

**KANAWHA VALLEY SENIOR SERVICES, INC.**

**FINANCIAL STATEMENTS  
WITH SUPPLEMENTAL INFORMATION**

**YEARS ENDED SEPTEMBER 30, 2015 AND 2014**

**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 – 15
SUPPLEMENTAL INFORMATION	
Schedule of Federal, State and Other Support, Expenditures and Changes in Net Assets	17 – 18
Schedule of Direct State Grant Awards	19
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>	20 – 21

## 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, 2015 and 2014, and the related statements of 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.

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, 2015 and 2014, 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.

### ***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 Support, Expenditures and Changes in Net Assets on pages 17 – 18 and the Schedule of Direct State Grant Awards on page 19 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 16, 2016 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 16, 2016

**KANAWHA VALLEY SENIOR SERVICES, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**SEPTEMBER 30, 2015 AND 2014**

5

	2015	2014
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 648,574	\$ 926,916
Investments	620,729	-
Client service receivables, less allowance for uncollectable accounts	270,681	297,185
Grants receivable	87,980	126,402
Other current assets	13,037	18,217
Total current assets	1,641,001	1,368,720
Property and equipment, less accumulated depreciation	1,034,311	1,103,310
Other noncurrent assets	10,331	150,429
Total noncurrent assets	1,044,642	1,253,739
<b>Total assets</b>	<b>\$ 2,685,643</b>	<b>\$ 2,622,459</b>
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities		
Accounts payable	\$ 37,189	\$ 42,537
Accrued liabilities	152,503	173,359
Refundable advances	96,524	111,296
Total current liabilities	286,216	327,192
Noncurrent liabilities		
Other post employment benefits	747,523	714,752
Total liabilities	1,033,739	1,041,944
Net assets		
Unrestricted	1,651,904	1,580,515
Total net assets	1,651,904	1,580,515
<b>Total liabilities and net assets</b>	<b>\$ 2,685,643</b>	<b>\$ 2,622,459</b>

The Accompanying Notes Are An Integral  
Part Of These Financial Statements

**KANAWHA VALLEY SENIOR SERVICES, INC.**  
**STATEMENTS OF ACTIVITIES**  
**YEARS ENDED SEPTEMBER 30, 2015 AND 2014**

6

	2015	2014
Changes in unrestricted net assets		
Support and revenue		
Federal support	\$ 311,315	\$ 278,185
State support	1,504,878	1,522,139
Client service revenue	1,137,881	1,227,053
Other	101,677	66,376
Total support and revenue	3,055,751	3,093,753
Expenses		
Salaries and wages	1,948,394	1,958,203
Payroll taxes and fringes	403,775	382,571
Insurance	19,964	18,467
Office expense	121,664	125,778
Program costs	52,711	126,609
Rent	21,076	21,076
Depreciation	101,095	94,498
Printing and publications	17,256	19,615
Travel	86,459	82,527
Equipment	10,659	9,441
Repairs and maintenance	18,055	13,875
Vehicles	45,597	41,215
Contractual services	84,188	78,255
Miscellaneous expense	20,698	30,606
Total operating expenses	2,951,591	3,002,736
Operating income	104,160	91,017
Non-operating other post employment benefits (OPEB) expense	32,771	18,628
<b>CHANGE IN UNRESTRICTED NET ASSETS</b>	<b>71,389</b>	<b>72,389</b>
Net assets, beginning of year	1,580,515	1,508,126
<b>Net assets, end of year</b>	<b>\$ 1,651,904</b>	<b>\$ 1,580,515</b>

The Accompanying Notes Are An Integral  
Part Of These Financial Statements

**KANAWHA VALLEY SENIOR SERVICES, INC**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED SEPTEMBER 30, 2015 AND 2014**

