



State of West Virginia  
 Department of Administration  
 Purchasing Division  
 2019 Washington Street East  
 Post Office Box 50130  
 Charleston, WV 25305-0130

# Request for Quotation

RFQ NUMBER
DRS080451

PAGE
1

ADDRESS: CORRESPONDENCE TO ATTENTION OF
SHELLY MURRAY 304-558-8801

RFQ COPY  
 TYPE NAME/ADDRESS HERE

SHIP TO

SHIP TO

DIV OF REHABILITATION SERVICES  
 WV REHABILITATION CENTER  
 P.O. BOX 1004  
 INSTITUTE, WV  
 25112-1004 766-4600

DATE PRINTED	TERMS OF SALE	SHIP VIA	F.O.B.	FREIGHT TERMS
02/01/2008				
BID OPENING DATE: 03/04/2008		BID OPENING TIME 01:30PM		

LINE	QUANTITY	UOP	CAT NO.	ITEM NUMBER	UNIT PRICE	AMOUNT
----- ADDENDUM NO. 3 -----						
THIS ADDENDUM IS ISSUED TO ADDRESS QUESTIONS RAISED DURING THE MANDATORY PRE-BID CONFERENCE OF 11/27/2007 AND THE QUESTION SUBMISSION DEADLINE OF 11/30/2007.						
ATTACHMENTS: QUESTIONS AND RESPONSES						
THE BID OPENING DATE WILL BE EXTENDED:						
FROM: 02/19/2008						
TO: 03/04/2008						
----- END OF ADDENDUM NO. 3 -----						

SEE REVERSE SIDE FOR TERMS AND CONDITIONS

SIGNATURE	TELEPHONE	DATE
TITLE	FEIN	ADDRESS CHANGES TO BE NOTED ABOVE

WHEN RESPONDING TO RFQ, INSERT NAME AND ADDRESS IN SPACE ABOVE LABELED 'VENDOR'

**GENERAL TERMS & CONDITIONS  
REQUEST FOR QUOTATION (RFQ) AND REQUEST FOR PROPOSAL (RFP)**

1. Awards will be made in the best interest of the State of West Virginia.
2. The State may accept or reject in part, or in whole, any bid.
3. All quotations are governed by the *West Virginia Code* and the *Legislative Rules* of the Purchasing Division.
4. Prior to any award, the apparent successful vendor must be properly registered with the Purchasing Division and have paid the required \$125.00 registration fee.
5. All services performed or goods delivered under State Purchase Orders/Contracts are to be continued for the term of the Purchase Order/Contract, contingent upon funds being appropriated by the Legislature or otherwise being made available. In the event funds are not appropriated or otherwise available for these services or goods, this Purchase Order/Contract becomes void and of no effect after June 30.
6. Payment may only be made after the delivery and acceptance of goods or services.
7. Interest may be paid for late payment in accordance with the *West Virginia Code*.
8. Vendor preference will be granted upon written request in accordance with the *West Virginia Code*.
9. The State of West Virginia is exempt from federal and state taxes and will not pay or reimburse such taxes.
10. The Director of Purchasing may cancel any Purchase Order/Contract upon 30 days written notice to the seller.
11. The laws of the State of West Virginia and the *Legislative Rules* of the Purchasing Division shall govern all rights and duties under the Contract, including without limitation the validity of this Purchase Order/Contract.
12. Any reference to automatic renewal is hereby deleted. The Contract may be renewed only upon mutual written agreement of the parties.
13. **BANKRUPTCY:** In the event the vendor/contractor files for bankruptcy protection, this Contract may be deemed null and void, and terminated without further order.
14. **HIPAA Business Associate Addendum** - The West Virginia State Government HIPAA Business Associate Addendum (BAA), approved by the Attorney General, and available online at the Purchasing Division's web site (<http://www.state.wv.us/admin/purchase/vrc/hipaa.htm>) is hereby made part of the agreement. Provided that, the Agency meets the definition of a Covered Entity (45 CFR §160.103) and will be disclosing Protected Health Information (45 CFR §160.103) to the vendor.

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**INSTRUCTIONS TO BIDDERS**

1. Use the quotation forms provided by the Purchasing Division.
2. **SPECIFICATIONS:** Items offered must be in compliance with the specifications. Any deviation from the specifications must be clearly indicated by the bidder. Alternates offered by the bidder as **EQUAL** to the specifications must be clearly defined. A bidder offering an alternate should attach complete specifications and literature to the bid. The Purchasing Division may waive minor deviations to specifications.
3. Complete all sections of the quotation form.
4. Unit prices shall prevail in cases of discrepancy.
5. All quotations are considered F.O.B. destination unless alternate shipping terms are clearly identified in the quotation.
6. **BID SUBMISSION:** All quotations must be delivered by the bidder to the office listed below prior to the date and time of the bid opening. Failure of the bidder to deliver the quotations on time will result in bid disqualifications.

**SIGNED BID TO:**

Department of Administration  
Purchasing Division  
2019 Washington Street East  
Post Office Box 50130  
Charleston, WV 25305-0130

**ADDENDUM #03**  
**DRS080451**

The following specification is revised to read as follows:

**3.2.2 (Mandatory) All funds earned through this program are to be separated from all other funds of the nonprofit organization. The program funds must be used exclusively for the State-use Program. Please submit a detailed explanation of how your organization will meet this requirement.**

**QUESTIONS:**

1. How was the maximum fee of 4.1% derived?
  - A. **The 4.1% fee was approved by the Governor's Committee for the Purchase of Commodities and Services from the Handicapped at its July 2006 meeting and approved by the Director of Purchasing as required in the rules regulating this issue. The 4.1% was derived from information from the current CNA and analyzed by the Director of Finance within the Department of Administration. The Director of Finance provided the Committee with the information it needed in order to set the fee.**
2. Can you please identify the minutes of the Governor's Committee for the Purchase of Commodities and Services from the Handicapped meeting where this fee was voted on for 2008 contracts as part of the Committee's determination of fair market price for commodities and services, as required by Title 186, CSR 1?
  - A. **July, 2006.**
3. Page three of the Request for Quotations under "Purchasing Card Acceptance" states the successful bidder must accept the State's purchasing card for all orders. Is this a pass through cost, not related to the service fee from which the CNA develops its budget to provide all the services called for in the RFP?
  - a. If the bank convenience fee (estimated to be 3%) is to be deducted from the administrative fee (currently capped at 4.1% in Section 4.1.6) would that not have the effect of actually lowering the "maximum" allowable fee to 1.1%?
  - b. You have apparently calculated that \$451,000 ( $\$11,000,000 \times 4.1\%$ ) will support the services you have asked for; so it's not possible to do those same services for \$121,000 ( $451,000 - \$330,000$  (Bank Fee)). What are your intentions?

- c. You indicate the CNA must accept all payments by credit card; however, at present, the CNA has a waiver for all transactions over \$2,500. Does the RFP do away with this? If so, why?"
- A. The "Purchasing Card Acceptance" clause, page 3 of the original RFP, shall remain. The State Auditor's Office has declined authorization of an exemption. Any cost associated with utilization of the program is an expense which could be included in the vendor's overall pricing, and would not need to affect the percentage of allowed profit.**
4. Is the budget supposed to be detailed or follow the outline in the RFP (Section 4.5)?
- A. Vendors must provide at a minimum a budget as outlined in 4.5. A more detailed budget is welcome.**
5. The RFP seems contradictory. Can you explain why on the one hand, you indicate a \$350k reserve or credit line is adequate but on the other hand require the CNA to be able to meet all payments within 60 days, without regard to how late the State might be in its payments? For example, just two months of payments which, using \$11M as your benchmark will require approx \$1.8 M in reserve or as an available credit line which is a far cry from \$350k. Indeed, one month in arrears requires approximately \$900,000 in available cash or credit.
- A. According to the records of the current CNA the average advanced guaranteed payment made to CRP's in FY 2007 was \$135,878.25 per month, making the \$350,000 for 60 days more than adequate.**
- a. Can you clarify how you determined that \$350,000 is sufficient?
- A. The Director of the Division of Finance has carefully reviewed the budget records of the current CNA. He assisted the RFP Committee in determining the amount a reserve fund should contain.**
6. Page one of the RFP, Section 1.2 states the purpose of the project is to solicit a non-profit organization to serve as third party administrator for the State Use Program. Could a non-profit organization be awarded the contract and be permitted to sub-contract with a for profit business?
- A. Yes, if in compliance with 1.19.4 and 1.19.9 of the RFP, and within the vendor's budget.**
7. Can monies appropriated by the state legislature or US Congress be used to fund the reserve account required in Section 3.2.3 of the RFP?
- A. No.**



8. Section 1.8.1 states that selected items in Sections 3 and 4 are mandatory. Does this mean that failure to respond to statements in Section 1 cannot disqualify a respondent?
- A. There are no items in Section 1 in which vendors must respond to in writing in their Technical Proposal. However, failure to comply with any Section 1 mandatory specification (statements containing must, shall, or will) may be grounds for disqualification.**
9. What is the estimated timeframe for the evaluation process?
- A. Approximately one month from the time the RFP is opened to completion of the Purchase Order/Contract.**
10. When will the CNA be selected?
- A. See response to Question 9 above.**
11. How soon will the new CNA management agreement take effect?
- A. We expect an approximate 60 day transition to the new contract after the initial contract award effective date. The successful CNA should take total control of the services within 60 days of the initial contract award.**
12. Who gets payment on existing contracts once the new CNA agreement takes effect?
- A. The current CNA would receive payment for all orders placed prior to transition to the new contract and prior to the successful CNA taking full responsibility for services.**
13. Since WVARF04 was extended through December 31, can we assume existing contracts will be honored through December 31?
- a. What happens on January 1 with existing contracts?
- A. The current Purchasing Division State-Use contracts will be extended until the new contract is in place and the transition completed.**
14. Does the RFP take precedence over existing rules and/or code?
- A. No.**
15. During the term of this RFP, will Governor's Committee for the Purchase of Commodities and Services from the Handicapped, as it is authorized in

rule 186CFR 1-3.2.1, be able to determine "fair market pricing" for government goods and services provided by the State Use Program , including raising fee above 4.1%, if it finds it appropriate to do so?

a. If not, when will that authority return to the Committee?

**A. The Governor's Committee may at anytime recommend the CNA fee be raised. This recommendation, authorized in 186 CFR 1 – 3.1.1, is subject to review by the Director of Purchasing as part of the fair market price evaluation of the commodity and/or service. However, per 4.1.6 of the RFP, vendors are not permitted to quote above 4.1% for the current fiscal year 2008.**

16. What remains of the role of the Governor's Committee for the Purchase of Commodities and Services from the Handicapped in the state use program?

**A. The role has not and will not change.**

17. Who (or what agency) will be making the final decision on who is selected as the CNA?

**A. Please see section 1.9.4 of the RFP for a description of the evaluation and contract approval and award process. Per §5A-3A-2, the Director of the Division of Rehabilitation Services approves the CNA. The RFP process is being utilized by the DRS Director to provide an open and competitive process for the selection.**

18. Section 3.3.1 and 3.3.4 a (N/A) in shown, does this mean it is not necessary to respond to those sections?

**A. The vendor does not have to respond to the N/A (not applicable) Sections or provide these bonds.**

19. Is it possible to be awarded two separate 2.5% preferences (one each for sections A and B) for a total of 5%?

**A. Yes. Please see the second paragraph on page 6 of the RFP.**

a. If so, where would the bidder preference award be shown in the Evaluation Criteria shown on page 15 of the RFP requirements?

**A. Per 1.9.4.6 Cost Evaluation and Resident Vendor Preference, page 12, the preference is applicable to the cost portion only.**

20. The bid opening date is December 19, 2007 at 1:30 p.m. What is the latest date and time for which bids must be in the hands of the Division of Purchasing?

a. Can the bid be hand delivered by that date and time?

**A. Proposals must be date and time stamped prior to 1:30 p.m. on the bid opening date. Vendors may hand deliver by (meaning prior to 1:30 p.m.) that date and time. If a vendor's bid is time stamped at 1:31 p.m. or later on or after the bid opening date, it would be immediately disqualified.**

**Please note the bid opening date has been extended to 03/04/2008.**

21. The RFP states "No officer, member or employee of the nonprofit shall have any financial or other interest, direct or indirect, which would conflict or compromise in any manner or degree with the performance of the services provided by the Central Nonprofit Agency." Please describe what constitutes financial or other interest. Is being an officer or an employee of a CRP in and of itself a conflict of interest in your view?

**A. Conflict of financial interest, for example, may include the CNA officer, member or employee who is also under the employ and/or receiving pay from one of the CRPs participating in state-use contracts. Such a relationship may conflict or compromise the CNA's services. Other interest would include issues such as a CNA officer, member or employee potentially influencing the CNA not to perform inspections, desk reviews, or financial reviews in the course of their services. The Evaluation Committee must reach a consensus decision when evaluating this specification.**

a. If so, on what source of law do you rely for this view?

**A. Conflict of interest is a part of the general terms and conditions of the RFP standard format authored by the Purchasing Division.**

b. If the answer is in the affirmative, may a bidder create a self contained subsidiary to operate the CNA where no member of the Committee work for or are on the Board of a CRP, and thereby eliminate the purported conflict?

**A. Yes, if in compliance with 1.19.4 and 1.19.9 of the RFP, and within the vendor's budget.**

22. The statute which defines the purpose and role of the CNA makes the CNA responsible for representing the workshops in dealing with state purchasing agents and others. What criteria are you using to ensure that bidders do not have a conflict by being directly or indirectly an agent of the State?

**A. This would be part of the evaluation of the specification 3.2.1, reached by consensus decision of the Evaluation Committee.**

23. Section 3.2.8 states that the CNA will provide a “monthly compliance log.” Is this a typographical error which should read “complaint log?”

- a. If compliance log is correct, can you explain what a compliance log is?
- b. If it is correct, is the monthly complaint log, as we know it, to be eliminated?

**A. This was a typo, the word “compliant” is changed to “complaint” in specification 3.2.8.d.**

24. Will you share a list of the attendees and agencies represented at the mandatory pre-bid conference?

**A. The Pre-Bid Vendor Sign-in Sheet was provided with Addendum 1 to the RFP.**

25. Will you provide a copy of all questions with written answers to the attendees of the mandatory pre-bid conference?

**A. Yes. All questions and answers are contained in this Addendum.**

26. Page 3: “Purchasing Card Acceptance” What are the expectations for addressing this issue?

Potential Budget Hazards without consideration of visa card purchasing fees:

4.1% of 11,000,000.00	\$451,000.
3% average visa fees on 11,000,000.00 <i>just money that is going to the banks</i>	\$330,000. <i>(which is</i>
	<hr/>
Balance to operate the program	\$121,000.

- A. Even if Purchasing issued a waiver is to the CNA to use the “Purchasing Card” for orders below \$2,500, it could end up costing the same if State agencies submit multiple “Purchasing Card” orders for \$2,500.
- B. So in consideration of these fees, can the 4.1% be altered to cover the cost of Visa Card Purchasing Fees?
- C. Can the CNA be exempt from accepting the States “Purchasing Card” for orders? (similar to the waiver currently in place)

D. Can the CNA recoup all Visa Card Purchasing Fees from the various State Agencies?

**A. Please see response to question 3 above.**

27. Which CRP holds what Contract and for what amount?

**A. Please see the attached.**

28. Are there separate reporting requirements for the temporary services contract?

**A. Reporting requirements for the temporary services contract as well as the statewide contract are included in the RFP. The Purchasing Division also requires usage reports as stated in the WVARF04 and TEMP07 contracts.**

29. Can our proposal include collaboration and coordination of CNA responsibilities between two non-profit organizations?

**A. Only if in compliance with 1.19.4 and 1.19.9 of the RFP, and within the vendor's budget. (One of the non-profit organizations must be named as the prime contractor and the other as a sub-contractor.)**

30. Can our proposal include collaboration and coordination of CNA responsibilities using non-profit and or for-profit companies as stated on page eight section 1.19.9?

**A. Yes, if in compliance with 1.19.4 and 1.19.9 of the RFP, and within the vendor's budget.**

31. Are there separate reporting requirements for the temporary services contract?

**A. Please see response to Question 28 above.**

32. Are there any other reporting requirements that the CNA is responsible for other than what is stated in RFQ DRS080451?

**A. Please see response to Question 28 above.**

33. Developing a five-year strategic plan and developing a marketing plan is required prior to the end of the first year of this contract. Has there been consideration of the costs involved to produce these plans?

**A. Yes, this cost is a part of the 4.1% fee the CNA receives for operating the program.**

34. Will the CNA be able to outsource, or hire professional marketing and planning personnel or firms for the development of the plans required as stated on page 12 Section 3.2.6 Subsections (a) and (b)?

**A. Yes, if in compliance with 1.19.4 and 1.19.9 of the RFP, and within the vendor's budget.**

35. Can the CNA hire an outside auditing firm to evaluate compliance with the quality assurance plan?

**A. Yes, if in compliance with 1.19.4 and 1.19.9 of the RFP, and within the vendor's budget.**

36. In light of what was said in the pre-bid meeting, that because of the holidays, not much would happen until mid-January, and that there are over two hundred contracts to review, can the deadline to submit this RFQ be extended to at least the first week of January?

**A. The Bid Opening Date has been extended to 03/04/2008.**

37. What are the current procedures for formal and informal resolution of provider and consumer grievances or complaints as stated in §5A-3A-4, Section (c)?

**A. A description of the Vendor Performance procedure may be found at 10.1.5 of the Purchasing Division's Policies and Procedures Handbook, available for viewing through their web site [www.state.wv.us/admin/purchase](http://www.state.wv.us/admin/purchase)**

38. How many contracts have been suspended or cancelled in the last two fiscal years due to non-compliance of regulations or poor quality of good and services?

**A. None.**

39. Should not RFQ DRS080451 be solicited for a fixed dollar amount, rather than attached to a percentage of sales performed by the CRP's to alleviate any conflicts of interest between the CRP's and the CNA?

**A. This is not relevant to the preparation of the vendor's proposal.**

40. If we could prove that to run this program, the prospective CNA would need at least 5.5% would the Governor's Committee increase the percentage?

**A. The Governor's Committee may at anytime recommend the CNA fee be raised. This recommendation, authorized in 186 CFR 1 – 3.1.1, is subject to review by the Director of Purchasing as part of the fair market price determination of the commodity and/or service. However, the current fee**

**has been set at 4.1% for FY08 and vendors are prohibited from bidding a higher rate per 4.1.6 of the RFP.**

41. Can the bidders get a copy of the Annual Report and audits for 2005, 2006, 2007?

**A. Please see the attached.**

42. Are there any contracts that are currently in place, that will have to be re-negotiated because of the Federal Labor Minimum Wage, due to increase July 24 to \$6.50 per hour? If so, which contracts are those?

