinations by taxing authorities. For the year ended September 30, 2013, KVSS has no material uncertain tax positions to be accounted for in the financial statements under the new rules. 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, 2010 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 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, 2013, and an analysis of the likelihood of collectability of the remaining accounts. The allowance for doubtful accounts as of September 30, 2013 and 2012 was \$13,880 and \$2,495, respectively and has been netted against client service receivables and revenue.

KANAWHA VALLEY SENIOR SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED SEPTEMBER 30, 2013 AND 2012

10

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

ADVERTISING COSTS – Advertising costs are expensed as incurred. Total advertising costs for the years ended September 30, 2013 and 2012 were \$16,017 and \$5,839, respectively.

SUBSEQUENT EVENTS - In preparing these financial statements, KVSS has evaluated events and transactions for potential recognition or disclosure through February 26, 2014, 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, 2013 and 2012 is as follows:

	<u>2013</u>	<u>2012</u>
Land	\$ 55,000	\$ 55,000
Buildings and improvements	1,300,763	1,187,606
Equipment	<u>498,520</u>	<u>540,887</u>
	1,854,283	1,783,493
Less accumulated depreciation	<u>(737,908)</u>	<u>(732,649)</u>
	<u>\$ 1,116,375</u>	<u>\$ 1,050,844</u>

Depreciation expense charged to operations totaled \$82,156 and \$81,323 for the years ended September 30, 2013 and 2012, respectively.

KANAWHA VALLEY SENIOR SERVICES, INC.
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED SEPTEMBER 30, 2013 AND 2012

NOTE 4 -- 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, 2013 and 2012 and for the years then ended was as follows:

	<u>2013</u>	<u>2012</u>
Net receivable from:		
Medicaid	26%	29%
Title III	16%	14%
Lighthouse	25%	37%
Other	<u>33%</u>	<u>20%</u>
	<u>100%</u>	<u>100%</u>
Net revenue from:		
Medicaid	33%	31%
Title III	14%	16%
Lighthouse	22%	25%
Other	<u>31%</u>	<u>28%</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 5 -- FUNCTIONAL EXPENSES

KVSS incurred expenses in the conduct of the following programs for the years ended September 30, 2013 and 2012:

	<u>2013</u>	<u>2012</u>
Community Care Program: KVSS provides an in-home care program, funded by the Medicaid program and the Veterans Administration that makes personal assistance available to eligible adults.	\$ 1,080,153	\$ 1,039,896

KANAWHA VALLEY SENIOR SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED SEPTEMBER 30, 2013 AND 2012

NOTE 5 -- FUNCTIONAL EXPENSES (Continued)

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.	344,091	442,378
Lighthouse: KVSS provides for in-home assistance for seniors who have functional needs in their homes who do not qualify for other programs.	681,231	762,571
Transportation: KVSS provides transportation services to seniors.	344,188	392,811
Other programs that benefit senior citizens	<u>696,091</u>	<u>608,160</u>
	<u>\$ 3,145,754</u>	<u>\$ 3,245,816</u>

The above amounts include a proportionate allocation of all management and general and indirect costs, which totaled approximately \$432,000 and \$461,000 for the years ended September 30, 2013 and 2012, respectively.

NOTE 6 -- 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 7 -- 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, 2013 and 2012, totaled \$22,760 and \$24,863, respectively.

NOTE 8 -- OTHER POST EMPLOYMENT BENEFITS

KVSS is part of the State of West Virginia's Other Post Employment Benefits (OPEB) plan. OPEB costs are accrued based upon invoices received from the West Virginia Retiree Health Benefits Trust Fund (RHBT) based upon actuarially determined amounts. At September 30, 2013 and 2012, the noncurrent liability related to OPEB costs was \$696,124 and \$683,243, respectively. This represents amounts billed by RHBT but not paid by KVSS consistent with RHBT guidance. The total OPEB expense incurred for the years ending June 30, 2013 and 2012 was \$44,080 and \$160,881, respectively.

The West Virginia Legislature passed legislation to provide alternate funding sources for the RHBT OPEB unfunded liability. 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 have a material impact on the amounts billed by the RHBT to KVSS in the future, resulting in credits being issued to reduce the recorded OPEB liability.

KANAWHA VALLEY SENIOR SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED SEPTEMBER 30, 2013 AND 2012

NOTE 9 -- 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, 2013 and 2012:

	<u>2013</u>	<u>2012</u>
Cash	\$ <u>378</u>	\$ <u>1,357</u>
Revenues	\$ 71	\$ 648
Expenses	<u>1,050</u>	<u>1,000</u>
Change in Cash	<u>\$ (979)</u>	<u>\$ (352)</u>

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

NOTE 10 -- OPERATING LEASES

The Corporation leases certain equipment under an operating lease agreement. Aggregate payments under this agreement for September 30, 2013 and 2012 was \$6,372 and 6,372, respectively. Future minimum rental commitments are as follows as of September 30, 2013:

<u>Year ended September 30</u>	
2014	\$ 6,372
2015	6,372
2016	<u>6,372</u>
Total future minimum required payments	<u>\$ 19,116</u>

Additionally, the Corporation leases out certain facilities under operating lease agreements. Occupancy revenue for September 30, 2013 and 2012 was \$4,502 and 11,443, respectively.