7

	2015	2014
Cash flows from operating activities		
Change in net assets	\$ 71,389	\$ 72,389
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities		
Depreciation	101,095	94,498
Net investment (income) loss credited directly to investment account	24,098	-
(Gain) loss on disposal of assets	(1,488)	52
(Increase) decrease in assets		
Client service receivables	26,504	(70,546)
Grants receivable	38,422	(177)
Other current assets	5,180	1,927
Other noncurrent assets	140,098	(103,634)
Increase (decrease) in liabilities		
Accounts payable	(5,348)	(46,098)
Accrued liabilities	(20,856)	6,495
Refundable advances	(14,772)	(13,348)
Other post employment benefits	32,771	18,628
	397,093	(39,814)
Net cash provided (used) by operating activities		
Cash flows from investing activities		
Purchase of investment securities	(644,827)	-
Cash purchases of property and equipment	(32,133)	(81,485)
Proceeds from disposal of assets	1,525	-
	(675,435)	(81,485)
Net cash provided (used) by investing activities		
Net increase (decrease) in cash and cash equivalents	(278,342)	(121,299)
Cash and cash equivalents, beginning of year	926,916	1,048,215
<b>Cash and cash equivalents, end of year</b>	<b>\$ 648,574</b>	<b>\$ 926,916</b>

**KANAWHA VALLEY SENIOR SERVICES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED SEPTEMBER 30, 2015 AND 2014**

8

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, 2015 or 2014.

**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. 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.

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, 2015, 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, 2012 remain subject to examination.

**KANAWHA VALLEY SENIOR SERVICES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED SEPTEMBER 30, 2015 AND 2014**

9

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

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

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

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

**ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS** - KVSS has established an allowance for uncollectible accounts based on amounts charged off subsequent to September 30, 2015, and an analysis of the likelihood of collectability of the remaining accounts. The allowance for doubtful accounts as of September 30, 2015 and 2014 was \$20,183 and \$22,337, 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, 2015 and 2014 were \$2,230 and \$6,977, respectively.

**SUBSEQUENT EVENTS** - In preparing these financial statements, KVSS has evaluated events and transactions for potential recognition or disclosure through February 16, 2016, 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. At September 30, 2015, the amount of cash deposits in excess of FDIC insurance was approximately \$431,000.

**KANAWHA VALLEY SENIOR SERVICES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED SEPTEMBER 30, 2015 AND 2014**

10

NOTE 3 -- INVESTMENTS

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

	2015		
	Cost	Fair Value	Unrealized Appreciation (Depreciation)
Fixed Income:			
Cash equivalents	\$ 33,002	\$ 33,002	\$ -
Corporate bonds	303,433	300,260	(3,173)
Government agency bonds	54,381	54,735	354
Equity:			
Corporate stocks	219,916	198,284	(21,632)
Small cap growth	3,500	3,002	(498)
Mid cap growth	6,000	5,580	(420)
Small cap value	4,500	4,114	(386)
International equities	15,000	12,717	(2,283)
Other	10,147	9,035	(1,112)
	<u>\$ 649,879</u>	<u>\$ 620,729</u>	<u>\$ (29,150)</u>

Investment return is summarized as follows:

	2015	2014
Interest and dividend income	\$ 8,933	\$ -
Net realized and unrealized gains (losses)	(28,335)	-
Investment fees	(4,696)	-
Net investment return (loss)	<u>\$ (24,098)</u>	<u>\$ -</u>

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.

**KANAWHA VALLEY SENIOR SERVICES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED SEPTEMBER 30, 2015 AND 2014**

NOTE 4 -- FAIR VALUE MEASUREMENTS (Continued)

- 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, 2015 are as follows:

<u>September 30, 2015</u>	<u>2015</u>			
	<u>Fair Value</u>	<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	\$ 33,002	\$ 33,002	\$ -	\$ -
Corporate bonds	300,260	300,260	-	-
Government agency bonds	54,735	54,735	-	-
Equity:				
Corporate stocks	198,284	198,284	-	-
Small cap growth	3,002	3,002	-	-
Mid cap growth	5,580	5,580	-	-
Small cap value	4,114	4,114	-	-
International equities	12,717	12,717	-	-
Other	<u>9,035</u>	<u>9,035</u>	<u>-</u>	<u>-</u>
Total investments at fair value	<u>\$ 620,729</u>	<u>\$ 620,729</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE 5 -- PROPERTY AND EQUIPMENT

A summary of property and equipment at September 30, 2015 and 2014 is as follows:

	<u>2015</u>	<u>2014</u>
Land and land improvements	\$ 70,222	\$ 55,000
Buildings and improvements	1,314,497	1,310,997
Equipment	<u>476,618</u>	<u>500,902</u>
	1,861,337	1,866,899
Less accumulated depreciation	<u>(827,026)</u>	<u>(763,589)</u>
	<u>\$ 1,034,311</u>	<u>\$ 1,103,310</u>

Depreciation expense charged to operations totaled \$101,095 and \$94,498 for the years ended September 30, 2015 and 2014, respectively.