**A. This is not relevant to the preparation of the vendor's proposal. All contracts are negotiated on an annual basis.**

43. Are there any policies, rules, laws, procedures set forth, to alleviate any impression of a conflict of interest between the CRP's CEO and the CNA staff?

**A. The RFP, Section 3.2.1, explicitly states that "no officer, member or employee of the nonprofit shall have any financial or other interest, direct or indirect, which would conflict or compromise in any manner or degree with the performance of the services provided by the Central Nonprofit Agency."**

44. When we are awarded this contract, we plan on sitting down with the Department of Corrections, and working with them to develop programs that will be beneficial to the Department of Corrections, their inmates, and the State of West Virginia. Are there rules, laws, or policies that prohibit the new CNA from developing contracts with the Department of Corrections?

**A. Yes §5A-3-10 (e) states: "The director shall, without competitive bidding, purchase commodities and services produced and offered for sale by nonprofit workshops, as defined in section one, article one of this chapter, which are located in this state: *Provided*, that such commodities and services shall be of a fair market price and of like quality comparable to other commodities and services otherwise available as determined by the director with the advice of the committee on the purchase of commodities and services form the handicapped." It should be noted the Department of Corrections has its own, separate set aside program which operates under the name of Correctional Industries.**

October 17, 2006

**FY 07 SALES FORECAST**

WVWARF	CONTRACT	GOV CUST.	ANNUAL PRICE	MTH PRICE	CRP ANN. PRICE	CRP MTH PRICE	CRP	SQ. FT.	PRICE SQ. FT.	START DATE
PO									#DIV/01	
	SOB - Clarksborg	GSD					ARC			
	TOTAL									
7005	Lewis County	DHHR	30,610.64	2,550.89	29,355.60	2,446.30	BUWAC	19,240	1.59	
7001	Lewis County	DRS	4,329.38	360.78	4,151.88	345.99	BUWAC	3,000	1.44	
6182	Philippi	DEP	18,786.69	1,565.56	18,016.44	1,501.37	BUWAC	9,789	1.92	
7004	Equipment Division	DOH	41,021.23	3,418.44	39,339.36	3,278.28	BUWAC	21,100	1.94	
7002	US 33 office	DOH	2,137.98	178.16	2,050.32	170.86	BUWAC	888	2.41	
	Dist 7 Equip Shop - Weston	DOH	4,794.49	399.54	4,597.92	383.16	BUWAC	2,468	1.94	4/1/2003
7003	Upshur Co Off	DOH	7,895.97	658.00	7,572.24	631.02	BUWAC	3,894	2.03	
	TOTAL		109,576.39	9,131.37	105,083.76	8,756.98		60,379		
7007	Rest Area @ Servia I-79 N&S	DOH	233,988.74	19,499.06	224,395.20	18,699.60	Clay	6,500	1.55	
7006	Clay County	DHHR	10,074.49	839.54	9,661.44	805.12	Clay	6,500		
	TOTAL		244,063.23	20,338.60	234,056.64	19,504.72		6,500		
7022	Mar-Bunk I-81 N & S	DOH - RA	373,486.17	31,123.85	358,173.24	29,847.77	Dev Ctr	25,080	1.81	
7019	Berkeley	DHHR	45,386.15	3,782.18	43,525.32	3,627.11	Dev Ctr	84,708	0.83	
7147	Air Guard - Martinsburg	DOMAPS	70,031.95	5,836.00	67,160.64	5,596.72	Dev Ctr	2,200	2.77	
7014	Martinsburg	Tax & Rev	6,101.73	508.48	5,851.56	487.63	Dev Ctr	4,608	1.82	
7010	Berkeley Co Off - Martinsburg	DOH	8,390.87	699.24	8,046.84	670.57	Dev Ctr	675	4.97	
7021	Dist 5 Eng - Martinsburg	DOH	3,354.37	279.53	3,216.84	268.07	Dev Ctr	7,635	1.72	
7008	Martinsburg	DMV	13,112.16	1,092.68	12,574.56	1,047.88	Dev Ctr	1,800	2.70	
7018	DRS - Keyser	Arts & Educ	4,865.94	405.50	4,666.44	388.87	Dev Ctr	5,788	1.56	
7017	Grant	DHHR	9,009.89	750.82	8,640.48	720.04	Dev Ctr	6,000	2.68	
7016	Hampshire	DHHR	16,108.91	1,342.41	15,448.44	1,287.37	Dev Ctr	8,000	1.62	
7015	Hardy	DHHR	12,935.60	1,077.97	12,405.24	1,033.77	Dev Ctr	6,000	1.61	
7009	Mineral	DHHR	9,668.20	805.68	9,271.80	772.65	Dev Ctr	36,000	1.40	
7012	Dist 5 Hdqtrs - Burlington	DOH	50,419.02	4,201.58	48,351.84	4,029.32	Dev Ctr	4,243	1.81	
7013	Hampshire Co Off - Romney	DOH	7,664.48	638.71	7,350.24	612.52	Dev Ctr	755	3.22	
7020	Mineral Co off - New Creek	DOH	2,427.65	202.30	2,328.12	194.01	Dev Ctr	3,191	1.75	5/1/03
	Moorefield	State Rail	5,570.18	464.18	5,341.80	445.15	Dev Ctr	71,777		
	TOTAL		638,533.26	53,211.11	612,353.40	51,029.45		71,777		
7139	Bldg #41	RAI	3,997.96	999.49	3,834.04	958.51	Eastridge	5,614	0.71	
7164	DMV	RAI	12,397.39	1,239.74	14,266.92	1,188.91	Eastridge	6,000	2.07	
7163	Bldg # 42	RAI	-	-	-	-	Eastridge	5,614	-	
7161	NMCC	RAI	-	-	-	-	Eastridge	5,614	-	
7023	Morgan	DHHR	7,487.04	623.92	1,427.88	118.99	Eastridge	600	12.48	
	Rubber Stamps	Various	-	-	-	-	Eastridge	-	-	
	TOTAL		23,882.39	2,863.15	19,528.84	2,266.41		23,442		

1/4



7032	Lewisburg I-64 W & WC	DOH - RA	118,551.37	9,879.28	113,690.76	9,474.23	Gateway	20,699	1.54	
7031	Greenbrier	DHHR	31,971.43	2,664.29	30,660.60	2,555.05	Gateway	2,177	1.58	
7030	Poconohatas	DHHR	3,442.59	286.88	3,301.44	275.12	Gateway	1,050	2.68	
7024	I-64 Off - Hart's Run	DOH	2,808.80	234.07	2,693.64	224.47	Gateway	1,120	4.18	
7028	Monroe Co Off - Union	DOH	4,686.13	390.51	4,494.00	374.50	Gateway	3,408	3.03	
7027	Greenbrier Co - Lewisburg	DOH	10,325.63	860.47	9,902.28	825.19	Gateway	1,560	1.80	
7026	Dist 9 Mall Bldg - Hart's Run	DOH	2,808.80	234.07	2,693.64	224.47	Gateway	18,890	1.88	
7029	Dist 9 Hdqtrs	DOH	35,581.56	2,965.13	34,122.72	2,843.56	Gateway	1,940	1.78	
7025	Dist 9 Equipment Garage	DOH	3,454.10	287.84	3,312.48	276.04	Gateway			
	Conditment Kits	Statewide					Gateway			
	TOTAL		213,630.41	17,802.53	204,871.56	17,072.63	Gateway	50,844		
3230	Grievance Bd, - Charleston	Admin	4,715.54	392.96	4,522.20	376.85	GIKV	3,150	1.50	2/1/2003
7159	IS&C, courier - Charleston	Admin	31,398.83	2,616.57	30,111.48	2,509.29	GIKV	924	1.42	11/01/02
7144	Geological & Econ Survey	Commerce	1,307.61	108.97	1,254.00	104.50	GIKV	8,254	1.36	
7042	Mirer's Health - Charleston	Commerce	11,256.73	938.06	10,795.20	899.60	GIKV	390,000	0.71	
7055	DRS Rehab Center	Arts & Educ	278,109.82	23,175.82	266,707.32	22,225.61	GIKV	44,055	0.54	
***	Plaza East, Lewis St	BEP	23,890.14	5,972.53	63,465.86	5,727.66	GIKV	8,815	0.45	
7156	Elkview	DEP	3,972.05	397.21	63,465.86	380.92	GIKV	8,815	0.45	
7054	Diamond Bldg	DHHR	303,223.73	25,268.64	290,791.56	24,232.63	GIKV	212,999	1.42	
7041	Kanawha	DHHR	77,133.97	6,427.83	73,971.48	6,164.29	GIKV	50,000	1.54	
7040	Putnam	DHHR	19,138.06	1,594.84	18,353.40	1,529.45	GIKV	11,480	1.67	
7053	DD Council - Charleston	DHHR	4,825.53	402.13	4,627.68	385.64	GIKV	1,925	2.51	
7056	Medical Examiners - VA Street	DHHR	34,717.16	2,893.10	33,293.76	2,774.48	GIKV	7,809	4.45	
7051	DEP	GSD	252,033.79	21,002.82	241,700.40	20,141.70	GIKV	180,000	1.40	
7049	Capitol Complex	GSD	827,232.33	68,936.03	793,315.80	66,109.65	GIKV	656,093	1.26	
7050	Davis Square	GSD	119,806.05	9,983.84	114,894.00	9,574.50	GIKV	88,000	1.36	
7037	Public Ser Com - Charleston	PubServCon	80,601.58	6,716.80	77,296.92	6,441.41	GIKV	49,850	1.62	
7033	ABCA Warehouse	Tax & Rev	1,889.85	269.98	1,812.37	258.91	GIKV	63,297	1.69	
7034	Lee Street - Charleston	Tax & Rev	106,686.38	8,890.53	102,312.24	8,526.02	GIKV	17,143	1.12	
	Smith Street - Charleston	Tax & Rev	19,228.03	1,602.34	18,439.68	1,536.64	GIKV	43,526	1.00	
	Insurance Com - Penning Ave	Tax & Rev	43,612.68	3,634.39	41,824.56	3,485.38	GIKV	15,700	0.49	
7052	Hurricane I-64 E & W	DOH - RA	7,645.21	637.10	7,331.76	610.98	GIKV			
7038	Mat'l, Soils - Charleston	DOH	237,741.65	19,811.80	227,994.24	18,999.52	GIKV	45,830	1.65	
7039	Dist 1 Hdqtr - Charleston	DOH	75,478.37	6,289.86	72,383.76	6,031.98	GIKV	41,218	2.35	
7158	W & M St. Albans	DOH	96,892.43	8,074.37	92,919.84	7,743.32	GIKV	4,500	1.70	
7045	1606 Washington, Charleston	DMV	7,645.21	637.10	4,276.86	610.98	GIKV	4,500	1.56	
7046	1615 Washington, Charleston	DMV	6,860.65	571.72	6,579.36	548.28	GIKV	4,400	1.99	
7047	Kanawha Mall - Charleston	DMV	12,297.31	1,024.78	11,793.12	982.76	GIKV	6,188	2.42	
7048	Teay's Valley	DMV	24,209.84	2,017.49	23,217.24	1,934.77	GIKV	9,584	1.47	
7148	Air Guard - Charleston	DomAPS	14,105.07	1,175.42	13,526.76	1,127.23	GIKV	46,500	1.36	
3225	OES - B.C.	DomAPS	63,127.13	5,260.59	60,538.92	5,044.91	GIKV	3,558	1.50	2/1/2003
7036	School Bid Auth.	SBA	5,352.20	446.02	5,132.76	427.73	GIKV	2,500	2.45	
7043	Administration - Charleston	Parkways	6,123.88	510.32	5,872.80	489.40	GIKV	14,968	1.19	
7044	I-77 Rest Area	Parkways	17,770.39	1,480.87	17,041.80	1,420.15	GIKV			
7035	Kanawha Co. Courthouse	County	109,688.63	9,140.72	105,191.40	8,765.95	GIKV	28,500	1.52	
	TOTAL		43,364.42	3,613.70	41,566.48	3,465.54	GIKV	2,070,766		
			2,973,082.26	251,917.24	2,899,063.56	241,588.63				

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Bottled Water 5 gal	-	-	-	-	-	-	-	-	-	-	-
Bottled Water 20 oz	-	-	-	-	-	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-	-	-	-	-	-

Statewide	-	-	-	-	-	-	-	-	-	-	-
Green Acres	-	-	-	-	-	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-	-	-	-	-	-

7069	Doddridge	DHHR	3,444.96	287.08	3,303.72	275.31	Harrison	2,150	1.60
7068	Harrison	DHHR	31,943.40	2,661.95	30,633.72	2,552.81	Harrison	14,000	2.28
7070	Clarksburg	Tax & Rev	4,161.96	346.83	3,991.32	332.61	Harrison	2,000	2.08
	LIM - Monitor	DOH	92,596.45	7,716.37	88,800.00	7,400.00	Harrison	-	-
	LIM - Dispatcher	DOH	53,955.45	4,496.29	51,743.28	4,311.94	Harrison	-	-
7071	Bridgeport	DMV	12,025.15	1,002.10	11,532.12	961.01	Harrison	7,000	1.72
	TOTAL		198,127.38	16,510.62	190,004.16	15,833.68		25,150	

7072	Coal Hent. Hwy Auth	Commerce	1,428.61	119.05	1,370.04	114.17	IRI	4,970	1.65
7080	DNR - Beckley	Commerce	8,215.93	684.66	7,879.08	656.59	IRI	-	-
7079	DNR, grounds - Beckley	Commerce	3,125.59	390.70	2,997.44	374.68	IRI	1,750	2.94
7078	DRS - Logan	Arts & Educ	5,153.24	429.44	4,941.96	411.83	IRI	1,512	1.59
7077	DRS - Mullens	Arts & Educ	2,398.12	199.84	2,299.80	191.65	IRI	5,810	1.36
7151	Logan	BEP	7,912.74	669.40	7,511.65	632.36	IRI	4,700	1.71
7149	Williamson	BEP	8,056.27	671.36	7,725.96	643.83	IRI	14,385	1.31
7086	Dept of Environ. Prot - Logan	DEP	18,790.45	1,565.87	18,020.04	1,501.67	IRI	5,089	1.31
7085	Dept of Environ. Prot - Welch	DEP	6,669.57	555.80	6,396.12	533.01	IRI	12,896	1.61
7073	Boone	DHHR	20,740.60	1,728.38	19,890.24	1,657.52	IRI	13,850	2.16
7074	Logan	DHHR	29,912.41	2,492.70	28,686.00	2,390.50	IRI	4,800	1.59
7075	Mingo	DHHR	22,009.68	1,834.14	21,107.28	1,758.94	IRI	1,877	1.54
7076	Summers	DHHR	10,644.46	887.04	10,208.04	850.67	IRI	1,400	1.40
7081	Wyoming	DHHR	18,294.81	1,524.57	17,544.72	1,462.06	IRI	802.13	2.40
7084	LIM - Monitors	DOH	46,298.23	3,858.19	44,400.00	3,700.00	IRI	2,523	7.18
7082	McDowell Co Off - Gary	DOH	10,037.08	836.42	9,625.56	802.13	IRI	6,600	1.19
7083	Summers Co Off - Hinton	DOH	6,044.30	503.69	5,796.48	483.04	IRI	21,000	
7087	Wyoming Co Off - Pineville	DOH	10,049.09	837.42	9,637.08	803.09	IRI		
	Logan	DMV	10,503.19	875.27	10,072.56	839.38	IRI		
	Work4WV Reg 1 - Beckley	W4WV	24,997.04	2,083.09	23,972.16	1,997.68	IRI		
	TOTAL		269,852.81	22,617.97	260,287.56	21,690.63		128,412	

6075	DRS - Spencer	Arts & Educ	2,043.13	170.26	1,959.36	163.28	JCDC	1,200	1.70
	Wipers	Statewide	175,500.06	14,625.01	168,304.56	14,025.38	JCDC		
	Data Processing	Statewide	280,260.69	20,855.06	240,000.00	20,000.00	JCDC		
	TOTAL		427,803.88	35,650.32	410,263.92	34,188.66		1,200	

Presort SWC	IS&C	681,960.38	56,830.03	654,000.00	54,500.00	Job Squad		
TOTAL		681,960.38	56,830.03	654,000.00	54,500.00			

