

**LINCOLN COUNTY OPPORTUNITY
COMPANY, INC.
(A NON-PROFIT ORGANIZATION)**

**FINANCIAL STATEMENTS WITH
ADDITIONAL INFORMATION**

**YEAR ENDED SEPTEMBER 30, 2011
WITH INDEPENDENT AUDITOR'S REPORTS**

LINCOLN COUNTY OPPORTUNITY COMPANY, INC.
FINANCIAL STATEMENTS WITH ADDITIONAL INFORMATION
YEAR ENDED SEPTEMBER 30, 2011

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Lincoln County Opportunity Company, Inc.
Hamlin, West Virginia

We have audited the accompanying statement of financial position of Lincoln County Opportunity Company, Inc., (a non-profit organization), as of September 30, 2011, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes 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 audit provides a reasonable basis for our opinion.

As more fully described in Note 1 to the financial statements, property and equipment purchases have been charged to expense in the accompanying financial statements. In our opinion purchases of property and equipment should be capitalized and depreciated over their estimated useful lives to conform with accounting principles generally accepted in the United States of America. The effects on the financial statements of the preceding practice are not reasonably determined.

In our opinion, except for the effects of the matter discussed in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of Lincoln County Opportunity Company, Inc. as of September 30, 2011, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 13, 2012, on our consideration of Lincoln County Opportunity Company, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedules of Support and Revenue, Expenses and Changes in Net Assets and grant support, revenue and expenses compared to grant budgets (non-GAAP basis) and Expenditures of Federal and State Awards presented on pages 11 through 20 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole, except as described in Note 10 to the financial statements.

Wan & Hall PLLC

Huntington, West Virginia
June 13, 2012

LINCOLN COUNTY OPPORTUNITY COMPANY, INC.
STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2011

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 1,019,854
Grants receivable	61,363
Accounts receivable	275,777
Prepaid expenses	<u>19,641</u>
TOTAL CURRENT ASSETS	1,376,635

INVESTMENTS IN ANNUITIES	4,255,037
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PROPERTY AND EQUIPMENT	2,915,227
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OTHER ASSETS

Security deposits	<u>5,116</u>
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TOTAL OTHER ASSETS	<u>5,116</u>
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TOTAL ASSETS	\$ <u><u>8,552,015</u></u>
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$ 37,235
Accrued annual leave	355,056
Accrued payroll	68,104
Payroll taxes withheld and accrued	146,767
Security deposits payable	5,116
Due to other entities	<u>101,030</u>

TOTAL CURRENT LIABILITIES	<u>713,308</u>
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NET ASSETS

Unrestricted	4,923,480
Investment in property and equipment	<u>2,915,227</u>
TOTAL NET ASSETS	<u>7,838,707</u>

TOTAL LIABILITIES AND NET ASSETS	\$ <u><u>8,552,015</u></u>
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**LINCOLN COUNTY OPPORTUNITY COMPANY, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2011**

UNRESTRICTED NET ASSETS

SUPPORT AND REVENUE

Grants:	
Federal/State/pass-through	\$ 789,566
In-kind matching	29,079
Program income	2,244,916
Investment Income	<u>83,861</u>
TOTAL UNRESTRICTED SUPPORT AND REVENUE	<u>3,147,422</u>

EXPENSES

PROGRAM SERVICES

CSBG	32,342
Title IIB - Senior Citizens	23,148
Title IIC - Nutrition	156,717
Title IID - Disease Prevention and Health Promotion and Medication Management	2,541
Title IIE - Caregiver	13,939
Elder Abuse	406
Health Benefits/SHIP	5,842
Lighthouse	265,213
FAIR	77,074
Transportation	75,696
Veterans	61,663
Personal care	1,551,577
Other programs	<u>132,098</u>
TOTAL PROGRAM SERVICES	2,398,256

SUPPORTING SERVICES

Management and general	<u>814,800</u>
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TOTAL EXPENSES	<u>3,213,056</u>
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DECREASE IN UNRESTRICTED NET ASSETS	(65,634)
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TEMPORARILY RESTRICTED NET ASSETS	-0-
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PERMANENTLY RESTRICTED NET ASSETS	<u>-0-</u>
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DECREASE IN NET ASSETS	(65,634)
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NET ASSETS, BEGINNING OF YEAR	<u>4,989,114</u>
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NET ASSETS, END OF YEAR	\$ <u><u>4,923,480</u></u>
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LINCOLN COUNTY OPPORTUNITY COMPANY, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED SEPTEMBER 30, 2011

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net assets	\$ (65,634)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
(Increase) decrease in operating assets:	
Grants receivable	30,074
Accounts receivable	64,169
Prepaid expenses	5,118
Security deposits	(5)
Increase (decrease) in operating liabilities:	
Accounts payable	3,128
Accrued annual leave	30,387
Accrued payroll	(4,399)
Payroll taxes withheld and accrued	(4,426)
Security deposits payable	5
Other liabilities	(123)
Due to other entities	<u>30,979</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>89,273</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchase of investments	(38,071)
Purchase of property and equipment	(73,991)
Operating grants received for purchase of property and equipment	<u>73,991</u>
NET CASH (USED IN) INVESTING ACTIVITIES	<u>(38,071)</u>

NET INCREASE IN CASH AND CASH EQUIVALENTS	51,202
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>968,652</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ <u><u>1,019,854</u></u>

LINCOLN COUNTY OPPORTUNITY COMPANY, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION - Lincoln County Opportunity Company, Inc. is a non-profit agency which provides services to low income individuals and families and the elderly in Lincoln County, West Virginia. Lincoln County Opportunity Company, Inc.'s headquarters is located in Hamlin, West Virginia. Lincoln County Opportunity Company, Inc. also operates a number of Senior Citizens Centers throughout Lincoln County. The Organization is funded primarily through grants and other agreements with the federal and state governments.