**KANAWHA VALLEY SENIOR SERVICES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED SEPTEMBER 30, 2015 AND 2014**

NOTE 6 -- FUNDRAISING

KVSS held several fundraising events during the years ended September 30, 2015 and 2014. A summary of such fundraising revenue and expense for the years ended September 30, 2015 and 2014 are as follows:

	<u>2015</u>	<u>2014</u>
Revenue	\$ 22,184	\$ 21,517
Expense	<u>(3,931)</u>	<u>(5,685)</u>
	<u>\$ 18,253</u>	<u>\$ 15,832</u>

NOTE 7 -- 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 at September 30, 2015 and 2014 and for the years then ended was as follows:

	<u>2015</u>	<u>2014</u>
Net receivable from:		
Medicaid	22%	26%
Title III	19%	18%
Lighthouse	26%	25%
Other	<u>33%</u>	<u>31%</u>
	<u>100%</u>	<u>100%</u>
Net revenue from:		
Medicaid	30%	33%
Title III	18%	15%
Lighthouse	25%	23%
Other	<u>27%</u>	<u>29%</u>
	<u>100%</u>	<u>100%</u>

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

**KANAWHA VALLEY SENIOR SERVICES, INC.  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED SEPTEMBER 30, 2015 AND 2014**

NOTE 8 -- FUNCTIONAL EXPENSES

KVSS incurred expenses in the conduct of the following programs for the years ended September 30, 2015 and 2014:

	<u>2015</u>	<u>2014</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.	\$ 993,515	\$ 1,077,186
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.	412,156	336,979
Lighthouse: KVSS provides for in-home assistance for seniors who have functional needs in their homes who do not qualify for other programs.	681,530	645,446
Transportation: KVSS provides transportation services to seniors.	350,282	328,247
Other programs that benefit senior citizens	<u>546,879</u>	<u>633,506</u>
	<u>\$ 2,984,362</u>	<u>\$ 3,021,364</u>

The above amounts include a proportionate allocation of all management and general and indirect costs, which totaled approximately \$426,000 and \$446,000 for the years ended September 30, 2015 and 2014, respectively.

NOTE 9 -- 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, 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.

**KANAWHA VALLEY SENIOR SERVICES, INC.  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED SEPTEMBER 30, 2015 AND 2014**

NOTE 10 -- 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, 2015 and 2014, totaled \$29,298 and \$20,272, respectively.

NOTE 11 -- 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, 2015 and 2014, the noncurrent liability related to OPEB costs was \$747,523 and \$714,752, respectively. This represents amounts billed by RHBT but not currently required to be paid by KVSS consistent with RHBT guidance. The total OPEB expense incurred for the years ending June 30, 2015 and 2014 was \$69,240 and \$52,540, 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.

NOTE 12 -- RELATED ENTITY

KVSS has an independent auxiliary called Kanawha Valley Senior Services Auxiliary, Inc. This entity is used to facilitate programs and fundraising activities for the benefit of KVSS. Currently KVSS handles all accounting functions for this entity. The following summarizes the transactions within the account during September 30, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Cash	\$ -	\$ 1,106
Revenues	\$ -	\$ 1,728
Expenses	1,106	1,000
Change in Cash	<u>\$ (1,106)</u>	<u>\$ 728</u>

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

**KANAWHA VALLEY SENIOR SERVICES, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED SEPTEMBER 30, 2015 AND 2014**

NOTE 13 -- OPERATING LEASES

KVSS leases certain equipment under an operating lease agreement. Aggregate payments under this agreement for September 30, 2015 and 2014 were \$6,372 and \$6,372, respectively. Future minimum rental commitments are as follows as of September 30, 2015:

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

## SUPPLEMENTAL INFORMATION

**KANAWHA VALLEY SENIOR SERVICES, INC.**  
**Schedule of Federal, State and Other Support, Expenditures and Changes in Net Assets**  
**Year Ended September 30, 2015**