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7066	Huntington St Off Bldg	GSD	111,345.11	9,278.76	106,779.96	8,898.33	KYOWVA	73,776	1.51
7064	Huntington I-64 E & WC	DOH - RA	137,347.95	11,445.66	131,716.68	10,976.39	KYOWVA		
7062	DRS - Ft. Pleasant	Arts & Educ	3,794.83	316.24	3,639.24	303.27	KYOWVA	1,422	2.67
7153	Ft. Pleasant	BEP	9,376.52	781.38	8,992.08	749.34	KYOWVA	3,940	2.38
7061	Mason	DHHR	12,701.48	1,058.46	12,180.72	1,015.06	KYOWVA	8,160	1.56
7060	Lincoln	DHHR	13,396.83	1,116.40	12,847.56	1,070.63	KYOWVA	7,500	1.79
7059	Wayne	DHHR	19,624.69	1,635.39	18,820.08	1,568.34	KYOWVA	12,000	1.64
7063	Dist 2 Hdqtr - Huntington	DOH	100,277.58	8,366.47	96,166.20	8,013.85	KYOWVA	76,000	1.32
7145	Dist 2 Warehouse	DOH	3,686.59	307.22	3,535.44	294.62	KYOWVA	5,000	0.74
7065	Huntington	DMV	10,338.77	861.56	9,914.88	826.24	KYOWVA	6,450	1.60
7057/7058	McClintic & Apple Grove	DNR	5,434.66	452.89	5,211.84	434.32	KYOWVA	6,450	0.84
	TOTAL		427,325.01	35,610.42	409,804.68	34,150.39		200,698.00	
7091	Dist 10 Hdqtr - Princeton	DOH	94,883.34	7,906.94	90,993.12	7,582.76	Mercer	75,851	1.25
7092	Dist 10 Mercer Co	DOH	14,617.10	1,218.09	14,017.80	1,168.15	Mercer	5,000	2.92
7093	I-77 Welcome Ctr - Princeton	Parkways	128,313.68	10,692.81	123,052.80	10,254.40	Mercer		
	TOTAL		237,814.10	19,817.84	228,063.72	19,005.31		80,851	
7099	DEP - Oak Hill	DEP	26,399.50	2,199.96	25,317.12	2,109.76	Nicholas	20,840	1.27
7098	DEP, grds - Oak Hill	DEP	1,629.56	232.79	1,562.75	223.25	Nicholas		
4084	Summersville	BEP					Nicholas	9,000	
7097	Nicholas	DHHR	19,010.43	1,584.20	18,231.00	1,519.25	Nicholas	12,000	1.58
7096	Webster	DHHR	11,946.94	995.58	11,457.12	954.76	Nicholas	7,500	1.59
7094	Nicholas Co Off - Summersville	DOH	8,116.58	676.38	7,783.80	648.65	Nicholas	3,838	2.11
7095	Nicholas Co Off - Webster Spvg	DOH	3,090.59	257.55	2,963.88	246.99	Nicholas	794	3.89
	Liquid Soap	Statewide	120,125.13	10,010.43	115,200.00	9,600.00	Nicholas		
	Absor. Kits	Statewide	19,395.20	1,616.27	18,600.00	1,550.00	Nicholas		
	Bottled Water	Statewide					Nicholas		
	TOTAL		209,713.94	5,946.47	201,115.67	16,852.66		53,972	
7101	DRS - Sistersville	Arts & Educ	3,004.63	250.39	2,881.44	240.12	Northwood	2,128	1.41
7100	Weiwei	DHHR	22,678.62	1,889.89	21,748.80	1,812.40	Northwood	9,100	2.49
	TOTAL		25,683.25	2,140.27	24,630.24	2,052.52		11,228	
7106	Meadowbrook I-79 N & S	DOH - RA	259,941.52	21,661.79	249,283.92	20,773.66	Op Shop	69,385	1.40
7105	SOB - Fairmont	Bldg Com	97,443.13	8,120.26	93,447.96	7,787.33	Op Shop	22,587	2.62
7104	Dist 4 Hdqtr - Bridgeport	DOH	59,126.47	4,927.21	56,702.28	4,725.19	Op Shop	3,324	1.63
7103	Dist 4 Lab - Fairmont	DOH	5,407.13	450.59	5,185.44	432.12	Op Shop	2,055	2.24
7155	Dist 4 Marion County	DOH	4,609.55	384.13	4,420.56	368.38	Op Shop	2,642	2.24
7102	Fairmont St U	FSU	836,838.21	69,736.52	802,527.84	66,877.32	Op Shop	254,222	3.17
	TOTAL		1,263,366.01	105,280.50	1,211,568.00	100,964.00		361,573	
7108	Morgantown I-79 S & WC	DOH - RA	145,275.45	12,106.29	139,319.16	11,609.93	PACE	5,430	1.64
7142	Morgantown	DOH	8,910.91	742.58	8,545.56	712.13	PACE	3,480	1.86
7107	Morgantown	DRS	6,467.36	538.95	6,202.20	516.85	PACE	6,000	1.44
7150	Morgantown	BEP	8,626.24	719.02	7,890.73	689.54	PACE	3,325	1.56
7109	Child Support Enforcement	DHHR	5,198.42	433.20	4,985.28	415.44	PACE	2,000	
7143	NOROP	DHHR	3,813.35	317.78	2,742.75	304.75	PACE		
	TOTAL		174,480.38	14,657.81	170,963.68	14,248.64		20,235	

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7120	Burnsville I-79 N & S	DOH - RA	235,720.42	19,643.37	226,055.88	18,837.99	Precision	2,825	1.58	
7110	Gilmer	DHHR	4,476.79	373.07	4,293.24	357.77	Precision	4,325	1.50	
7121	Child Support - Sutton	DHHR	6,486.76	540.56	6,220.80	518.40	Precision	24,557	2.27	10/1/2001
7146	Dist 7 Hddtr - Weston	DOH	55,826.90	4,652.24	53,538.00	4,461.50	Precision	2,250	3.47	
7113	Dist 7 Const. Shop - Weston	DOH	7,805.63	650.07	7,485.60	623.80	Precision	1,000	5.20	
7114	Dist 7 DIS-Forces - Weston	DOH	5,201.29	433.44	4,988.04	415.67	Precision	600	1,600	
7115	Dist 7 Sign Shop - Weston	DOH	3,011.39	250.95	2,887.92	240.66	Precision	2,515	7.08	
7119	Gilmer Co Off - Glenville	DOH	11,323.92	943.66	10,859.64	904.97	Precision	1,301	3.62	
7118	Braxton Co Off - Gassaway	DOH	9,108.24	759.02	8,734.80	727.90	Precision	1,194	3.25	
7117	Lewis Co Off - Weston	DOH	3,941.11	328.43	3,719.04	314.96	Precision	1,000	1,000	
7111	I-79 Off - Coonknob	DOH	3,878.04	323.17	3,719.04	309.92	Precision	282.99	768	
7116	US-19 Off - Heaters	DOH	3,541.06	295.09	3,395.88	282.99	Precision	236.42		
	Microfilm	Statewide	2,958.33	246.53	2,837.04	236.42	Precision			
	Data Imaging	Statewide	75,078.21	6,256.52	119,875.00	6,000.00	Precision			
	Bulk Mail	IS&C	600,625.65	50,052.14	576,969.89	48,000.00	Precision			
	TOTAL		1,028,983.73	85,748.64	1,035,640.29	82,232.95	Precision	43,935		
	LIM - Monitors	DOH	27,528.68	2,294.06	26,400.00	2,200.00	Pretera			
7123	Hazleton I-68 W & WC	DOH - RA	166,005.92	13,833.83	159,199.68	13,266.64	Preston	5,600	1.58	
7124	Preston	DHHR	8,851.22	737.60	8,488.32	707.36	Preston	50,621	1.43	
7122	Regional Train Ctr	DoM/APS	72,424.57	6,035.38	69,455.16	5,787.93	Preston	56,221		
	TOTAL		247,281.71	20,606.81	237,143.16	19,761.93				
7090	Parkways - Beckley	Parkways	12,013.64	1,001.14	5,760.54	960.09	LJLC	7,026	1.71	
7089	SOB - Beckley	Bldg Com	55,482.92	4,623.58	53,208.12	4,434.01	LJLC	38,830	1.43	
	Beckley	DMV	51,746.53	4,312.21	49,624.92	4,135.41	LJLC	32,666	1.58	
	TOTAL		107,229.45	8,935.79	102,833.04	8,569.42		71,496		

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7126	DRS - Elkins	Arts & Educ	4,219.52	351.63	4,046.52	337.21	Randolph	1,500	2.81
	Randolph County Office	BEP	14,727.47	1,227.29	14,123.64	1,176.97	Randolph	9,000	1.64
7128	Randolph	DHHR	29,592.33	2,466.03	28,379.04	2,364.92	Randolph	14,080	2.10
7127	Dist 8 Hdqtr - Elkins	DOH	50,709.95	4,225.83	48,630.84	4,052.57	Randolph	26,619	1.91
7125	Randolph Co Off	DMV	13,622.31	1,135.19	13,063.80	1,088.65	Randolph	8,000	1.70
	TOTAL		112,871.57	9,405.96	108,243.84	9,020.32		59,199	
7135	Williamstown I-77 N WC	DOH - RA	119,382.86	9,948.57	114,488.16	9,540.68	SWR	26,150	1.93
7136	Mineral Wells I-77 N & S	DOH - RA	228,681.21	19,056.77	219,305.28	18,275.44	SWR	1,960	2.30
7134	SOB - Parkersburg	GSD	64,677.12	5,389.76	62,025.36	5,168.78	SWR	2,975	2.17
7129	Forestry	Commerce	2,461.56	205.13	2,360.64	196.72	SWR	2,880	1.57
7152	Parkersburg	BEP	11,965.59	997.13	11,475.00	956.25	SWR	81,225	
	LIM - Monitors	DOH	27,528.68	2,294.06	26,400.00	2,200.00	SWR		
7131	Dist 3 Hdqtr - Parkersburg	DOH	50,398.50	4,199.87	48,332.16	4,027.68	SWR		
7132	Dist 3 Mail lab - Parkersburg	DOH	4,507.82	375.65	4,323.00	360.25	SWR		
7133	Dist 3 Util/Traf - Parkersburg	DOH	6,452.35	537.70	6,187.80	515.65	SWR		
7130	St Marys Office	DHHR	4,534.97	377.91	4,349.04	362.42	SWR		
	TOTAL		520,590.66	43,382.55	499,246.44	41,603.87			
7038	Wheeling I-70 W & WC	DOH - RA	119,747.86	9,978.99	114,838.20	9,569.85	WATCH	17,881	1.59
7137	Ohio	DHHR	28,457.89	2,371.49	27,291.12	2,274.26	WATCH	17,881	1.59
	TOTAL		148,205.76	12,350.48	142,129.32	11,844.11			
	Lincoln	DHHR	45,584.64	3,798.72			WVARF	15,000	3.04
	Calhoun	DHHR	33,917.76	2,826.48			WVARF	6,292	5.39
	Barbour	DHHR	34,160.52	2,846.71			WVARF	5,740	5.95
	McDowell	DHHR	38,614.56	3,217.88			WVARF	17,800	2.17
	Barbour Co Off - Phillippi	DOH	2,987.74	248.98	2,865.24	238.77	WVARF	1,000	2.99
	Stream Access	DNR	103,000.00						
	Bottled Water	Statewide	190,198.12	15,849.84	182,400.00	15,200.00			
	Temp. Services	Statewide	600,625.65	50,052.14	576,000.00	48,000.00	SWC		
	Survey Stakes	Statewide	18,769.55	1,564.13	18,000.00	1,500.00	SWC		
	TOTAL		1,067,858.54	80,404.88	776,400.00	64,700.00		45,832	
	GRAND TOTAL		11,438,303.73	938,560.29	10,820,160.84	898,341.69		3,580,816.00	

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**FISCAL YEAR 2007**  
**STATE USE PROGRAM ACTIVITY REPORT**

**Respectfully submitted by the**  
**West Virginia Association of Rehabilitation Facilities**

**Prepared by Ashley Hackney**  
**With financial information compiled by**  
**Chris Miller**

**December 13, 2007**

## Introduction

During the past year the West Virginia Association of Rehabilitation Facilities (WVARF) has gathered the information contained in this brief report to help the Committee for the Purchase of Commodities and Services from the Handicapped (Committee) review the success of the State Use program (SUP) as it meets its mission to employ people with disabilities.

By code the Committee is directed to gather specific information about the people employed through the program. As the approved Central Nonprofit Agency administering the State Use Program, WVARF is pleased to gather this information on behalf of the Committee. Additionally, WVARF and the Committee have included information they believe shows the success of the program.

The analysis and tables below will compare the last five state fiscal years (FY). This comparison enables the Committee to evaluate trends in order to continue improvements to the program.

## Number of People

The number of people employed reflects the total number of all workers that have worked on a SUP project during the year, regardless of the duration of their assignment on a project, or the number of hours worked. It does not reflect the number of "positions" that are created by the SUP. Community Rehabilitation Programs (CRPs) are free to utilize the best staffing patterns to meet the needs of both the government customer and the individual worker's ability or need to work. Further, with the large number of small projects in the SUP, full time employment is not always available to the individual worker, and not all workers are able to work a 40 hour work week.

As shown below in Table 1 the number of people employed through the SUP increased each year until FY2006. During the analysis of the numbers for FY2006 it was discovered that one of the largest participating Community Rehabilitation Programs (CRP) had mistakenly reported the total number of employees in their organization for all of the previous years noted within this report. While they should have only reported the number of individuals employed through the SUP they reported all individuals employed whether through the State Use Program or another program. This error in reporting resulted in a drop of 147 people with disabilities from FY2005 to FY2006; and a drop of 213 people without disabilities for the same period.

Another CRP with a significant drop in numbers reported that they had increased their retention of workers, which has increased the quality of work performed, but has lowered the overall number of people employed.

Nevertheless it would appear that if an adjustment is made for all of the previous years, reflective of the new information available, the SUP has continued to employ more people each year.

Fiscal Year	Number of People w/ Disabilities	Number of People w/out Disabilities	Total number of people
2007	788	251	1039
2006	699	260	959
2005	787	349	1,136 *
2004	785	302	1,087 *
2003	726	278	1,004 *

*Table 1 -Number of people employed through the State Use Program*

\* Artificially high due to incorrect reporting by CRPs

Fiscal Year	Number of People w/ Disabilities	Number of Hours Worked by People with Disabilities	Average Number of Hours Worked per Person
2007	788	721,927	916.2
2006	699	781,337	1,117.8
2005	787	781,337	972.4
2004	785	765,275	899.8
2003	726	706,330	973.9

*Table 1A -Average Number of Hours worked by people with disabilities*



## Disability Demographics

The information contained in Table 2 is designed to give the Committee a sense of who is being employed through the SUP based upon their stated disability. The value of this information rests on its ability to help various state agencies who provide funding for different types of employment programs for various types of disability groups. This information should be used by the CRPs and State funding agencies to develop new employment support programs. During the course of providing the state with needed commodities and services, the SUP employs a wide variety of individuals through the local CRPs.

The largest demographic group employed in the SUP is people with mental retardation or developmental disabilities (MR/DD). While this has been a long term focus group for CRPs, it is interesting to note that the combined total of the other groups is larger than the MR/DD group. This is significant, in that it dispels the notion that CRPs only employ individuals with MR/DD.

Fiscal Year	MR/DD	Mental Health	Substance Abuse	Physical Disability	Other	Total
2007	360	154	36	116	124	788
2006	289	143	36	136	95	699
2005	336	157	48	150	96	787*
2004	398	157	26	100	104	785*
2003	376	121	34	67	128	726*

*Table 2 - Disability demographics*

\* Artificially high due to incorrect reporting by CRPs

West Virginia has the largest percentage of its population comprised of people with disabilities compared to other States. Table 2A shows the percentage of non-institutionalized men and women, which are 21-64 years in age. The numbers consist of people of all races who reported disabilities between the years of 2003 and 2006 collected from the United States Census Bureau. There is a small margin of error (+-1%) because the figures were taken from a population sample.<sup>1</sup>

State	2003 Rank	2003 Percentage	2004 Rank	2004 Percentage	2005 Rank	2005 Percentage	2006 Rank	2006 Percentage
United States		12.0		12.1		12.7		13.0
Alabama	5	16.7	6	16.8	5	17.9	5	18.6
Alaska	15	14.4	12	14.2	13	14.5	13	15.0
Arizona	31	11.7	27	11.9	30	12.1	31	12.0
Arkansas	4	17.6	3	19.9	4	19.1	4	20.0
California	38	10.8	41	10.5	41	10.9	41	11.0
Colorado	51	9.1	45	10.1	46	10.2	44	10.9
Connecticut	46	9.3	50	9.2	48	10.1	46	10.6
Delaware	30	11.8	24	12.9	28	12.6	24	13.3
District of Columbia	32	11.4	36	10.9	38	11.2	34	11.3
Florida	28	12.1	27	11.9	27	12.8	28	13.3
Georgia	28	12.1	31	11.7	26	12.9	27	13.1

State	2003 Rank	2003 Percentage	2004 Rank	2004 Percentage	2005 Rank	2005 Percentage	2006 Rank	2006 Percentage
Hawaii	41	10.5	46	10.0	45	10.3	50	10.1
Idaho	10	14.7	15	13.3	19	13.6	23	13.4
Illinois	46	9.3	49	9.3	46	10.2	49	10.4
Indiana	17	13.3	26	12.5	22	13.4	23	13.4
Iowa	26	12.3	38	10.8	33	11.6	32	11.8
Kansas	35	11.0	30	11.8	30	12.1	30	12.4
Kentucky	3	18.0	2	20.1	2	19.8	3	20.2
Louisiana	8	15.1	10	14.6	8	16.4	9	16.9
Maine	6	15.7	8	15.3	9	15.7	7	17.6
Maryland	40	10.7	41	10.5	44	10.5	46	10.6
Massachusetts	44	9.9	47	9.8	42	10.7	38	11.2
Michigan	22	12.6	21	13.0	21	13.5	20	14.1
Minnesota	49	9.2	48	9.7	50	9.9	48	10.5
Mississippi	2	19.3	4	19.0	3	19.2	2	20.5
Missouri	23	12.5	14	13.7	12	15.2	13	15.0
Montana	12	14.5	17	13.2	15	13.9	11	15.4
Nebraska	24	12.4	27	11.9	36	11.4	36	11.3
Nevada	41	10.5	38	10.8	49	10.0	41	11.0
New Hampshire	43	10.2	33	11.3	33	11.6	33	11.7
New Jersey	49	9.2	51	9.1	51	9.4	51	9.7
New Mexico	12	14.5	9	14.9	11	15.5	13	15.0
New York	38	10.8	38	10.8	36	11.4	35	11.5
North Carolina	12	14.5	20	13.1	14	14.4	12	15.1
North Dakota	37	10.9	36	10.9	43	10.6	45	10.8
Ohio	17	13.3	21	13.0	16	13.8	19	14.2
Oklahoma	7	15.3	5	17.0	6	17.0	6	18.1
Oregon	19	13.2	13	14.0	16	13.8	16	14.5
Pennsylvania	24	12.4	17	13.2	25	13.1	22	13.7
Rhode Island	26	12.3	25	12.6	23	13.3	23	13.4
South Carolina	10	14.7	10	14.6	9	15.7	10	15.8
South Dakota	46	9.3	41	10.5	32	11.7	41	11.0
Tennessee	8	15.1	7	15.4	6	17.0	8	17.4
Texas	35	11.0	35	11.2	29	12.3	29	12.7
Utah	45	9.6	44	10.2	38	11.2	38	11.2
Vermont	16	13.6	21	13.0	24	13.2	17	14.4
Virginia	32	11.4	32	11.4	35	11.5	34	11.6
Washington	21	12.8	17	13.2	16	13.8	18	14.3
West Virginia	1	21.3	1	21.5	1	21.4	1	21.9
Wisconsin	34	11.3	33	11.3	40	11.0	38	11.2
Wyoming	20	13.0	15	13.3	19	13.6	21	13.8

Table 2A – Number of people with disabilities within the United States

### Direct Labor Hours and the Ratio

Table 3 provides a strong indication of the overall success of the SUP. Since the mission of the program is to employ people with disabilities, it is critical to determine the actual impact of the SUP. A primary method is to measure the number of direct labor hours worked, and compare that number within itself to determine the number of hours worked by people with and without disabilities.

The purpose of measuring the direct labor hours is based on two primary factors. The first is due to the small number of projects. For example, there are over 180 janitorial projects and approximately 45% of these projects are less than 5,000 square feet. The second purpose is based on the need to provide workers with disabilities a limited work week if they desire.