SUPPLEMENTAL INFORMATION

KANAWHA VALLEY SENIOR SERVICES, INC.
 Schedule of Federal, State and Other Support, Expenditures and Changes in Net Assets
 Year Ended September 30, 2013

Federal Agency	U.S. Department of Health and Human Services (USDHHS)										N/A	USDHHS	N/A	N/A
	WV Bureau of Senior Services (WVBOSS)					WVSC Metro Area Agency on Aging								
State Agency	WV Bureau of Senior Services (WVBOSS)										N/A	WVBOSS	WVBOSS & WVDHHR	
Pass-Thru Grantor	WVSC Metro Area Agency on Aging										N/A	N/A	N/A	
Program Title	Title IIB Senior Citizens	Title III D Preventative Health	Title III E Caregiver	Elder Abuse	LIFE	Lighthouse	FAIR	Health Benefits Counseling	Community Partnership	Transportation				
Program Year	10/01/12 - 09/30/13	10/01/12 - 09/30/13	10/01/12 - 09/30/13	07/01/12 - 06/30/13	07/01/12 - 06/30/13	07/01/12 - 06/30/13	07/01/12 - 06/30/13	04/01/12 - 03/31/13	10/01/12 - 09/30/13					
Federal CFDA Number	93,044	93,043	93,052	93,041				93,779						
	\$ 114,991	\$ 8,344	\$ 109,864	\$ -	\$ -	\$ 731,285	\$ 199,448	\$ 4,000	\$ -	\$ -				
Federal support	199,723	3,104	-	-	268,329	-	-	-	252,690	-				
State support	-	-	-	-	-	-	-	-	-	-				
Client service revenue	13,687	2,570	17,549	-	-	-	420	-	-	21,185				
Other	328,401	14,018	127,413	-	268,329	731,285	199,868	4,000	252,690	1,878				
Total support and revenue	112,208	6,239	80,666	-	7,108	471,552	149,406	-	-	137,527				
Salary and wages	34,442	2,623	14,525	-	2,338	67,469	22,839	-	-	37,876				
Payroll taxes and benefits	8,995	625	2,154	-	712	3,476	2,644	-	-	7,820				
Other post employment benefits	319	15	294	-	-	2,092	593	-	-	8,208				
Insurance	2,365	87	1,383	-	7,644	834	1,109	-	-	7,889				
Office expense	1,142	-	3,310	-	8,113	2,095	2,611	-	126,343	12,113				
Program costs	-	-	4,927	-	-	-	6,403	-	-	8,063				
Rent	888	460	199	-	9,569	272	199	-	-	1,113				
Printing and publications	8,055	1,480	784	-	221	30,006	1,492	-	1,217	602				
Travel	-	1,500	-	-	-	-	-	-	-	-				
Non-capitalized equipment	-	-	63	-	-	-	48	-	-	339				
Repairs and maintenance	765	-	-	-	-	-	-	-	-	50,521				
Vehicle costs	401	37	1,735	-	6,478	846	-	-	46,550	302				
Consultant/Contractual	169,580	13,066	110,040	-	42,183	580,901	189,025	-	176,440	277,238				
Miscellaneous	29,385	2,131	18,758	-	6,830	100,229	31,677	-	-	49,992				
Total expenses	198,965	15,197	128,798	-	49,013	681,130	220,702	-	176,440	327,230				
Allocation of indirect costs	129,436	(1,179)	(1,385)	-	219,316	50,155	(20,834)	4,000	76,250	(304,167)				
Support and revenue over (under) expenditures	(708)	(90)	(333)	-	-	(101)	-	-	-	(16,958)				
Depreciation expense under GAAP	(130,156)	-	20,128	-	(218,314)	29,696	-	(4,000)	(76,250)	304,529				
Transfer in/(out)	\$ (1,428)	\$ (1,269)	\$ 18,410	\$ -	\$ 1,002	\$ 79,750	\$ (20,834)	\$ -	\$ -	\$ (16,596)				
CHANGE IN NET ASSETS														

KANAWHA VALLEY SENIOR SERVICES, INC.
Schedule of Federal, State and Other Support, Expenditures and Changes in Net Assets
(Continued)
Year Ended September 30, 2013