Federal Agency	U.S. Department of Health and Human Services (USDHHS)				N/A				USDHHS				N/A		N/A	
	WV Bureau of Senior Services (WYBOSS)								N/A		N/A		N/A		WYBOSS & WYDHR	
State Agency	WV Bureau of Senior Services (WYBOSS)															
Pass-Thru Grantor	WVSC Metro Area Agency on Aging															
Program Title	Title IIB Senior Citizens	Title IIC Nutrition Services	Title IID Preventative Health	Title IIE Caregiver	LIFE 07/01/14 - 06/30/15	Lighthouse 07/01/14 - 06/30/15	FAIR 07/01/14 - 06/30/15	State Health Insurance Assistance 04/01/14 - 03/31/15	Community Partnership	Transportation						
Program Year	10/01/14 - 09/30/15	10/01/14 - 09/30/15	10/01/14 - 09/30/15	10/01/14 - 09/30/15	07/01/14 - 06/30/15	07/01/14 - 06/30/15	07/01/14 - 06/30/15	04/01/14 - 03/31/15		10/01/14 - 09/30/15						
Federal CFDA Number	93.044	93.045	93.043	93.052												
	\$ 168,595	\$ 10,368	\$ 13,971	\$ 108,607	\$ -	\$ -	\$ -	\$ 8,402	\$ -	\$ -						
Federal support	190,614	-	1,490	-	262,100	774,501	227,391	-	49,474	-						
Client service revenue	-	-	-	(32)	-	-	-	-	-	-						
Other	24,807	-	4,112	38,973	-	-	-	-	-	-						
Total support and revenue	384,016	10,368	19,573	147,548	262,100	774,501	227,391	8,402	49,474	-						
	<u>Expenditures</u>															
Salary and wages	125,339	3,941	10,144	81,272	-	477,932	146,049	575	-	-						
Payroll taxes and benefits	49,736	678	3,298	21,956	-	65,365	33,091	-	-	-						
Insurance	302	-	25	409	-	2,566	535	-	-	-						
Office expense	8,177	299	46	2,071	11,870	509	1,773	-	-	-						
Program costs	316	1,443	1,952	3,559	6,848	2,175	2,527	-	13,303	-						
Rent	-	-	-	5,443	-	-	7,569	-	-	-						
Printing and publications	811	244	-	88	13,125	173	120	-	-	-						
Travel	7,493	-	242	683	-	32,203	803	10	-	-						
Non-capitalized equipment	-	-	-	297	9,164	-	-	-	1,198	-						
Repairs and maintenance	-	191	-	219	1,019	38	488	-	5,264	-						
Vehicle costs	-	883	-	-	-	-	-	-	-	-						
Consultant/Contractual	1,233	-	3,240	504	5,585	706	216	-	-	-						
Miscellaneous	1,575	1,622	11	751	345	-	484	644	5,975	720						
Total expenses	194,982	9,301	18,958	117,252	47,956	581,667	193,655	1,229	29,432	272,805						
Allocation of indirect costs	34,314	1,460	3,308	20,095	7,745	98,583	33,157	193	-	50,473						
Total expenditures	229,296	10,761	22,266	137,347	55,701	680,250	226,812	1,422	29,432	323,278						
Support and revenue over (under) expenditures	154,720	(393)	(2,693)	10,201	206,399	94,251	579	6,980	20,042	(291,900)						
Depreciation expense under GAAP	(1,711)	-	(90)	(652)	-	-	-	-	-	(21,793)						
Other post employment benefits	(7,280)	-	(777)	(1,976)	(1,280)	(1,280)	(2,455)	-	-	(5,211)						
Transfer in/(out)	(155,642)	-	-	24,620	(204,563)	25,193	(7,774)	(20,042)	290,842							
CHANGE IN NET ASSETS	\$ (9,913)	\$ (393)	\$ (3,560)	\$ 32,193	\$ 1,836	\$ 118,164	\$ (1,876)	\$ (794)	\$ -	\$ (28,062)						

**KANAWHA VALLEY SENIOR SERVICES, INC.**  
**Schedule of Federal, State and Other Support, Expenditures and Changes in Net Assets**

(Continued)