CRPs often encounter circumstances that require them to engage workers in the performance of direct labor on a project who do not have a disability. Many of the workers without disabilities are supervisors of the direct labor workforce, including management staff. During the course of performing the service or the manufacture of a commodity, certain tasks may require a higher skill level that is beyond the typical routine or training of the average worker. Additionally, there are times when a supervisor must fill in for an absent worker. On occasion a CRP may need to hire non-disabled workers to provide the service. This is not the normal operational approach of CRPs, and generally these workers are replaced as soon as possible by workers who have a disability.

The ratio that results from comparing the two groups of workers has continued to trend upwards over the past few years. This is a very good indication of the program's success in employing people with disabilities, and this success must be contributed directly to the efforts of the CRPs. The program rules require that each CRP has a ratio of no less than 75% of its workers on its SUP project be workers with disabilities.

Fiscal Year	Hours worked by workers with disabilities	Hours worked by workers without disabilities	Total hours worked	Overall SUP Ratio
2007	721,927	152,808	874,735	82.5%
2006	781,337	164,829	946,166	82.6%
2005	765,275	179,834	945,109	81.0%
2004	706,330	162,764	869,094	81.3%
2003	707,069	186,558	893,627	79.1%

*Table 3 –Direct labor hours worked*

## Wages

A key measurement of success is the amount of wages paid to workers with disabilities as shown in Table 4 below. Regardless of the amount of pay, all work has value. However, much of the work performed under the SUP is typically low wage in nature, even when performed by a for-profit company on the open market. Despite this fact, the wages of the average SUP worker are slowly increasing.

In the table below, the average hourly wage for workers with disabilities has increased from \$5.52 per hour to \$6.53 per hour over the past five years. It is interesting to note that the wage paid to workers without disabilities is not significantly higher. The higher wage for non-disabled workers is indicative of the supervisors and management staff that perform the work when needed. CRPs and state agencies as a whole have been able to help raise the wage for workers in the SUP.

Fiscal Year	Wages paid people with disabilities	Wages paid to people without disabilities	Total wages paid	Average hourly wage for people with disabilities	Average hourly wage for people without disabilities	Overall average hourly wage
2007	\$4,711,713	\$1,047,593	\$5,759,307	\$6.53	\$6.86	\$6.58
2006	\$5,126,701	\$1,120,647	\$6,247,349	\$6.56	\$6.80	\$6.60
2005	\$4,914,319	\$1,401,625	\$6,315,945	\$6.42	\$7.79	\$6.68
2004	\$4,265,743	\$1,077,392	\$5,343,135	\$6.04	\$6.62	\$6.15
2003	\$3,902,258	\$1,148,813	\$5,051,072	\$5.52	\$6.16	\$5.65

*Table 4 – Wage paid to direct labor workers*

## Sales

Sales for Fiscal Year 2007 were slightly less than the prior year, having dropped by \$414,988, or 0.08%, from the previous year's sales. The most significant reason for this reduction results from the privatization of the Worker's Compensation program. The two products most affected were Data Management and Presort. Moreover, the Division of Rehabilitation Services cut their janitorial contract due to the closure of the Rehabilitation Center in Institute. Full results of this will not be seen until next year because the center did not close until the end of June 2006.

Every few years the SUP has a set back resulting in significant loss in sales, such as Worker's Compensation privatization, Mountaineer Challenger Academy's food service, or the loss of janitorial services through full service leasing. However, despite these set backs, the strength of the program continues to push it forward. In FY 2007, laundry services were added to the statewide contract. In April 2007, the service began, and by June 30<sup>t</sup> 2007 the service was provided to three hospitals. We also saw a rise in low impact monitoring services.

In Table 6, commodities both "Printing and Signs" and "Miscellaneous" sales dropped off significantly due to the fact that the CRPs producing these products did not add a significant amount "value-added" labor by people with disabilities. As a result when WVARF04 was created they were not allowed into the contract. The other concern raised by these products was that Corrections Industries also produced similar items for sale to the State. Since their law is older, the Purchasing Division has determined that they have first rights over the State Use Program.

### SALES BY SERVICES

Service	FY07	FY06	FY05	FY04	FY03
Courier	\$33,323	\$30,538	\$29,780	\$28,585	\$27,082
Data Mgmt	\$338,859	\$493,054	\$796,816	\$1,076,328	\$1,073,993
Data Imaging	\$671,315	\$548,921	\$599,170	\$658,527	\$607,157
Food Service	\$0	\$0	\$0	\$0	\$180,592
Grounds	\$15,100	\$11,075	\$4,379	\$51,965	\$3,385
Janitorial	\$5,701,482	\$5,702,379	\$5,425,695	\$4,923,665	\$4,663,409
Laundry	\$133,135	\$0	\$0	\$0	\$0
Low Impact Monitor	\$250,122	\$232,511	\$210,538	\$129,587	\$0
Microfilm	\$61,569	\$80,376	\$137,391	\$103,479	\$48,999
Presort	\$591,434	\$599,657	\$674,534	\$759,079	\$772,344
Rest Areas	\$2,629,178	\$2,541,889	\$2,530,732	\$2,349,545	\$2,347,799
Stream Access Sites	\$110,111	\$102,802	\$99,577	\$0	\$0
Temporary Services	\$398,581	\$603,251	\$579,346	\$385,219	\$677,828
Miscellaneous	\$0	\$1,899	\$1,869	\$1,793	\$1,766
<b>TOTAL</b>	<b>\$10,934,209</b>	<b>10,948,352</b>	<b>\$11,089,827</b>	<b>\$10,466,772</b>	<b>\$10,404,354</b>

Table 5 - Sales by service

### SALES BY COMMODITIES

Commodity	FY07	FY06	FY05	FY04	FY03
Bottled Water	\$207,606	\$189,931	\$144,422	\$111,205	\$103,556
Condiment Kits	\$0	\$0	\$0	\$0	\$1,358
Fish Nursery Structures	\$6,435	\$17,330*	\$0	\$0	\$0
Liquid Hand Soap	\$101,404	\$120,248	\$93,588	\$92,381	\$73,025
Oil Absorbency Kits	\$10,515	\$16,103	\$19,818	\$15,912	\$7,347
Printing & Signs	\$0	\$0	\$0	\$61,836	\$89,366
Survey Stakes	\$9,888	\$19,510	\$15,105	\$15,399	\$13,240
Wiper Cloths	\$158,191	\$167,248	\$202,588	\$179,598	\$198,749
Miscellaneous	\$871	\$2,619	\$1,138	\$47,088	\$143,724
<b>TOTAL</b>	<b>\$ 494,910</b>	<b>\$532,989</b>	<b>\$476,659</b>	<b>\$523,419</b>	<b>\$629,007</b>

Table 6 - Sales by commodities

\* Initial year of sales

Table 7 breaks down the sales by agency for the past five years, and also shows the total sales figures for each year.

### SALES BY AGENCY

Agency	FY07	FY06	FY05	FY04	FY03
Auditor's Office	\$9,944	\$72,406	\$0	\$0	\$0
Bureau of Commerce	\$251,244	\$220,512	\$197,727	\$141,987	\$95,557
Bureau of Employment Programs	\$154,127	\$598,972	\$1,010,075	\$1,133,069	\$1,114,161
Dept of Administration	\$2,316,759	\$2,117,051	\$1,960,560	\$1,621,962	\$1,575,825
Dept of Education & the Arts	\$332,880	\$481,589	\$474,758	\$451,996	\$494,078
Dept of Environmental Protection	\$494,243	\$430,781	\$678,347	\$903,699	\$360,379
Dept of Health & Human Resources	\$1,699,808	\$1,555,474	\$1,556,324	\$1,524,418	\$1,777,053

Agency	FY07	FY06	FY05	FY04	FY03
Dept of Military Affairs and Public Safety	\$250,826	\$294,480	\$278,634	\$282,883	\$479,078
Dept of Tax and Revenue	\$406,839	\$429,432	\$372,160	\$370,141	\$808,794
Dept of Transportation	\$4,505,184	\$4,286,835	\$4,279,256	\$4,040,950	\$3,820,507
Public Service Commission	\$80,709	\$103,410	\$100,961	\$60,505	\$51,524
Sec. of State's Office	\$3,397	\$4,291	\$1,927	\$5,926	\$50,832
Miscellaneous Agencies	\$10,410	\$20,040	\$13,704	\$11,333	\$15,153
Political Subdivisions	\$53,532	\$45,798	\$45,469	\$46,227	\$48,106
Colleges & Universities	\$859,217	\$820,376	\$596,552	\$396,095	\$342,807
<b>TOTAL</b>	<b>\$11,429,119</b>	<b>\$11,481,447</b>	<b>\$11,566,454</b>	<b>\$10,991,191</b>	<b>\$11,033,854</b>

*Table 7 – Sales by agency*

Table 8 shows the break down in sales by participating CRP. Note that ARC of Harrison County ceased having SUP sales in FY04. They had provided janitorial services for the Clarksburg State Office Building until it closed.

**SALES BY COMMUNITY REHABILITATION PROGRAM**

CRP	FY07	FY06	FY05	FY04	FY03
ARC of Harrison County	\$0	\$0	\$0	\$17,270	\$41,499
Buckhannon-Upshur Work Adjustment Center	\$123,222	\$100,589	\$100,218	\$87,169	\$81,402
Clay County Services Unlimited	\$251,225	\$239,081	\$234,973	\$224,976	\$225,708
Developmental Center & Workshop	\$628,078	\$654,281	\$253,600	\$111,115	\$118,910
Eastridge Health Systems	\$31,137	\$16,306	\$7,848	\$4,249	\$2,421
Gateway Industries	\$238,243	\$233,576	\$204,854	\$213,082	\$221,139
Goodwill Industries of Kanawha Valley	\$3,133,409	\$3,228,425	\$3,374,221	\$2,988,280	\$2,930,210
Goodwill Industries of KYOWVA	\$417,454	\$413,104	\$392,936	\$381,710	\$374,781
Green Acres Regional Center	\$8,072	\$16,936	\$101,600	\$81,304	\$86,974
Hancock County Sheltered Workshop	\$184,558	\$33,583	\$53,260	\$33,108	\$33,085
Harrison County Sheltered Workshop	\$212,958	\$283,950	\$208,366	\$124,861	\$72,916
Healthways Health Systems	\$0	\$0	\$0	\$0	\$2,515
Integrated Resources	\$294,324	\$307,575	\$275,495	\$238,587	\$259,343
Jackson County Developmental Center	\$493,662	\$637,608	\$999,372	\$1,172,671	\$1,220,559
Job Squad	\$563,485	\$581,830	\$1,001,253	\$803,409	\$467,100
Lillian James Learning Center	\$115,644	\$115,770	\$106,053	\$99,140	\$99,851
Mercer County Opportunity Industries	\$231,863	\$224,784	\$211,888	\$204,424	\$207,207



CRP	FY07	FY06	FY05	FY04	FY03
Northwood Health Systems	\$24,630	\$25,588	\$25,377	\$19,482	\$19,454
PACE Training & Evaluation Center	\$171,398	\$209,066	\$158,509	\$151,954	\$159,679
Precision Services	\$1,014,045	\$932,874	\$1,038,016	\$1,107,186	\$1,001,698
Pretera Center	\$174,014	\$203,946	\$51,261	\$15,964	\$0
Preston County Sheltered Workshop	\$272,423	\$269,073	\$249,531	\$231,626	\$408,607
Randolph County Sheltered Workshop	\$112,300	\$105,900	\$106,053	\$118,542	\$144,995
Seeing Hand Assoc	\$4,397	\$2,748	\$0	\$0	\$0
Sheltered Workshop of Nicholas County	\$243,583	\$263,580	\$245,679	\$213,777	\$170,721
SW Resources	\$519,661	\$504,915	\$507,166	\$487,696	\$475,642
The Op Shop	\$1,212,413	\$1,117,199	\$946,639	\$744,728	\$641,225
WATCH	\$151,068	\$150,833	\$154,875	\$139,223	\$159,931
WVARF	\$168,021	\$174,158	\$188,314	\$560,205	\$899,751

*Table 8 –Sales by community rehabilitation program*

### Counties Served

Table 9 below shows the various counties that each CRP serves by employing people with disabilities. Several CRPs perform work in more counties than show below. For example, Harrison County Sheltered Workshop provides monitors for the Low Impact Monitor program, which requires them to provide services throughout the northern part of the state. Those counties have not been counted in this table as the workers are from Harrison County; rather than from the county in which they sometimes provide services through this project.

#### COUNTIES SERVED

CRP	Counties Served FY07
ARC of Harrison County	None
Buckhannon-Upshur Work Adjustment Center	Lewis Upshur
Clay County Services Unlimited	Clay
Developmental Center & Workshop	Berkeley Grant Hampshire Hardy Mineral
Eastern Panhandle Training Center	None
Eastridge Health Systems	Berkeley Morgan
Gateway Industries	Greenbrier Monroe Pocahontas
Goodwill Industries of Kanawha Valley	Kanawha Putnam
Goodwill Industries of KYOWVA	Cabell Lincoln Mason Wayne
Green Acres Regional Center	Cabell
Hancock County Sheltered Workshop	Hancock
Harrison County Sheltered Workshop	Doddridge Harrison
Healthways Health Systems	None
Integrated Resources	Boone Logan McDowell Mingo Raleigh Summers Wyoming
Jackson County Developmental Center	Jackson
Job Squad	Kanawha

CRP	Counties Served FY07
Lillian James Learning Center	Raleigh
Mercer County Opportunity Industries	Mercer
Northwoods Health Systems	Wetzel
PACE Training & Evaluation Center	Monongalia
Precision Services	Braxton Gilmer Lewis
Prestera Center	Kanawha
Preston County Sheltered Workshop	Preston
Randolph County Sheltered Workshop	Randolph
Seeing Hand Assoc	Ohio
Shawnee Hills	None
Sheltered Workshop of Nicholas County	Fayette Nicholas Webster
SW Resources	Pleasants Wood
Taylor County Workshop	Marion Harrison None
The Op Shop	Ohio Marion Harrison
WATCH	Barbour Calhoun Jackson Lincoln McDowell Ohio
WVARF	Barbour Calhoun Jackson Lincoln McDowell

Table 9 – Counties served by community rehabilitation programs

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<sup>1</sup> U.S. Census Bureau; American Community Survey, 2003-2006 Summary Tables ; generated by Ashley Hackney; using American FactFinder; <<http://factfinder.census.gov>>; (11 November 2007).

**FISCAL YEAR 2006**  
**STATE USE PROGRAM ACTIVITY REPORT**

**Respectfully submitted by the**  
**West Virginia Association of Rehabilitation Facilities**

**Prepared by Craig Greening**  
**With financial information compiled by**  
**Chris Miller**

**October 10, 2006**

### **Introduction**

During the past year the West Virginia Association of Rehabilitation Facilities (WVARF) has gathered the information contained in this brief report to help the Committee for the Purchase of Commodities and Services from the Handicapped (Committee) review the success of the State Use program (SUP) as it meets its mission to employ people with disabilities.

By code the Committee is directed to gather specific information about the people employed through the program. As the approved intermediary between the Committee and the approved local Community Rehabilitation Programs, WVARF is pleased to gather this information on behalf of the Committee. Additionally, WVARF and the Committee have determined that other information is important and will be included in this report as well.

The analysis and tables below will compare the last five fiscal years (FY). This comparison will enable the Committee to evaluate trends, as well as the most immediate results.

### Number of People

The number of people employed reflects the total number of all workers that have worked on a SUP project during the year, regardless of the duration of their assignment on a project, or the number of hours worked during their employment. It does not reflect the number of "positions" that are created by the SUP. CRPs are free to utilize the best staffing patterns to meet the needs of both the government customer and the individual worker's ability or need to work. Also with the large number of small projects in the SUP, full time employment is not always available to the individual worker.

As shown below in Table 1 the number of people employed through the SUP increased each year until FY2006. During the analysis of the numbers for FY2006 it was learned that one of the largest participating Community Rehabilitation Programs (CRP) had inaccurately reported the total number of employees in their organization for all of the previous years noted within this report. They should have only reported the number of individuals employed through the SUP. This error in reporting resulted in a drop of 147 people with disabilities from FY2005 to FY2006; and a drop of 213 people without disabilities for the same period.

Another CRP with a significant drop in numbers reported that they had increased their retention of workers, which has increased the quality of work performed, but has lowered the overall number of people employed.

Nevertheless it would appear that if an adjustment is made for all of the previous years, reflective of the new information available, the SUP has continued to employ more people each year.

Fiscal Year	Number of People w/ Disabilities	Number of People w/out Disabilities	Total number of people
2006	699	260	959 +
2005	891	476	1,367 *
2004	827	331	1,158 *
2003	726	278	1,004 *
2002	834	181	1,015 *

Table 1

+ Reflects corrected information

\* Artificially high due to incorrect reporting by CRPs

### Disability Demographics

The information contained in Table 2 is designed to give the Committee a sense of who is being employed through the SUP based upon their stated disability.

The value of this information rests on its ability to help various state agencies who provide funding for different types of employment programs for various types of disability groups. During the course of providing the state with needed commodities and services the SUP employs a wide variety of individuals through the local CRPs. West Virginia has the largest percentage of its population comprised of people with disabilities compared to other States. State agencies providing assistance to individuals can better understand who is being employed through the SUP by this information. Funding sources could be alerted to the success of the program, and an open dialogue with the CRPs could shed light on certain characteristics of how employing individuals could be helpful in developing new support programs.

The largest demographic group employed in the SUP is people with mental retardation or developmental disabilities (MR/DD). While this has been a long term focus group for CRPs, it is interesting to note that the combined total of the other groups is larger than the MR/DD group. This is significant, in that it dispels the notion that CRPs only employ MR/DD individuals. This information points out that at least through the SUP, a wide variety of disability groups are employed by the participating CRPs.

Fiscal Year	MR/DD	Mental Health	Substance Abuse	Physical Disability	Other
2006	290	144	36	137	95 +
2005	380	181	52	177	111*
2004	407	170	26	107	116 *
2003	375	120	33	66	128 *
2002	412	158	62	92	143 *

Table 2

+ Reflects corrected information

\* Artificially high due to incorrect reporting by CRPs



### Direct Labor Hours and the Ratio

This important set of numbers shown in Table 3 provides a strong indication of the overall success of the SUP. Since the mission of the program is to employ people with disabilities, it is critical to determine the actual impact of the SUP. A primary method is to measure the number of direct labor hours worked, and compare that number within itself to determine the number of hours worked by people with and without disabilities.

The purpose of measuring the direct labor hours is based on two primary factors. The first is due to the small number of projects. For example, there are 152 janitorial projects and 69, or 45% of these projects are less than 5,000 square feet. These small projects combined add up to 30,369 direct labor hours, which is only 7% of all the direct labor hours for all janitorial projects. The second purpose is based on the need to provide workers with disabilities a limited work week if they desire.