Federal Agency	USDHHS		Veterans Administration		N/A		N/A		N/A		N/A		Totals
	West Virginia Department of Health and Human Resources (WVDHHR)	Medicaid Waiver	Veterans Homemaker	Creative Care Program	Private Pay Respite	Management and General	Property & Building	Tiskelwah	Indirect	Totals			
State Agency	N/A		N/A		N/A		N/A		N/A		N/A		
Pass-Thru Grantor	N/A		N/A		N/A		N/A		N/A		N/A		
Program Title	Community Care Program (CCP)	Medicaid Waiver	Veterans Homemaker	Creative Care Program	Private Pay Respite	Management and General	Property & Building	Tiskelwah	Indirect	Totals			
Program Year	10/01/12 - 09/30/13	10/01/12 - 09/30/13	10/01/12 - 09/30/13	10/01/12 - 09/30/13	10/01/12 - 09/30/13	10/01/12 - 09/30/13	10/01/12 - 09/30/13	10/01/12 - 09/30/13	10/01/12 - 09/30/13	10/01/12 - 09/30/13			
Federal CFDA Number													
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Federal support	600,521	57,535	99,166	9,445	19,157	-	-	19,572	200,291	-	237,199		
State support	89,622	8,225	13,813	1,304	3,245	(7,123)	-	5,227	45,839	-	1,654,579		
Client service revenue	4,208	494	789	81	729	10,080	-	1,273	-	-	44,080		
Other	2,330	309	428	104	77	-	-	1,325	3,139	-	19,233		
Total support and revenue	844	114	115	27	-	187	-	50,429	42,709	-	115,736		
	2,245	331	335	65	71	50	-	171	5,197	-	164,192		
	-	-	-	-	1,683	-	-	-	-	-	21,076		
	316	38	88	7	-	-	-	687	14,839	-	28,675		
	23,950	5,686	6,501	4,315	-	-	-	186	3,300	-	86,578		
	-	-	-	-	-	-	-	1,332	1,005	-	5,054		
	-	-	-	-	-	-	-	15,606	8,911	-	24,967		
	-	-	-	-	-	-	-	30	203	-	50,754		
	1,000	132	122	26	-	-	-	7,280	90,856	-	154,357		
	2,221	276	919	110	88	6,688	-	3,425	9,204	-	36,239		
	727,257	73,140	122,276	15,484	25,050	9,882	-	106,543	425,493	-	3,063,598		
	123,953	12,508	20,460	2,430	4,143	2,330	5,729	21,016	(431,571)	-	-		
Total expenditures	851,210	85,648	142,736	17,914	29,193	12,212	5,729	127,559	(6,078)	-	3,063,598		
Support and revenue over (under) expenditures	161,006	(46,173)	56,564	(9,692)	(8,770)	(7,620)	(5,729)	(99,800)	6,078	-	197,456		
Depreciation expense under GAAP	(559)	-	-	-	-	(3,428)	(3,501)	(22,542)	(3,936)	-	(82,156)		
Transfer in/(out)	1,425	-	-	-	-	271	-	72,942	(271)	-	-		
CHANGE IN NET ASSETS	\$ 161,872	\$ (46,173)	\$ 56,564	\$ (9,692)	\$ (8,770)	\$ (10,777)	\$ (39,230)	\$ (49,400)	\$ 1,871	\$ -	\$ 115,300		

KANAWHA VALLEY SENIOR SERVICES
SCHEDULE OF DIRECT STATE GRANT AWARDS
YEAR ENDED SEPTEMBER 30, 2013

AWARDING AGENCY: Bureau of Senior Services

GRANT NAME	GRANT IDENTIFICATION	PERIOD OF AWARD	TOTAL AWARD	FUNDS RECEIVED	FUNDS EXPENDED	UNEXPENDED FUNDS RECEIVED	AVAILABLE GRANT BALANCE
Tiskelwah Center	SC21392A	7/1/12-6/30/13	\$ 5,000	\$ 5,000	\$ 5,000	\$ -	\$ -
Tiskelwah Center	SC21392A	7/1/12-6/30/13	50,000	46,550	46,550	-	3,450
Booker T Washington Community Center	SC21374	7/1/12-6/30/13	24,500	7,530	7,530	-	16,970
East End Family Resource Center	SC21354	7/1/12-6/30/13	21,400	9,430	9,430	-	11,970
East End Family Resource Center	SC21354	7/1/12-6/30/13	5,000	3,156	3,156	-	1,844
Senior Center Exercise Equipment	SC21377	7/1/12-6/30/13	41,600	41,600	33,172	(8,428)	-
Tiskelwah Center	SC21081	7/1/10-6/30/12	10,000	10,000	10,000	-	-
Tiskelwah Center	SC21292	7/1/11-6/30/12	5,000	5,000	5,000	-	-
East End Family Resource Center	SC21254	7/1/11-6/30/13	20,500	20,100	20,100	-	400
Booker T Washington Community Center	SC21274	7/1/11-6/30/12	38,500	38,500	38,500	-	-
Booker T Washington Community Center	SC21265	7/1/11-6/30/12	3,000	3,000	3,000	-	-
Rand Community Center	SC21267	7/1/11-6/30/12	25,000	21,139	21,139	-	3,861
Rand Community Center	SC21267A	7/1/11-6/30/12	33,600	22,630	22,630	-	10,970
Sissonville Senior Service Center	SC21277	7/1/11-6/30/12	10,500	10,500	10,500	-	-

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, 2013, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 26, 2014.

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) to determine the 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.

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 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*.

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.



Charleston, West Virginia

February 26, 2014