Year Ended September 30, 2015

Federal Agency	USDHHS		Veterans Administration		N/A		N/A		N/A		N/A		Totals
	West Virginia Department of Health and Human Resources (WVDHHR)												
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				
Program Year	10/01/14 - 09/30/15					10/01/14 - 09/30/15	10/01/14 - 09/30/15	10/01/14 - 09/30/15	10/01/14 - 09/30/15				
Federal CFDA Number													
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				\$ -
Federal support	-	-	-	-	-	-	-	-	-				311,315
State support	-	-	-	-	-	-	-	-	-				1,504,878
Client service revenue	784,450	90,268	223,806	6,312	3,603	-	-	-	-				1,137,881
Other	-	-	1	-	-	9,656	-	22,904	-				101,677
Total support and revenue	784,450	90,268	223,807	6,312	3,603	9,656	-	22,904	-				3,055,751
<b>Expenditures</b>													
Salary and wages	516,686	62,548	113,485	3,174	2,131	-	-	25,830	237,287				1,948,394
Payroll taxes and benefits	76,114	8,376	19,773	398	272	52	-	7,608	70,095				403,775
Insurance	2,508	371	437	64	6	-	-	1,406	2,748				19,964
Office expense	695	57	223	-	-	-	-	49,202	37,042				121,664
Program costs	2,286	272	402	-	-	4,333	-	89	928				52,711
Rent	-	-	-	-	1	-	-	-	-				21,076
Printing and publications	140	24	33	-	-	-	-	419	1,986				17,256
Travel	27,326	3,172	10,979	787	-	-	-	255	2,043				86,459
Non-capitalized equipment	-	-	-	-	-	-	-	-	-				10,659
Repairs and maintenance	42	6	10	-	-	-	-	8,889	1,557				18,055
Vehicle costs	-	-	-	-	-	-	-	-	1,546				45,597
Consultant/Contractual	877	80	133	-	-	-	-	3,500	61,419				84,188
Miscellaneous	48	-	-	-	-	4,605	-	955	5,529				20,698
Total expenses	626,722	74,906	145,475	4,423	2,410	8,990	-	98,153	422,180				2,850,496
Allocation of indirect costs	106,090	12,620	24,657	747	417	3,783	6,387	22,048	(426,077)				-
Total expenditures	732,812	87,526	170,132	5,170	2,827	12,773	6,387	120,201	(3,897)				2,850,496
Support and revenue over (under) expenditures	51,638	2,742	53,675	1,142	776	(3,117)	(6,387)	(97,297)	3,897				205,255
Depreciation expense under GAAP	(545)	-	-	-	-	(3,173)	(37,885)	(31,349)	(3,897)				(101,095)
Other post employment benefits	(1,478)	(147)	(875)	(5)	-	(10,286)	-	(1,001)	-				(32,771)
Transfer in/(out)	-	-	-	-	-	12,092	15,222	20,052	-				-
CHANGE IN NET ASSETS	\$ 49,615	\$ 2,595	\$ 52,800	\$ 1,137	\$ 776	\$ (4,484)	\$ (29,050)	\$ (109,595)	\$ -				\$ 71,389

**KANAWHA VALLEY SENIOR SERVICES  
SCHEDULE OF DIRECT STATE GRANT AWARDS  
YEAR ENDED SEPTEMBER 30, 2015**

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
In-Home Service Funds - Kanawha County	1H1519	7/1/14-6/30/15	\$ 955,061	\$ 955,061	\$ 955,061	\$ -	\$ -
In-Home Service Funds - Kanawha County	1H1619	7/1/15-6/30/16	935,060	134,669	134,669	-	800,391
In-Home Service Funds - Putnam County	1H1559	7/1/14-6/30/15	40,000	40,000	40,000	-	-
In-Home Service Funds - Putnam County	1H1659	7/1/15-6/30/16	40,000	5,904	5,904	-	34,096
Town of Pratt Seniors Meal Program	SC21491A	7/1/14-6/30/15	3,000	3,000	3,000	-	-
Tiskelwah Center	SC21489	7/1/13-6/30/14	98,000	43,591	43,591	-	54,409
Senior Center Exercise Equipment	SC21377	7/1/12-6/30/13	41,600	41,600	41,600	-	-
Rand Community Center	SC21267A	7/1/11-6/30/12	33,600	33,600	33,600	-	-
Tiskelwah Center - Paving	SC21289	7/1/11-6/30/12	17,500	17,140	17,140	-	360
KVSS - IHIE/Alz Program	SC21492	7/1/13-6/30/14	15,000	15,000	15,000	-	-
Sissonville - Multipurpose Center	SC21589	7/1/13-6/30/15	6,000	6,000	6,000	-	-

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, 2015, 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 16, 2016.

**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 16, 2016