CRPs often encounter circumstances that require them to engage workers in the performance of direct labor on a project who do not have a disability. The primary source of these workers without disabilities is the supervisors of the direct labor workforce, including management staff. During the course of performing the service or the manufacture of a commodity, certain tasks may require a higher skill level, such as stripping and applying floor finish, which may be beyond the typical routine or training of the worker. Additionally, there are times when a supervisor must fill in for an absent worker. On occasion a CRP may need to hire non-disabled workers to provide the service. This is not the normal operational approach of CRPs, and generally these workers are replaced as soon as possible by workers who have a disability.

The ratio that results from comparing the two groups of workers has continued to trend upwards over the past few years. This is a very good indication of the program's success in employing people with disabilities, and this success must be contributed directly to the efforts of the CRPs. The program rules require that each CRP has a ratio of no less than 75% of its workers on its SUP project be workers with disabilities. This year only two CRPs have ratios below the 75% mark (74.4% and 71.7%), and they are working to improve that number based on plans of correct submitted to the Committee.

Fiscal Year	Hours worked by workers with disabilities	Hours worked by workers without disabilities	Total hours worked	Overall SUP Ratio
2006	781,337	164,829	946,166	82.6%
2005	765,275	179,834	945,109	81.0%
2004	706,330	162,764	869,094	81.3%
2003	707,069	186,558	893,627	79.1%
2002	685,723	191,623	877,346	78.2%

Table 3

### Wages

A key measurement of success is the amount of wages paid to workers with disabilities as shown in Table 4 below. Regardless of the amount of pay, all work has value. However, much of the work performed under the SUP is typically low wage in nature, even when performed by a for-profit company on the open market. Despite this fact, we have done a good job of slowly increasing the wages of the average SUP worker.

In the table below we see that the average hourly wage for workers with disabilities has increased from \$5.52 per hour to \$6.56 per hour over the past four years. It is interesting to note that the wage paid to workers without disabilities is not significantly higher. The higher wage for non-disabled workers is indicative of the supervisors and management staff that perform the work when needed. The federal and state minimum wage has not risen for over ten years, however CRPs and state agencies as a whole have been able to help raise the wage for workers in the SUP.

Fiscal Year	Wages paid people with disabilities	Wages paid to people without disabilities	Total wages paid	Average hourly wage for people with disabilities	Average hourly wage for people without disabilities	Overall average hourly wage
2006	\$5,126,701	\$1,120,647	\$6,247,349	\$6.56	\$6.80	\$6.60
2005	\$4,914,319	\$1,401,625	\$6,315,945	\$6.42	\$7.79	\$6.68
2004	\$4,265,743	\$1,077,392	\$5,343,135	\$6.04	\$6.62	\$6.15
2003	\$3,902,258	\$1,148,813	\$5,051,072	\$5.52	\$6.16	\$5.65
2002	N/A	N/A	\$4,971,858	N/A	N/A	\$5.67

Table 4

### Sales

Sales for Fiscal Year 2005 were slightly less than the prior year, having dropped by \$85,008, or 0.73%, from the previous years sales. The most significant reason for this reduction results from the privatization of the Worker's Compensation program. The two products most affected were Data Management and Presort.

Data Management, produced by the Jackson County Development Center in Millwood, was the hardest hit with sales dropping from \$1,076,328 in FY04 to \$493,054 in FY06. This is a reduction of \$583,274 or 54% in two years. This loss in sales resulted in a loss of 19,030 hours, or approximately nine full time jobs. This downward trend in sales will continue as FY2006 was a transitional year.

During this same period Presort sales dropped from \$759,079 to \$599,657; thus the producing CRP Job Squad suffered a loss of \$159,422 or 21% during this same two year period.

Without this singular, though very crucial loss in sales, in a product by product comparison, sales were overall very good. The other products experiencing small losses were Data Imaging, Microfilm, Oil Absorbency Kits and Wipers. All other products saw increases in sales.

Every few years the SUP has a set back resulting in significant loss in sales, such as Worker's Compensation privatization, Mountaineer Challenger Academy's food service, or the loss of janitorial services through full service leasing. However, despite these set backs, the strength of the program continues to push it forward. Overall sales continue to rise or as they did in FY06, retain the total sales volume. So while any one loss can result in the loss of a potentially irreplaceable job for a person with a disability, the SUP continues to go forward.

As one reviews Tables 5 and 6 below, a brief explanation of certain products may be appropriate. The loss of billeting services in FY02 was offset by the addition of a janitorial service contract at Camp Dawson. Thus both jobs and sales were shifted from one type of service to another service. Food Service was lost when a funding source required that all services related to the delivery of food to the cadets at the Mountaineer Challenge Academy had to be obtained through the open bidding process.

For several years WVARF had a contract with the WV Rehab Center in Institute, wherein individual workers provided specific services. These contracts were terminated when the WV Division of Personnel determined that these contracts were subject to the 1,000 hour rule, which limits the amount of time that a person can perform certain services without the State coming into jeopardy of having to hire those individuals. They were perceived to be under the direct control of state employees, rather acting as independent workers.

In Table 6, commodities both "Printing and Signs" and "Miscellaneous" sales dropped off significantly due to the fact that the CRPs producing these products did not add a significant amount "value-added" labor by people with disabilities. As a result when WVARF04 was first created they were not allowed into this contract. The other concern raised by these products was that Corrections Industries also produced similar items for

sale to the State. Since their law is older, the Purchasing Division has determined that they have first rights over the State Use Program.

#### SALES BY SERVICES

Service	FY06	FY05	FY04	FY03	FY02
Billeting	0	0	0	0	50,406
Courier	30,538	29,780	28,585	27,082	26,142
Data Mgmt	493,054	796,816	1,076,328	1,073,993	1,000,729
Data Imaging	548,921	599,170	658,527	607,157	105,485
Food Service	0	0	0	180,592	351,697
Grounds	11,075	4,379	51,965	3,385	3,445
Janitorial	5,702,379	5,425,695	4,923,665	4,663,409	4,460,403
Low Impact Monitor	232,511	210,538	129,587	0	0
Microfilm	80,376	137,391	103,479	48,999	54,593
Presort	599,657	674,534	759,079	772,344	724,603
Rehab Ctr Workers	0	0	0	0	287,809
Rest Areas	2,541,889	2,530,732	2,349,545	2,347,799	2,153,882
Stream Access Sites	102,802	99,577	0	0	0
Temporary Services	603,251	579,346	385,219	677,828	594,379
Miscellaneous	1,899	1,869	1,793	1,766	0
<b>TOTAL</b>	<b>10,948,352</b>	<b>11,089,827</b>	<b>10,991,191</b>	<b>10,404,354</b>	<b>9,813,622</b>

Table 5

#### SALES BY COMMODITIES

Commodity	FY06	FY05	FY04	FY03	FY02
Bottled Water	189,931	144,422	111,205	103,556	123,506
Condiment Kits	0	0	0	1,358	790
Fish Nursery Structures	17,330	0	0	0	0
Liquid Hand Soap	120,248	93,588	92,381	73,025	51,415
Oil Absorbency Kits	16,103	19,818	15,912	7,347	8,701
Printing & Signs	0	0	61,836	89,366	105,567
Survey Stakes	19,510	15,105	15,399	13,240	11,033
Wiper Cloths	167,248	202,588	179,598	198,749	223,121
Miscellaneous	2,619	1,138	47,088	143,724	177,177
<b>TOTAL</b>	<b>533,095</b>	<b>476,628</b>	<b>523,419</b>	<b>630,365</b>	<b>701,310</b>

Table 6

Table 7 breaks down the sales by agency for the past five years, and also shows the total sales figures for each year.

**SALES BY AGENCY**

Agency	FY06	FY05	FY04	FY03	FY02
Auditor's Office	72,406	0	0	0	0
Bureau of Commerce	220,512	197,727	141,987	95,557	106,986
Bureau of Employment Programs	598,972	1,010,075	1,133,069	1,114,161	1,066,861
Dept of Administration	2,117,051	1,960,560	1,621,962	1,575,825	1,557,364
Dept of Education & the Arts	481,589	474,758	451,996	494,078	920,388
Dept of Environmental Protection	430,781	678,347	903,699	360,379	254,466
Dept of Health & Human Resources	1,555,474	1,556,324	1,524,418	1,777,053	1,593,100
Dept of Military Affairs and Public Safety	294,480	278,634	282,883	479,078	635,325
Dept of Tax and Revenue	429,432	372,160	370,141	808,794	315,180
Dept of Transportation	4,286,835	4,279,256	4,040,950	3,820,507	3,615,911
Public Service Commission	103,410	100,961	60,505	51,524	92,918
Sec. of State's Office	4,291	1,927	5,926	50,832	47,531
Miscellaneous Agencies	20,040	13,704	11,333	15,153	13,814
Political Subdivisions	45,798	45,469	46,227	48,106	50,618
Colleges & Universities	820,376	596,552	396,095	342,807	244,469
<b>TOTAL</b>	<b>11,481,447</b>	<b>11,566,455</b>	<b>10,991,191</b>	<b>11,034,719</b>	<b>10,514,932</b>

Table 7

Table 8 shows the break down in sales by participating CRP. Note that ARC of Harrison County ceased having SUP sales in FY04, they had provided janitorial services for the Clarksburg State Office Building until it closed. The Eastern Panhandle Training Center ceased operations in 2002, with their projects being transferred to another CRP. Eastridge began to obtain SUP projects in the eastern panhandle in 2003. Similarly, Shawnee Hills ceased operations in 2002, and their projects were transferred to other CRPs.

SALES BY COMMUNITY REHABILITATION PROGRAM

CRP	FY06	FY05	FY04	FY03	FY02
ARC of Harrison County	0	0	17,270	41,499	68,568
Buckhannon-Upshur Work Adjustment Center	100,589	100,218	87,169	81,402	78,235
Clay County Services Unlimited	239,081	234,973	224,976	225,708	37,682
Developmental Center & Workshop	654,281	253,600	111,115	118,910	109,836
Eastern Panhandle Training Center	0	0	0	0	300,725
Eastridge Health Systems	16,306	7,848	4,249	2,421	0
Gateway Industries	233,576	204,854	213,082	221,139	206,678
Goodwill Industries of Kanawha Valley	3,228,425	3,374,221	2,988,280	2,930,210	1,859,693
Goodwill Industries of KYOWVA	413,104	392,936	381,710	374,781	379,863
Green Acres Regional Center	16,936	101,600	81,304	86,974	97,504
Hampshire County Special Services	0	0	0	0	4,726
Hancock County Sheltered Workshop	33,583	53,260	33,108	33,085	34,323
Harrison County Sheltered Workshop	283,950	208,366	124,861	72,916	101,631
Healthways Health Systems	0	0	0	2,515	0
Integrated Resources	307,575	275,495	238,587	259,343	198,451
Jackson County Developmental Center	637,608	999,372	1,172,671	1,220,559	1,180,604
Job Squad	581,830	1,001,253	803,409	467,100	122,271
Lillian James Learning Center	105,900	106,053	99,140	99,851	96,656
Mercer County Opportunity Industries	224,784	211,888	204,424	207,207	197,622

Table 8

CRP	FY06	FY05	FY04	FY03	FY02
Northwood Health Systems	25,588	25,377	19,482	19,454	18,921
PACE Training & Evaluation Center	209,066	158,509	151,954	159,679	148,685
Precision Services	932,874	1,038,016	1,107,186	1,001,698	518,736
Pretera Center	203,946	51,261	15,964	0	0
Preston County Sheltered Workshop	269,073	249,531	231,626	408,607	449,601
Randolph County Sheltered Workshop	105,900	106,053	118,542	144,995	117,844
Seeing Hand Assoc	2,748	0	0	0	0
Shawnee Hills	0	0	0	0	1,747,590
Sheltered Workshop of Nicholas County	263,580	245,679	213,777	170,721	148,008
SW Resources	504,915	507,166	487,696	475,642	495,495
Taylor County Workshop	0	4,629	3,552	5,436	4,158
The Op Shop	1,117,199	946,639	744,728	641,225	663,826
WATCH	150,833	154,875	139,223	159,931	139,247
WVARF	174,158	188,314	560,205	899,751	N/A

Table 8

**Counties Served**

Table 9 below shows the various counties that each CRP serves by employing people with disabilities. Several CRPs perform work in more counties than show below. For example, Harrison County Sheltered Workshop provides monitors for the Low Impact Monitor program, which requires them to provide services throughout the northern part of the state. Those counties have not been counted in this table as the workers are from Harrison County; rather than from the county in which they sometimes provide services through this project.

**COUNTIES SERVED**

<b>CRP</b>	<b>Counties Served FY06</b>
ARC of Harrison County	None
Buckhannon-Upshur Work Adjustment Center	Lewis Upshur
Clay County Services Unlimited	Clay
Developmental Center & Workshop	Berkeley Grant Hampshire Hardy Mineral
Eastern Panhandle Training Center	None
Eastridge Health Systems	Berkeley Morgan

*Table 9*



CRP	Counties Served FY06
Gateway Industries	Greenbrier Monroe Pocahontas
Goodwill Industries of Kanawha Valley	Kanawha Putnam
Goodwill Industries of KYOWVA	Cabell Lincoln Mason Wayne
Green Acres Regional Center	Cabell
Hampshire County Special Services	None
Hancock County Sheltered Workshop	Hancock
Harrison County Sheltered Workshop	Doddridge Harrison
Healthways Health Systems	None
Integrated Resources	Boone Logan McDowell Mingo Raleigh Summers Wyoming
Jackson County Developmental Center	Jackson
Job Squad	Kanawha
Lillian James Learning Center	Raleigh
Mercer County Opportunity Industries	Mercer
Northwoods Health Systems	Wetzel
PACE Training & Evaluation Center	Monongalia
Precision Services	Braxton Gilmer Lewis
Prestera Center	Kanawha
Preston County Sheltered Workshop	Preston
Randolph County Sheltered Workshop	Randolph
Seeing Hand Assoc	Ohio
Shawnee Hills	None
Sheltered Workshop of Nicholas County	Fayette Nicholas Webster
SW Resources	Pleasants Wood
Taylor County Workshop	None
The Op Shop	Marion
WATCH	Ohio
WVARF	Barbour Calhoun Jackson Lincoln McDowell

Table 9

**THE COMMITTEE FOR  
THE PURCHASE OF  
COMMODITIES AND  
SERVICES FROM THE  
HANDICAPPED**



**2005 ANNUAL REPORT**

Employing West Virginians  
with Disabilities

# WHAT IS THE STATE USE PROGRAM?

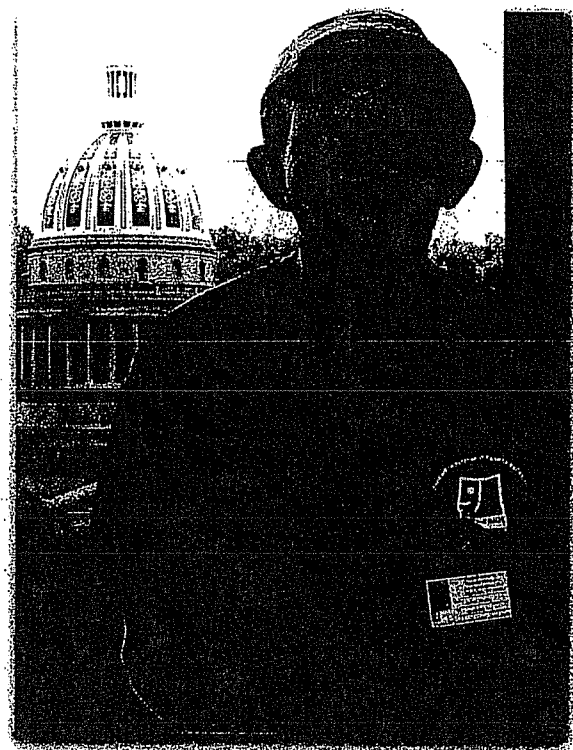
The West Virginia Legislature passed a law in 1989 that allowed local Community Rehabilitation Programs (CRPs) the ability to provide products and services to the state without going through the bidding process.

The West Virginia Association of Rehabilitation Facilities administers the State Use Program and is responsible for the day to day maintenance and growth of this highly beneficial program. Responsibilities include:

- Coordinating purchases between CRPs and state agencies
- Researching new product development
- Listing products for sale by the CRPs
- Overseeing quality assurance
- Negotiating on behalf of the CRP

Overseeing the program is a group of people appointed by the governor who operate as the Committee for the Purchase of Commodities and Services from the Handicapped. They serve to protect the interest of the state, individuals with disabilities and West Virginia taxpayers and are responsible for:

- Establishing the Procurement List
- Setting the Fair Market Price of products and services offered under the program
- Assuring the interest of individuals with disabilities is advanced within the program
- Monitoring quality assurance
- Resolving grievances
- Reporting to the Legislature the program's status
- Showing the benefits of the program



# HOW DOES WEST VIRGINIA BENEFIT?

The state benefits any time someone is able to work and provide for themselves. Without the State Use program, many CRPs would not be able to offer enough work for people with disabilities. By purchasing quality goods and services through the program, the state includes more of its citizens as wage earners and taxpayers who would otherwise not have the opportunity.

# STATE USE PROGRAMS ASSOCIATION ECONOMIC BENEFIT STUDY

SUPRA is a national association of private, nonprofit corporations and state government agencies working to advance preferential purchasing ('state use') programs that create jobs for Americans with disabilities. In 2004 SUPRA conducted a benefit study to determine if employment of persons with disabilities through state use programs reduces the employees' use of government entitlements and increases taxpayer contributions.

More than thirty states have state use programs and, of the ones that participated in the study, they found that state use programs:

- Saved government **\$31,847,141** reduced need for government entitlements
- Increased tax payments to the government by **\$35,896,592** as state use workers became tax payers...at total savings of **\$67,743,733** to the government
- On average, **\$2,200 is saved annual per worker** employed through a state use program

## ACCOMPLISHMENTS

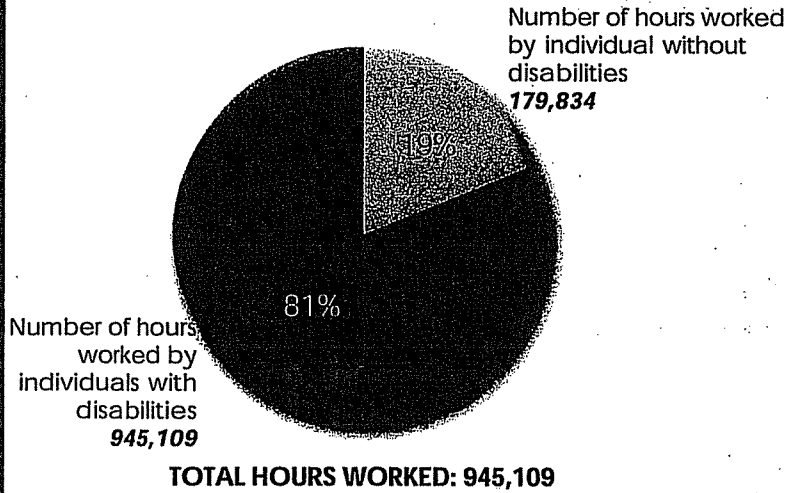
In 2004, the State Use Program accomplishments included:

- More people with disabilities found employment through the program this year, 891, than any other year. That's up 64 people over last year!
- The increase of workers also caused the amount of direct labor hours by people with disabilities to increase to 765,275.
- Wages paid to people with disabilities increased to almost \$5 million, also a new record.
- A web site, [wvarf.org](http://wvarf.org), was created and customers were able to order products and services accessing the State Use catalog online for the first time.
- Three products were added to WVARF04: steel-framed mirror, rubber lab apron and fish habitat structures.
- The CRPs exceeded the required 75% disabled workers' labor hours at 80%.
- Sales increased by 5.23%.
- Reviews have been initiated to ensure all qualified state use participants have maintained their status as an active participant in the program.

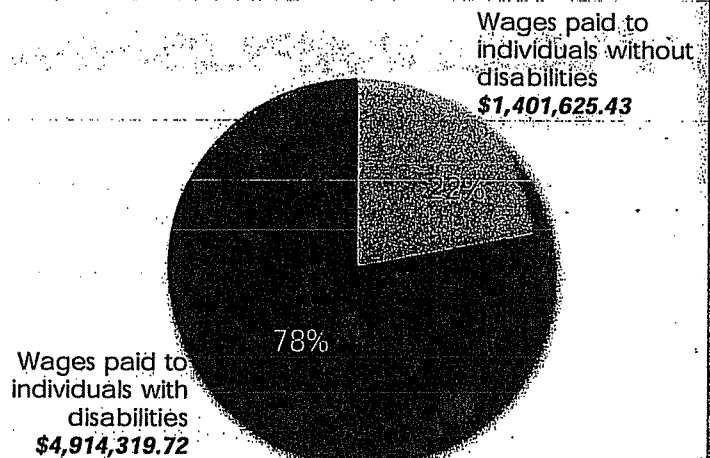


# YEAR IN REVIEW 2005

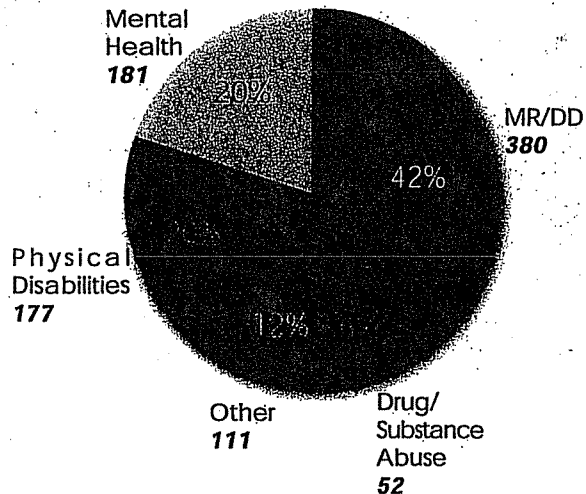
## NUMBER OF DIRECT LABOR HOURS WORKED



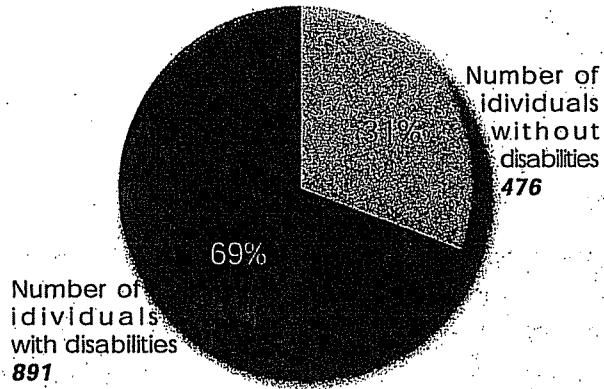
## AMOUNT OF WAGES PAID



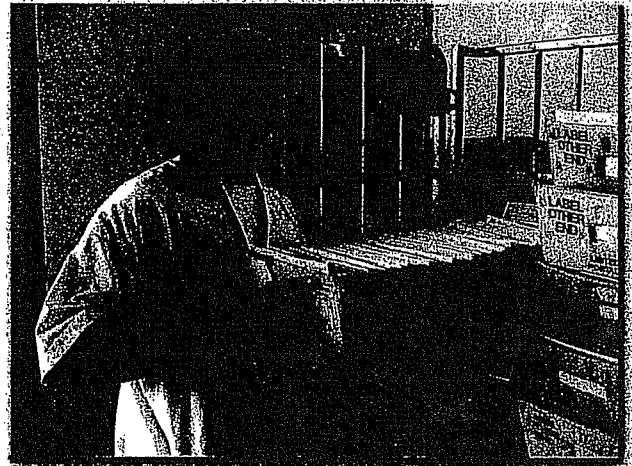
## TYPES OF DISABILITIES



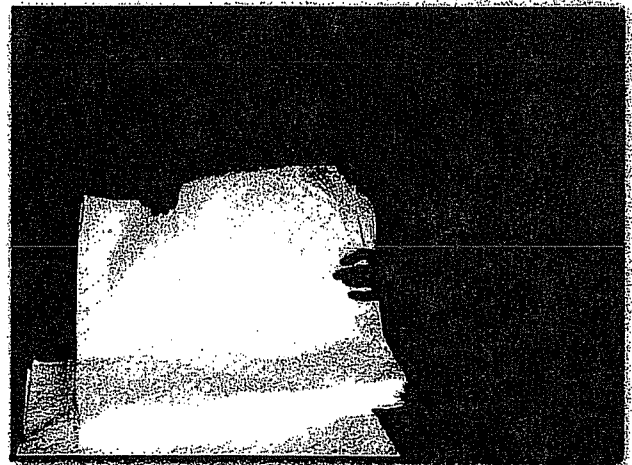
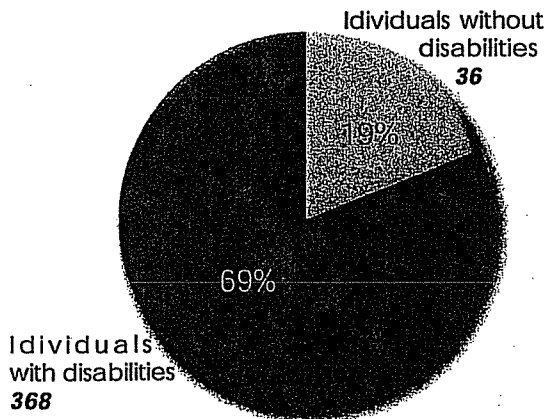
**TOTAL NUMBER OF INDIVIDUALS WORKING ON STATE USE PROJECTS IN 2005**



**TOTAL NUMBER OF INDIVIDUALS: 1,298**



**FULL TIME EQUIVALENTS REPRESENTING INDIVIDUALS WORKING ON A STATE USE PROJECT**





# 2005 SALES

## SALES BY CATEGORY: COMMODITIES

Bottled Water	\$144,422
Liquid Hand Soap	\$93,588
Survey Stakes	\$15,105
Wiping Cloths	\$202,556
Oil Absorbance Kits	\$19,818
Miscellaneous	\$1,138

## SALES BY CATEGORY: SERVICES

Courier Services	\$29,780
Data Management	\$796,816
Data Imaging	\$599,170
Grounds Maintenance	\$103,956
Janitorial	\$5,425,695
Low Impact Monitors	\$210,538
Microfilm	\$137,391
Presort and Mail	\$674,534
Rest Area Maintenance	\$2,530,732
Temporary Employment	\$579,346
Miscellaneous	\$1,869

## SALES BY AGENCY

Bureau of Commerce	\$797,727
Bureau of Employment Programs	\$1,010,075
Department of Administration	\$1,960,560
Department of Environmental Protection	\$678,347
Department of Health and Human Resources	\$0
Department of Military Affairs and Public Safety	\$278,664
Department of Tax and Revenue	\$372,160
Department of Transportation	\$1,279,256
Department of Education and the Arts	\$474,758
Secretary of State's Office	\$1,927
Public Service Commission	\$100,967
Political Subdivisions	\$45,169
Colleges and Universities	\$596,552
Miscellaneous Agencies	\$13,704

**TOTAL SALES**  
**\$11,566,455**

# 2005 SALES

## PARTICIPATING COMMUNITY REHABILITATION PROGRAMS

COMMUNITY REHABILITATION PROGRAMS	PARTICIPANTS WITH DISABILITIES	STATE USE SALES	COUNTY SERVED
Buckhannon-Upshur Workshop Adjustment Center, Buckhannon	4	\$100,218.55	Lewis, Upshur
Clay County Services Unlimited, Inc., Lizemores	17	\$234,973.43	Clay, Fayette Preston
Developmental Center and Workshop, Inc., Keyser	11	\$253,600.77	Grant, Hampshire Hardy, Mineral Morgan
Eastridge Health Systems, Inc., Martinsburg	7	\$7,848.55	Berkeley, Jefferson Morgan
Gateway Industries, Inc., Ronceverte	12	\$204,854.97	Greenbrier, Monroe Pocahontas Summers
Goodwill Industries of Kanawha Valley, Inc., Charleston	333	\$3,374,221.49	Boone, Jackson Kanawha, Putnam
Goodwill Industries of KYOWVA, Inc., Huntington	16	\$392,936.33	Cabell, Lincoln Mason, Wayne
Green Acres Regional Center, Lesage	13	\$101,600.00	Cabell, Kanawha
Hancock County Sheltered Workshop, Weirton	2	\$33,583.55	Hancock
Harrison County Sheltered Workshop, Inc., Stonewood	33	\$208,366.29	Doddridge, Harrison
Integrated Resources, Inc., Maben	24	\$275,495.01	Boone, Lincoln Logan, McDowell Mingo, Raleigh Summers, Wyoming
Jackson County Developmental Center, Inc., Millwood	21	\$990,372.06	Jackson, Roans
Job Squad, Inc., Bridgeport	70	\$1,001,250.33	Berkeley, Kanawha
Lillian James Learning Center, Inc., Crab Orchard	27	\$168,179.24	Raleigh
Mercer County Opportunity Industries, Inc., Princeton	18	\$241,888.62	Mercer
Northwood Health Systems, Inc., New Martinsville	5	\$25,377.43	Tyler, Weirton
The Op Shop, Inc., Fairmont	69	\$976,839.28	Harrison, Marion
PACE Training and Evaluation Center, Inc., Star City	20	\$158,509.65	Harrison Montcalm
Precision Services, Inc., Sutton	52	\$1,038,016.83	Braxton, Gilmer Lewis
Prestera Center for Mental Health Services, Inc., Huntington	24	\$51,261.16	Cabell, Kanawha Mason
Preston County Sheltered Workshop, Inc., Reedsville	18	\$219,531.68	Preston
Randolph County Sheltered Workshop, Inc., Elkins	31	\$106,053.16	Randolph, Tucker
Sheltered Workshop of Nicholas County, Inc., Craigsville	29	\$245,679.06	Fayette, Greenbrier Harrison, Marion Mercer, Monongalia Nicholas, Raleigh Webster
SW Resources, Inc., Parkersburg	20	\$507,116.75	Calhoun, Gilmer Marshall, Pleasant Tyler, Wood
Taylor County Workshop, Inc., Grafton	5	\$1,629.95	Taylor
WATCH, Wheeling	13	\$194,373.67	Ohio
WV Association of Rehabilitation Facilities, Inc., Institute	6	\$188,314.65	Barbour, Calhoun Jackson, Lincoln





## Governor's Committee

For the Purchase of Commodities & Services  
from the Handicapped

1900 Kanawha Boulevard, East  
State Capitol, Room E-119  
Charleston, West Virginia 25305-0120  
304.558.3392



PO Box 745  
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[info@wvarf.org](mailto:info@wvarf.org)

**WEST VIRGINIA ASSOCIATION OF  
REHABILITATION FACILITIES, INC.**

**AUDITED FINANCIAL STATEMENTS**

**JUNE 30, 2007 AND 2006**

**WEST VIRGINIA ASSOCIATION OF  
REHABILITATION FACILITIES, INC.**

**JUNE 30, 2007 AND 2006**

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*Ellis & Ellis, PLLC*  
*Certified Public Accountants*

WILLIAM M. ELLIS, SR.  
(1919-1990)  
ROBERT V. ELLIS  
WILLIAM M. ELLIS, JR.  
MICHAEL C. ELLIS  
MARK E. ELLIS  
ALAN M. HEDGE  
KIMBERLY K. WILLIAMS

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
West Virginia Association of  
Rehabilitation Facilities, Inc.  
Institute, West Virginia

We have audited the accompanying statements of financial position of the West Virginia Association of Rehabilitation Facilities, Inc. as of June 30, 2007 and 2006, and the related statements of activities and changes in net assets, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the West Virginia Association of Rehabilitation Facilities, Inc. as of June 30, 2007 and 2006, 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.

*Ellis & Ellis*

Ellis & Ellis, PLLC

Charleston, West Virginia  
October 9, 2007

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**WEST VIRGINIA ASSOCIATION OF  
REHABILITATION FACILITIES, INC.**

**STATEMENTS OF FINANCIAL POSITION**

**ASSETS**

	JUNE 30,	
	2007	2006
Cash and Cash Equivalents	\$ 331,676	\$ 362,349
Investments (Note 5)	1,236,029	1,082,142
Accounts Receivable	1,308,111	1,369,124
Advance - Subcontractors	5,000	21,827
Prepaid Expenses	11,693	13,230
Equipment, less accumulated depreciation of \$56,534 and \$40,820 (Note 6)	31,381	47,095
Deposits on Software	151,997	151,997
<b>TOTAL ASSETS</b>	<b>\$ 3,075,887</b>	<b>\$ 3,047,764</b>

**LIABILITIES AND NET ASSETS**

	JUNE 30,	
	2007	2006
Accounts Payable	\$ 1,167,020	\$ 1,319,747
Accrued Expenses	50,439	67,219
Total Liabilities	\$ 1,217,459	\$ 1,386,966
Unrestricted Net Assets:		
Unrestricted, Undesignated	1,858,428	1,660,798
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 3,075,887</b>	<b>\$ 3,047,764</b>

The accompanying Notes to Financial Statements are an integral part of these statements.

**WEST VIRGINIA ASSOCIATION OF  
REHABILITATION FACILITIES, INC.**

**STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS**

	<b>FOR THE YEARS ENDED</b>	
	<b>JUNE 30,</b>	
	<u>2007</u>	<u>2006</u>
<b>UNRESTRICTED REVENUES:</b>		
State Use Contract Sales Fees	\$ 10,050,663	\$ 9,986,189
Department of Health and Human Resources Contract Fees	729,244	721,634
Membership Fees	26,600	26,600
Interest Income on Note	161	812
Investment Gain (Note 5)	165,289	78,073
Miscellaneous	-	500
Loss on Disposal of Equipment	-	(618)
	<u>                    </u>	<u>                    </u>
Total Unrestricted Revenues	\$ 10,971,957	\$ 10,813,190
<b>EXPENSES:</b>		
<i>Program Services:</i>		
Employment Contracts	\$ 10,622,921	\$ 10,639,967
Membership Services	2,034	21,733
	<u>                    </u>	<u>                    </u>
	\$ 10,624,955	\$ 10,661,700
<i>Supporting Services:</i>		
Management and General	149,372	88,972
	<u>                    </u>	<u>                    </u>
Total Expenses	\$ 10,774,327	\$ 10,750,672
<b>INCREASE IN NET ASSETS</b>	<b>\$ 197,630</b>	<b>\$ 62,518</b>
<b>NET ASSETS, Beginning of Year</b>	<u>1,660,798</u>	<u>1,598,280</u>
<b>NET ASSETS, End of Year</b>	<u>\$ 1,858,428</u>	<u>\$ 1,660,798</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

**WEST VIRGINIA ASSOCIATION OF  
REHABILITATION FACILITIES, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES**

**FOR THE YEAR ENDED JUNE 30, 2007**

	<u>Program Services</u>			<u>Management &amp; General</u>	<u>Total</u>
	<u>Employment Contracts</u>	<u>Membership Services</u>	<u>Total</u>		
State Use Contracts	\$ 9,623,073	\$ -	\$ 9,623,073	\$ -	\$ 9,623,073
DHHR Contracts	563,365	-	563,365	-	563,365
Personnel Cost	325,310	-	325,310	102,702	428,012
Travel	15,773	-	15,773	1,282	17,055
Dues and Subscriptions	1,063	-	1,063	500	1,563
Meetings/Hospitality	2,257	1,874	4,131	1,062	5,193
Maintenance	428	-	428	201	629
Office Supplies	5,233	-	5,233	2,100	7,333
Postage and Printing	2,710	160	2,870	1,275	4,145
Telephone	1,841	-	1,841	186	2,027
Professional Services	2,312	-	2,312	27,951	30,263
Rent	12,181	-	12,181	5,732	17,913
Miscellaneous	2,448	-	2,448	25	2,473
Voter Registration Drive	25,448	-	25,448	-	25,448
Corporate Insurance	7,167	-	7,167	3,374	10,541
Depreciation	13,232	-	13,232	2,483	15,715
Credit Card Fees	19,080	-	19,080	-	19,080
Advertising and Publicity	-	-	-	499	499
	<u>\$ 10,622,921</u>	<u>\$ 2,034</u>	<u>\$ 10,624,955</u>	<u>\$ 149,372</u>	<u>\$ 10,774,327</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

**WEST VIRGINIA ASSOCIATION OF  
REHABILITATION FACILITIES, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES**

**FOR THE YEAR ENDED JUNE 30, 2006**

	<u>Program Services</u>			<u>Management &amp; General</u>	<u>Total</u>
	<u>Employment Contracts</u>	<u>Membership Services</u>	<u>Total</u>		
State Use Contracts	\$ 9,580,780	\$ -	\$ 9,580,780	\$ -	\$ 9,580,780
DHHR Contracts	548,546	-	548,546	-	548,546
Personnel Cost	413,387	11,067	424,454	66,459	490,913
Travel	17,418	70	17,488	420	17,908
Dues and Subscriptions	830	31	861	189	1,050
Meetings/Hospitality	1,426	958	2,384	324	2,708
Maintenance	695	26	721	158	879
Office Supplies	8,116	307	8,423	1,846	10,269
Postage and Printing	3,162	119	3,281	713	3,994
Telephone	1,865	20	1,885	122	2,007
Professional Services	2,687	8,138	10,825	12,313	23,138
Rent	12,374	468	12,842	2,813	15,655
Miscellaneous	1,686	3	1,689	232	1,921
Corporate Insurance	8,353	316	8,669	1,899	10,568
Depreciation	13,706	210	13,916	1,315	15,231
Credit Card Fees	20,529	-	20,529	-	20,529
Advertising and Publicity	-	-	-	169	169
Interest	4,407	-	4,407	-	4,407
	<u>\$ 10,639,967</u>	<u>\$ 21,733</u>	<u>\$ 10,661,700</u>	<u>\$ 88,972</u>	<u>\$ 10,750,672</u>

The accompanying Notes to Financial Statements are an integral part of these statements.



**WEST VIRGINIA ASSOCIATION OF  
REHABILITATION FACILITIES, INC.**

**STATEMENTS OF CASH FLOWS**

	<b>FOR THE YEARS ENDED</b>	
	<b>JUNE 30,</b>	
	<u>2007</u>	<u>2006</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Increase in Net Assets	\$ 197,630	\$ 62,518
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by		
Operating Activities:		
Depreciation Expense	15,714	15,231
Net Unrealized and Realized (Gains) on Investments	(78,013)	(34,903)
Loss on Disposal of Equipment	-	618
Change in Operating Assets and Liabilities:		
(Increase) Decrease In:		
Accounts Receivable	61,013	199,543
Prepaid Expenses	1,537	(8,139)
Increase (Decrease) In:		
Accounts Payable	(152,727)	165,029
Accrued Expenses	(16,780)	22,443
	<u>28,374</u>	<u>422,340</u>
Net Cash Provided by Operating Activities	\$	\$
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of Equipment and Deposits on Software	\$ -	\$ (88,346)
Purchase of Investments	(969,692)	(1,601,617)
Proceeds from Sales of Investments	<u>893,818</u>	<u>1,670,322</u>
	<u>(75,874)</u>	<u>(19,641)</u>
Net Cash (Used) in Investing Activities	\$	\$
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Advances (Repayments) on Line of Credit	\$ -	\$ (200,000)
Repayments from Subcontractor	<u>16,827</u>	<u>16,173</u>
	<u>16,827</u>	<u>(183,827)</u>
Net Cash Provided (Used) in Financing Activities	\$	\$
Increase (Decrease) in Cash and Cash Equivalents	\$ (30,673)	\$ 218,872
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>362,349</u>	<u>143,477</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 331,676</u>	<u>\$ 362,349</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

**WEST VIRGINIA ASSOCIATION OF  
REHABILITATION FACILITIES, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2007 AND 2006**

**NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

***Description of Organization:***

West Virginia Association of Rehabilitation Facilities, Inc. (the Association) is a nonprofit, nonstock corporation organized under the laws of the State of West Virginia and exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The primary purpose of the Association is to communicate and disseminate information among rehabilitation facilities to assist the disabled in making their maximum contributions to society. The Association's primary operations consist of obtaining employment contracts with agencies of the State of West Virginia for community rehabilitation programs.

***Cash and Cash Equivalents:***

Cash and cash equivalents consist of demand deposits and daily cash investment accounts.

***Equipment:***

Equipment is stated at cost. Depreciation is calculated on a straight-line basis over an estimated useful life of 5 years. The Association's policy is to capitalize property and equipment over \$1,000. Lesser amounts are expensed.

***Investments:***

Investments are carried at market values as determined by quoted prices in active markets.

***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 these estimates.

***Functional Expenses:***

Expenses are charged to program and supporting services based on a combination of specific identification and allocation by management.

**NOTE 2 - OPERATING LEASES:**

The Association leases equipment under noncancellable operating leases expiring in 2010. Additionally, the office space is leased under a cancellable operating lease which expires on December 31, 2012.

Rental expense for all operating leases was \$17,914 and \$15,655 for the years ended June 30, 2007 and 2006, respectively.

**WEST VIRGINIA ASSOCIATION OF  
REHABILITATION FACILITIES, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2007 AND 2006**

**NOTE 2 - OPERATING LEASES: (Continued)**

Future minimum rental payments for the next five years and thereafter required under leases with remaining terms in excess of one year are as follows:

Year Ended June 30,		
2008	\$	14,249
2009		14,249
2010		14,249
2011		14,249
2012		13,624
Thereafter		<u>6,708</u>
	\$	<u>77,328</u>

**NOTE 3 - RETIREMENT PLAN:**

The Association has a defined contribution retirement plan in which all employees are eligible to participate. The Plan provides participants with several investment options. The Association contributes 9.5% of gross compensation for each participant. Retirement expense for the years ended June 30, 2007 and 2006 was \$27,607 and \$32,656, respectively.

**NOTE 4 - CONCENTRATION OF CREDIT RISK:**

***Cash and Investments:***

Financial instruments which potentially expose the Association to significant concentrations of credit risk consist principally of cash and cash equivalents, investments, and accounts receivable.

Cash and cash equivalents consist of demand deposits and a daily cash investment account with a high credit quality financial institution. Cash normally exceeds the federal depository insurance limit of \$100,000. Investments consist principally of money market funds and diversified mutual funds.

***Accounts Receivable and Revenues:***

Accounts receivable are primarily due from agencies of the State of West Virginia. During the years ended June 30, 2007 and 2006, approximately 99% of the contract fees recognized by the Association were related to state agencies. At June 30, 2007 and 2006, approximately 99% of the accounts receivable balance was due from state agencies.

The Association was notified by the State of West Virginia that it will have to submit a bid to continue as the contract administrator for state use contracts beginning July 1, 2008.

**WEST VIRGINIA ASSOCIATION OF  
REHABILITATION FACILITIES, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2007 AND 2006**

**NOTE 5 - INVESTMENTS:**

Investments are stated at fair value and are summarized as follows:

		June 30, 2007	
		Cost	Fair Value
Money Market Funds		\$ 195,921	\$ 195,921
Mutual Funds		897,764	965,799
U.S. Treasury Bills		73,188	74,309
		\$ 1,166,873	\$ 1,236,029
		June 30, 2006	
		Cost	Fair Value
Money Market Funds		\$ 822,735	\$ 822,735
Mutual Funds		254,900	259,407
		\$ 1,077,635	\$ 1,082,142

The following schedule summarizes investment earnings (losses) for the years ended June 30,

		2007	2006
Unrealized Gains (Losses) on Investments		\$ 64,649	\$ (46,558)
Investment Income		87,276	43,170
Realized Gains (Losses) on Sales of Investments		13,364	81,461
		\$ 165,289	\$ 78,073

**NOTE 6 - EQUIPMENT:**

The following is a summary of equipment at June 30,

		2007	2006
Office Equipment		\$ 48,138	\$ 48,138
Vehicles		39,777	39,777
		\$ 87,915	\$ 87,915
Less: accumulated depreciation		(56,534)	(40,820)
		\$ 31,381	\$ 47,095

**NOTE 7 - BANK LINE OF CREDIT:**

The Association has a line of credit from J.P. Morgan Chase. The amount of credit available under this line is \$1,000,000, none of which had been used at June 30, 2007 and 2006. The security for this line of credit is all accounts receivable of the Association, and interest is at prime less 1%.

**WEST VIRGINIA ASSOCIATION OF  
REHABILITATION FACILITIES, INC.**

**AUDITED FINANCIAL STATEMENTS**

**JUNE 30, 2006 AND 2005**

**WEST VIRGINIA ASSOCIATION OF  
REHABILITATION FACILITIES, INC.**

**JUNE 30, 2006 AND 2005**

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*Ellis & Ellis, PLLC*  
*Certified Public Accountants*

WILLIAM M. ELLIS, SR.  
(1919-1990)  
ROBERT V. ELLIS  
WILLIAM M. ELLIS, JR.  
MICHAEL C. ELLIS  
MARK E. ELLIS  
ALAN M. HEDGE  
KIMBERLY K. WILLIAMS

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
West Virginia Association of  
Rehabilitation Facilities, Inc.  
Institute, West Virginia

We have audited the accompanying statements of financial position of the West Virginia Association of Rehabilitation Facilities, Inc. as of June 30, 2006 and 2005, and the related statements of activities and changes in net assets, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the West Virginia Association of Rehabilitation Facilities, Inc. as of June 30, 2006 and 2005, 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.

*Ellis & Ellis*

Ellis & Ellis, PLLC

Charleston, West Virginia  
September 12, 2006

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**WEST VIRGINIA ASSOCIATION OF  
REHABILITATION FACILITIES, INC.**

**STATEMENTS OF FINANCIAL POSITION**

**ASSETS**

	JUNE 30,	
	2006	2005
Cash and Cash Equivalents	\$ 362,349	\$ 143,477
Investments (Note 5)	1,082,142	1,115,944
Accounts Receivable	1,369,124	1,568,667
Advance - Subcontractors	21,827	38,000
Prepaid Expenses	13,230	5,091
Equipment, less accumulated depreciation of \$40,820 and \$30,192 (Note 6)	47,095	46,129
Deposits on Software	151,997	80,466
<b>TOTAL ASSETS</b>	<b>\$ 3,047,764</b>	<b>\$ 2,997,774</b>

**LIABILITIES AND NET ASSETS**

	JUNE 30,	
	2006	2005
Accounts Payable	\$ 1,319,747	\$ 1,154,718
Accrued Expenses	67,219	44,776
Line of Credit Payable	-	200,000
<b>Total Liabilities</b>	<b>\$ 1,386,966</b>	<b>\$ 1,399,494</b>
<b>Unrestricted Net Assets:</b>		
Unrestricted, Undesignated	\$ 1,660,798	\$ 1,518,242
Unrestricted, Designated	-	80,038
<b>Total Net Assets</b>	<b>\$ 1,660,798</b>	<b>\$ 1,598,280</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 3,047,764</b>	<b>\$ 2,997,774</b>

The accompanying Notes to Financial Statements are an integral part of these statements.



**WEST VIRGINIA ASSOCIATION OF  
REHABILITATION FACILITIES, INC.**

**STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS**

	<b>FOR THE YEARS ENDED</b>	
	<b>JUNE 30,</b>	
	<u>2006</u>	<u>2005</u>
<b>UNRESTRICTED REVENUES:</b>		
State Use Contract Sales Fees	\$ 9,986,189	\$ 9,795,892
Department of Health and Human Resources		
Contract Fees	721,634	671,929
Membership Fees	26,600	26,600
Interest Income	812	-
Investment Gain (Note 5)	78,073	53,281
Miscellaneous	500	-
Loss on Disposal of Equipment	(618)	-
	<u>                    </u>	<u>                    </u>
Total Unrestricted Revenues	\$ 10,813,190	\$ 10,547,702
<b>EXPENSES:</b>		
<i>Program Services:</i>		
Employment Contracts	\$ 10,639,967	\$ 10,419,535
Membership Services	21,733	19,897
	<u>                    </u>	<u>                    </u>
	\$ 10,661,700	\$ 10,439,432
<i>Supporting Services:</i>		
Management and General	88,972	97,432
	<u>                    </u>	<u>                    </u>
Total Expenses	\$ 10,750,672	\$ 10,536,864
<b>INCREASE IN NET ASSETS</b>	\$ 62,518	\$ 10,838
<b>NET ASSETS, Beginning of Year</b>	<u>1,598,280</u>	<u>1,587,442</u>
<b>NET ASSETS, End of Year</b>	<u>\$ 1,660,798</u>	<u>\$ 1,598,280</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

**WEST VIRGINIA ASSOCIATION OF  
REHABILITATION FACILITIES, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES**

**FOR THE YEAR ENDED JUNE 30, 2006**

	<u>Program Services</u>			<u>Management &amp; General</u>	<u>Total</u>
	<u>Employment Contracts</u>	<u>Membership Services</u>	<u>Total</u>		
State Use Contracts	\$ 9,580,780	\$ -	\$ 9,580,780	\$ -	\$ 9,580,780
DHHR Contracts	548,546	-	548,546	-	548,546
Personnel Cost	413,387	11,067	424,454	66,459	490,913
Travel	17,418	70	17,488	420	17,908
Dues and Subscriptions	830	31	861	189	1,050
Meetings/Hospitality	1,426	958	2,384	324	2,708
Maintenance	695	26	721	158	879
Office Supplies	8,116	307	8,423	1,846	10,269
Postage and Printing	3,162	119	3,281	713	3,994
Telephone	1,865	20	1,885	122	2,007
Professional Services	2,687	102	2,789	12,313	15,102
Rent	12,374	468	12,842	2,813	15,655
Miscellaneous	1,686	3	1,689	232	1,921
Advocacy	-	8,036	8,036	-	8,036
Corporate Insurance	8,353	316	8,669	1,899	10,568
Depreciation	13,706	210	13,916	1,315	15,231
Credit Card Fees	20,529	-	20,529	-	20,529
Advertising and Publicity	-	-	-	169	169
Interest	4,407	-	4,407	-	4,407
	<u>\$ 10,639,967</u>	<u>\$ 21,733</u>	<u>\$ 10,661,700</u>	<u>\$ 88,972</u>	<u>\$ 10,750,672</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

**WEST VIRGINIA ASSOCIATION OF  
REHABILITATION FACILITIES, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES**

**FOR THE YEAR ENDED JUNE 30, 2005**

	<u>Program Services</u>			<u>Management &amp; General</u>	<u>Total</u>
	<u>Employment Contracts</u>	<u>Membership Services</u>	<u>Total</u>		
State Use Contracts	\$ 9,363,860	\$ -	\$ 9,363,860	\$ -	\$ 9,363,860
DHHR Contracts	518,381	-	518,381	-	518,381
Personnel Cost	435,735	10,711	446,446	65,256	511,702
Travel	16,334	76	16,410	2,672	19,082
Dues and Subscriptions	1,263	46	1,309	279	1,588
Meetings/Hospitality	12,341	93	12,434	567	13,001
Maintenance	647	23	670	143	813
Office Supplies	7,800	282	8,082	1,720	9,802
Postage and Printing	2,636	93	2,729	564	3,293
Telephone	3,754	51	3,805	309	4,114
Professional Services	2,705	98	2,803	15,575	18,378
Rent	15,897	575	16,472	3,506	19,978
Miscellaneous	3,385	4	3,389	305	3,694
Advocacy	-	7,420	7,420	-	7,420
Corporate Insurance	8,877	321	9,198	1,958	11,156
Depreciation	6,977	104	7,081	632	7,713
Credit Card Fees	18,943	-	18,943	-	18,943
Advertising and Publicity	-	-	-	90	90
Interest	-	-	-	3,856	3,856
	<u>\$ 10,419,535</u>	<u>\$ 19,897</u>	<u>\$ 10,439,432</u>	<u>\$ 97,432</u>	<u>\$ 10,536,864</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

**WEST VIRGINIA ASSOCIATION OF  
REHABILITATION FACILITIES, INC.**

**STATEMENTS OF CASH FLOWS**

	<b>FOR THE YEARS ENDED</b>	
	<b>JUNE 30,</b>	
	<u>2006</u>	<u>2005</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Increase in Net Assets	\$ 62,518	\$ 10,838
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation Expense	15,231	7,713
Net Unrealized and Realized (Gains) on Investments	(34,903)	(23,624)
Loss on Disposal of Equipment	618	-
Change in Operating Assets and Liabilities:		
(Increase) Decrease In:		
Accounts Receivable	199,543	(389,574)
Prepaid Expenses	(8,139)	(2,302)
Increase In:		
Accounts Payable	165,029	23,664
Accrued Expenses	22,443	4,434
	<u>422,340</u>	<u>(368,851)</u>
Net Cash Provided (Used) by Operating Activities	\$	\$
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of Equipment and Deposits on Software	\$ (88,346)	\$ (109,079)
Purchase of Investments	(1,601,617)	(313,356)
Proceeds from Sales of Investments	1,670,322	384,260
	<u>(19,641)</u>	<u>(38,175)</u>
Net Cash (Used) in Investing Activities	\$	\$
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Advances (Repayments) on Line of Credit	\$ (200,000)	\$ 200,000
Advance to (Repayments from) Subcontractor	16,173	(33,000)
	<u>(183,827)</u>	<u>167,000</u>
Net Cash Provided (Used) in Financing Activities	\$	\$
Increase (Decrease) in Cash and Cash Equivalents	\$ 218,872	\$ (240,026)
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>143,477</u>	<u>383,503</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 362,349</u>	<u>\$ 143,477</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

**WEST VIRGINIA ASSOCIATION OF  
REHABILITATION FACILITIES, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2006 AND 2005**

**NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

***Description of Organization:***

West Virginia Association of Rehabilitation Facilities, Inc. (the Association) is a nonprofit, nonstock corporation organized under the laws of the State of West Virginia and exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The primary purpose of the Association is to communicate and disseminate information among rehabilitation facilities to assist the disabled in making their maximum contributions to society. The Association's primary operations consist of obtaining employment contracts with agencies of the State of West Virginia for community rehabilitation programs.

***Cash and Cash Equivalents:***

Cash and cash equivalents consist of demand deposits and daily cash investment accounts.

***Equipment:***

Equipment is stated at cost. Depreciation is calculated on a straight-line basis over an estimated useful life of 5 years. The Association's policy is to capitalize property and equipment over \$1,000. Lesser amounts are expensed.

***Investments:***

Investments are carried at market values as determined by quoted prices in active markets.

***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 these estimates.

***Functional Expenses:***

Expenses are charged to program and supporting services based on a combination of specific identification and allocation by management.

**NOTE 2 - OPERATING LEASES:**

The Association leases equipment under noncancellable operating leases expiring in 2010. Additionally, the office space is leased under a cancellable operating lease which expires on December 31, 2012.

Rental expense for all operating leases was \$15,655 and \$19,978 for the years ended June 30, 2006 and 2005, respectively.

**WEST VIRGINIA ASSOCIATION OF  
REHABILITATION FACILITIES, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2006 AND 2005**

**NOTE 2 - OPERATING LEASES: (Continued)**

Future minimum rental payments for the next five years and thereafter required under leases with remaining terms in excess of one year are as follows:

Year Ended June 30,		
2007	\$	14,249
2008		14,249
2009		14,249
2010		14,249
2011		14,249
Thereafter		20,124
	\$	91,369

**NOTE 3 - RETIREMENT PLAN:**

The Association has a defined contribution retirement plan in which all employees are eligible to participate. The Plan provides participants with several investment options. The Association contributes 9.5% of gross compensation for each participant. Retirement expense for the years ended June 30, 2006 and 2005 was \$32,656 and \$32,086, respectively.

**NOTE 4 - CREDIT RISK:**

Financial instruments which potentially expose the Association to significant concentrations of credit risk consist principally of cash and cash equivalents, investments, and accounts receivable.

Cash and cash equivalents consist of demand deposits and a daily cash investment account with a high credit quality financial institution. Cash normally exceeds the federal depository insurance limit of \$100,000. Investments consist principally of money market funds and diversified mutual funds.

Accounts receivable are primarily due from agencies of the State of West Virginia. During the years ended June 30, 2006 and 2005, approximately 99% of the contract fees recognized by the Association were related to state agencies. At June 30, 2006 and 2005, approximately 99% of the accounts receivable balance was due from state agencies.

**NOTE 5 - INVESTMENTS:**

Investments are stated at fair value and are summarized as follows:

	June 30, 2006	
	Cost	Fair Value
Money Market Funds	\$ 822,735	\$ 822,735
Mutual Funds	254,900	259,407
	\$ 1,077,635	\$ 1,082,142

**WEST VIRGINIA ASSOCIATION OF  
REHABILITATION FACILITIES, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2006 AND 2005**

**NOTE 5 - INVESTMENTS: (Continued)**

	June 30, 2005	
	Cost	Fair Value
Money Market Funds	\$ 109,508	\$ 109,508
Mutual Funds	884,392	936,800
Certificate of Deposit	70,622	69,255
	\$ 1,064,522	\$ 1,115,563
Accrued interest receivable at June 30, 2005	381	381
	\$ 1,064,903	\$ 1,115,944

The following schedule summarizes investment earnings (losses) for the years ended June 30,

	2006	2005
Unrealized Gains (Losses) on Investments	\$ (46,558)	\$ 36,359
Investment Income	43,170	29,657
Realized Gains (Losses) on Sales of Investments	81,461	(12,735)
	\$ 78,073	\$ 53,281

**NOTE 6 - EQUIPMENT:**

The following is a summary of equipment at June 30,

	2006	2005
Office Equipment	\$ 48,138	\$ 37,538
Vehicles	39,777	38,783
	\$ 87,915	\$ 76,321
Less: accumulated depreciation	(40,820)	(30,192)
	\$ 47,095	\$ 46,129

**NOTE 7 - BANK LINE OF CREDIT:**

The Association has a line of credit from J.P. Morgan Chase. The amount of credit available under this line is \$1,000,000, none of which had been used at June 30, 2006. The security for this line of credit is all accounts receivable of the Association, and interest is at prime less 1%. At June 30, 2005, \$200,000 had been used.

**NOTE 8 - DESIGNATED NET ASSETS:**

The Association's board of directors has designated that the funds generated in a previous year from the presort contract be used only for the state use program. At June 30, 2006 and 2005, \$0 and \$80,038, respectively, was designated.

**WEST VIRGINIA ASSOCIATION OF  
REHABILITATION FACILITIES, INC.  
AUDITED FINANCIAL STATEMENTS  
JUNE 30, 2005 AND 2004**



**WEST VIRGINIA ASSOCIATION OF  
REHABILITATION FACILITIES, INC.**

**JUNE 30, 2005 AND 2004**

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*Ellis & Ellis, PLLC*  
*Certified Public Accountants*

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(1919-1990)  
ROBERT V. ELLIS  
WILLIAM M. ELLIS, JR.  
MICHAEL C. ELLIS  
MARK E. ELLIS  
ALAN M. HEDGE  
KIMBERLY K. WILLIAMS

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
West Virginia Association of  
Rehabilitation Facilities, Inc.  
Institute, West Virginia

We have audited the accompanying statements of financial position of the West Virginia Association of Rehabilitation Facilities, Inc. as of June 30, 2005 and 2004, and the related statements of activity, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the West Virginia Association of Rehabilitation Facilities, Inc. as of June 30, 2005 and 2004, 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.

*Ellis & Ellis*  
Ellis & Ellis, PLLC

Charleston, West Virginia  
September 27, 2005

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**WEST VIRGINIA ASSOCIATION OF  
REHABILITATION FACILITIES, INC.**

**STATEMENTS OF FINANCIAL POSITION**

**ASSETS**

	JUNE 30,	
	2005	2004
Cash and Cash Equivalents	\$ 143,477	\$ 383,503
Investments (Note 5)	1,115,944	1,163,225
Accounts Receivable	1,568,667	1,179,093
Advance - Subcontractors	38,000	5,000
Prepaid Expenses	5,091	2,789
Equipment, less accumulated depreciation of \$30,192 and \$29,243 (Note 6)	46,129	25,228
Deposits on Equipment	80,466	-
<b>TOTAL ASSETS</b>	<b>\$ 2,997,774</b>	<b>\$ 2,758,838</b>

**LIABILITIES AND NET ASSETS**

	JUNE 30,	
	2005	2004
Accounts Payable	\$ 1,154,718	\$ 1,131,054
Accrued Expenses	44,776	40,342
Line of Credit Payable	200,000	-
<b>Total Liabilities</b>	<b>\$ 1,399,494</b>	<b>\$ 1,171,396</b>
Unrestricted Net Assets:		
Unrestricted, Undesignated	\$ 1,518,242	\$ 1,447,036
Unrestricted, Designated	80,038	140,406
<b>Total Net Assets</b>	<b>\$ 1,598,280</b>	<b>\$ 1,587,442</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 2,997,774</b>	<b>\$ 2,758,838</b>

The accompanying Notes to Financial Statements are in integral part of these statements.

**WEST VIRGINIA ASSOCIATION OF  
REHABILITATION FACILITIES, INC.**

**STATEMENTS OF ACTIVITY**

	FOR THE YEARS ENDED	
	JUNE 30,	
	2005	2004
<b>UNRESTRICTED REVENUES:</b>		
State Use Contract Sales Fees	\$ 9,795,892	\$ 8,675,623
Department of Health and Human Resources		
Contract Fees	671,929	682,758
Presort Fees	-	358,394
Membership Fees	26,600	24,572
Interest Income	-	366
Investment Gain (Note 5)	53,281	131,285
Miscellaneous	-	2,809
Gain on Transfer of Assets	-	18,909
	<u>\$ 10,547,702</u>	<u>\$ 9,894,716</u>
<b>EXPENSES:</b>		
<i>Program Services:</i>		
Employment Contracts	\$ 10,419,535	\$ 9,258,601
Membership Services	19,897	29,131
Presort Contract	-	254,590
	<u>\$ 10,439,432</u>	<u>\$ 9,542,322</u>
<i>Supporting Services:</i>		
Management and General	97,432	101,198
Grants to Member Agencies	-	252,608
	<u>\$ 10,536,864</u>	<u>\$ 9,896,128</u>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	<b>\$ 10,838</b>	<b>\$ (1,412)</b>
<b>NET ASSETS, Beginning of Year</b>	<b>1,587,442</b>	<b>1,588,854</b>
<b>NET ASSETS, End of Year</b>	<b><u>\$ 1,598,280</u></b>	<b><u>\$ 1,587,442</u></b>

The accompanying Notes to Financial Statements are an integral part of these statements.

**WEST VIRGINIA ASSOCIATION OF  
REHABILITATION FACILITIES, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES**

**FOR THE YEAR ENDED JUNE 30, 2005**

	<u>Program Services</u>			<u>Management &amp; General</u>	<u>Total</u>
	<u>Employment Contracts</u>	<u>Membership Services</u>	<u>Total</u>		
State Use Contracts	\$ 9,363,860	\$ -	\$ 9,363,860	\$ -	\$ 9,363,860
DHHR Contracts	518,381	-	518,381	-	518,381
Personnel Cost	435,735	10,711	446,446	65,256	511,702
Travel	16,334	76	16,410	2,672	19,082
Dues and Subscriptions	1,263	46	1,309	279	1,588
Meetings/Hospitality	12,341	93	12,434	567	13,001
Maintenance	647	23	670	143	813
Office Supplies	7,800	282	8,082	1,720	9,802
Postage and Printing	2,636	93	2,729	564	3,293
Telephone	3,754	51	3,805	309	4,114
Professional Services	2,705	98	2,803	15,575	18,378
Rent	15,897	575	16,472	3,506	19,978
Miscellaneous	3,385	4	3,389	305	3,694
Advocacy	-	7,420	7,420	-	7,420
Corporate Insurance	8,877	321	9,198	1,958	11,156
Depreciation	6,977	104	7,081	632	7,713
Credit Card Fees	18,943	-	18,943	-	18,943
Advertising and Publicity	-	-	-	90	90
Interest	-	-	-	3,856	3,856
	<u>\$ 10,419,535</u>	<u>\$ 19,897</u>	<u>\$ 10,439,432</u>	<u>\$ 97,432</u>	<u>\$ 10,536,864</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

**WEST VIRGINIA ASSOCIATION OF  
REHABILITATION FACILITIES, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES**

**FOR THE YEAR ENDED JUNE 30, 2004**

	<u>Program Services</u>			<u>Total</u>	<u>Management &amp; General</u>	<u>Total</u>
	<u>Employment Contracts</u>	<u>Membership Services</u>	<u>Presort Contract</u>			
State Use Contracts	\$ 8,282,414	\$ -	\$ -	\$ 8,282,414	\$ -	\$ 8,282,414
DHHR Contracts	500,638	-	-	500,638	-	500,638
Personnel Cost	378,956	8,614	101,423	488,993	62,362	551,355
Travel	12,984	217	8,627	21,828	8,891	30,719
Dues and Subscriptions	3,731	122	-	3,853	848	4,701
Meetings/Hospitality	722	5,766	-	6,488	3,892	10,380
Maintenance	394	13	31,607	32,014	89	32,103
Office Supplies	9,773	889	3,800	14,462	2,221	16,683
Postage and Printing	3,676	120	-	3,796	836	4,632
Telephone	2,928	29	1,710	4,667	201	4,868
Training	-	-	-	-	108	108
Professional Services	2,699	88	-	2,787	10,140	12,927
Rent	30,212	986	17,781	48,979	6,867	55,846
Miscellaneous	1,861	4,550	-	6,411	209	6,620
Advocacy	-	7,513	-	7,513	-	7,513
Corporate Insurance	5,179	169	1,735	7,083	1,177	8,260
Depreciation	5,810	55	29,683	35,548	386	35,934
Credit Card Fees	16,624	-	-	16,624	-	16,624
Contract Supplies	-	-	47,198	47,198	-	47,198
Advertising and Publicity	-	-	-	-	2,971	2,971
Utilities	-	-	1,134	1,134	-	1,134
Interest	-	-	9,892	9,892	-	9,892
	<u>\$ 9,258,601</u>	<u>\$ 29,131</u>	<u>\$ 254,590</u>	<u>\$ 9,542,322</u>	<u>\$ 101,198</u>	<u>\$ 9,643,520</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

**WEST VIRGINIA ASSOCIATION OF  
REHABILITATION FACILITIES, INC.**

**STATEMENTS OF CASH FLOWS**

	<b>FOR THE YEARS ENDED</b>	
	<b>JUNE 30,</b>	
	<u>2005</u>	<u>2004</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Increase (Decrease) in Net Assets	\$ 10,838	\$ (1,412)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by		
Operating Activities:		
Depreciation Expense	7,713	35,934
Net Unrealized and Realized (Gains) on Investments	(23,624)	(105,919)
Other	-	(1,838)
(Gain) on Transfer of Assets	-	(18,909)
Change in Operating Assets and Liabilities:		
(Increase) Decrease In:		
Accounts Receivable	(389,574)	(384,919)
Prepaid Expenses	(2,302)	9,299
Increase (Decrease) In:		
Accounts Payable	23,664	359,186
Accrued Expenses	4,434	(14,602)
	<u>          </u>	<u>          </u>
Net Cash (Used) by Operating Activities	\$ (368,851)	\$ (123,180)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of Equipment and Deposits on Equipment	\$ (109,079)	\$ (14,211)
Purchase of Investments	(313,356)	(223,189)
Proceeds from Sales of Investments	384,260	190,304
	<u>          </u>	<u>          </u>
Net Cash (Used) in Investing Activities	\$ (38,175)	\$ (47,096)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Capital Lease Principal Payments Received	\$ -	\$ 5,923
Capital Lease Principal Payments Made	-	(24,529)
Advances on Line of Credit	200,000	-
Advance to Subcontractor	(33,000)	-
	<u>          </u>	<u>          </u>
Net Cash Provided (Used) in Financing Activities	\$ 167,000	\$ (18,606)
(Decrease) in Cash and Cash Equivalents	\$ (240,026)	\$ (188,882)
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>383,503</u>	<u>572,385</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 143,477</u>	<u>\$ 383,503</u>

The accompanying Notes to Financial Statements are in integral part of these statements.

**WEST VIRGINIA ASSOCIATION OF  
REHABILITATION FACILITIES, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2005 AND 2004**

**NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

***Description of Organization:***

West Virginia Association of Rehabilitation Facilities, Inc. (the Association) is a nonprofit, nonstock corporation organized under the laws of the State of West Virginia and exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The primary purpose of the Association is to communicate and disseminate information among rehabilitation facilities to assist the disabled in making their maximum contributions to society. The Association's primary operations consist of obtaining employment contracts with agencies of the State of West Virginia for community rehabilitation programs.

***Cash and Cash Equivalents:***

Cash and cash equivalents consist of demand deposits and daily cash investment accounts.

***Equipment:***

Equipment is stated at cost. Depreciation is calculated on a straight-line basis over an estimated useful life of 5 years. The Association's policy is to capitalize property and equipment over \$1,000. Lesser amounts are expensed.

***Investments:***

Investments are carried at market values as determined by quoted prices in active markets.

***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 these estimates.

***Functional Expenses:***

Expenses are charged to program and supporting services based on a combination of specific identification and allocation by management.

**NOTE 2 - OPERATING LEASES:**

The Association leases equipment under noncancellable operating leases expiring in 2005. Additionally, the office space is leased under a cancellable operating lease which expires on December 31, 2007.

Rental expense for all operating leases was \$19,979 and \$55,845 for the years ended June 30, 2005 and 2004, respectively.



**WEST VIRGINIA ASSOCIATION OF  
REHABILITATION FACILITIES, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2005 AND 2004**

**NOTE 3 - RETIREMENT PLAN:**

The Association has a defined contribution retirement plan in which all employees are eligible to participate. The Plan provides participants with several investment options. The Association contributes 9.5% of gross compensation for each participant. Retirement expense for the years ended June 30, 2005 and 2004 was \$32,086 and \$31,255.

**NOTE 4 - CREDIT RISK:**

Financial instruments which potentially expose the Association to significant concentrations of credit risk consist principally of cash and cash equivalents, investments, and accounts receivable.

Cash and cash equivalents consist of demand deposits and a daily cash investment account with a high credit quality financial institution. Cash normally exceeds the federal depository insurance limit of \$100,000. Investments consist principally of U.S. agency obligations, certificates of deposit and diversified mutual funds.

Accounts receivable are primarily due from agencies of the State of West Virginia. During the years ended June 30, 2005 and 2004, approximately 99% of the contract fees recognized by the Association were related to State agencies. At June 30, 2005 and 2004, approximately 99% of the accounts receivable balance was due from State agencies.

**NOTE 5 - INVESTMENTS:**

Investments are stated at fair value and are summarized as follows:

	June 30, 2005	
	Cost	Fair Value
Money Market Funds	\$ 109,508	\$ 109,508
Mutual Funds	884,392	936,800
Certificate of Deposit	70,622	69,255
	\$ 1,064,522	\$ 1,115,563
Accrued interest receivable at June 30, 2005	381	381
	\$ 1,064,903	\$ 1,115,944
	June 30, 2004	
	Cost	Fair Value
Money Market Funds	\$ 5,818	\$ 5,818
Mutual Funds	901,107	916,770
Certificate of Deposit	239,687	239,673
	\$ 1,146,612	\$ 1,162,261
Accrued interest receivable at June 30, 2004	964	964
	\$ 1,147,576	\$ 1,163,225

**WEST VIRGINIA ASSOCIATION OF  
REHABILITATION FACILITIES, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2005 AND 2004**

**NOTE 5 - INVESTMENTS: (Continued)**

The following schedule summarizes investment earnings (losses) for the years ended June 30,

	2005	2004
Unrealized Gains on Investments	\$ 36,359	\$ 125,866
Investment Income	29,657	25,366
Realized (Losses) on Sales of Investments	(12,735)	(19,947)
	\$ 53,281	\$ 131,285

**NOTE 6 - EQUIPMENT:**

The following is a summary of equipment at June 30,

	2005	2004
Office Equipment	\$ 37,538	\$ 33,905
Vehicles	38,783	20,566
	\$ 76,321	\$ 54,471
Less: accumulated depreciation	(30,192)	(29,243)
	\$ 46,129	\$ 25,228

**NOTE 7 - SUPPLEMENTAL CASH FLOW DATA:**

During the years ended June 30, 2005 and 2004, the Association paid interest of \$3,856 and \$9,892, respectively.

The Association had the following non-cash financing activity in the year ended June 30, 2004:

The Association transferred its Presort Contract to a member agency on January 5, 2004. The transfer was a noncash transaction as follows:

Assets transferred to member agency:

Prepaid rent		\$ 5,800
Equipment:		
Cost	\$ 354,441	
Accumulated depreciation	(88,624)	265,817
		\$ 271,617
Other items transferred		1,838
Capital lease assumed by member agency		\$ 273,455
		(268,263)
Net assets transferred, less liability assumed		\$ 5,192
Receivable from member agency - total buy-out amount		24,101
Gain on transfer of presort contract		\$ 18,909

**WEST VIRGINIA ASSOCIATION OF  
REHABILITATION FACILITIES, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2005 AND 2004**

**NOTE 8 - BANK LINE OF CREDIT:**

The Association has a line of credit from Bank One. The amount of credit available under this line is \$250,000, of which \$200,000 had been used at June 30, 2005. The security for this line of credit is all accounts receivable of the Association. Any draws under this line of credit are due in monthly installments over a sixty month period beginning at a date to be determined by Bank One.

**NOTE 9 - DESIGNATED NET ASSETS:**

The Association's board of directors has designated that the funds generated from the presort contract be used only for the state use program. At June 30, 2005 and 2004, \$80,038 and \$140,406, respectively, was designated.

**NOTE 10 - RECLASSIFICATION:**

Certain amounts in the 2004 financial statements have been reclassified to conform to the 2005 presentation.