ACCOUNTS RECEIVABLE- Accounts receivable are carried at their estimated collectible amounts. Accounts receivable are periodically evaluated for collectibility. Once it is determined by management that the account will not be collected, it is charged-off as a bad debt.

PROPERTY AND EQUIPMENT - Property and equipment is charged to expense in the period during which it is purchased in the accompanying financial statements. Accounting principles generally accepted in the United States of America require purchase of property and equipment to be capitalized and depreciated over their estimated useful lives. The effects of this departure on the accompanying financial statements cannot be reasonably determined.

The property and equipment acquired is owned by Lincoln County Opportunity Company, Inc. while used in the program for which it was purchased or in other future authorized programs. The funding sources, however, have a reversionary interest in the property and equipment purchased with grant funds; therefore, its disposition, as well as the ownership of any sales proceeds therefrom, is subject to funding source regulations.

To provide a means of accountability over property and equipment purchases, Lincoln County Opportunity Company, Inc. also records the cost of such items as an asset with an offset to property and equipment net assets.

INVENTORY - Inventory is considered immaterial and, therefore, is charged to expense in the period during which it is purchased instead of being recognized as an asset and being expensed as it is used.

REVENUE AND EXPENSE RECOGNITION - The financial statements have been prepared on the accrual basis of accounting. Grants restricted for specific purposes are reported as revenue when qualifying expenses have been incurred. Funds received in advance of incurring qualifying expenses are recorded as deferred revenue. Revenue from fee for service contracts is recognized in the accompanying financial statements when the services have been provided.

DONATED SERVICES, SPACE AND OTHER - Donated (in-kind) matching is required by certain funding sources. Donated hourly services are valued at the federally established minimum wage. Donated space is valued at the estimated fair rental value. Donated other is valued at the estimated fair market value at the date of receipt.

CASH EQUIVALENTS - The organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

LINCOLN COUNTY OPPORTUNITY COMPANY, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

INCOME TAXES - Lincoln County Opportunity Company, Inc. is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

ESTIMATES - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

CONTRIBUTIONS - Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. All contributions received by the Organization have been unrestricted and therefore have been reported as increases in unrestricted net assets.

INVESTMENTS IN ANNUITIES - Investments in annuities are comprised of long-term annuity accounts which are reported at contract price which approximates cost.

ADVERTISING COSTS - Advertising costs totaling \$32,361 are charged to operations when incurred.

NOTE 2 - SUMMARY OF GRANT AGREEMENTS

The following summarizes grant awards which were active during the period October 1, 2010 through September 30, 2011:

<u>Description</u>	<u>Grant Period</u>	<u>Amount of Award</u>
Federal Assistance		
Department of Health and Human Services		
Southwestern Community Action Council, Inc.:		
CSBG	09/01/10 - 06/30/11	\$ 29,220
CSBG	01/01/11 - 12/31/11	30,000
West Virginia State College, Metro Area Agency on Aging:		
Title IIB - 21136	10/01/10 - 09/30/11	31,819
Title IIC	10/01/10 - 09/30/11	83,200
Title III E - 21136	10/01/10 - 09/30/11	10,454
Title IIID - 21136	10/01/10 - 09/30/11	2,051
Elder Abuse - 21133	10/01/10 - 09/30/11	406
West Virginia Bureau of Senior Services:		
Health Benefits/SHIP - SH 21118	04/01/10 - 03/31/11	8,500
Health Benefits/SHIP - SH 21271	04/01/11 - 03/31/12	7,000

LINCOLN COUNTY OPPORTUNITY COMPANY, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2011

NOTE 2 - SUMMARY OF GRANT AGREEMENTS (CONTINUED)

<u>Description</u>	<u>Grant Period</u>	<u>Amount of Award</u>
State Assistance		
West Virginia State College, Metro Area Agency on Aging:		
Title IIIB - 21136	10/01/10 - 09/30/11	\$ 24,711
Title IIIC	10/01/10 - 09/30/11	48,326
Title IIID - 21136	10/01/10 - 09/30/11	128
LIFE - 21103	07/01/09 - 06/30/11	185,016
LIFE - 21203	07/01/11 - 06/30/12	185,016
In-Home Services - 21150	07/01/10 - 06/30/11	355,123
In-Home Services - 21250	07/01/11 - 06/30/12	347,432
West Virginia Bureau of Senior Services:		
Senior Grant - SC21006	07/01/09 - 06/30/10	70,502
Senior Grant - SC21117	07/01/10 - 06/30/11	28,311
Senior Grant - SC21168	07/01/10 - 06/30/11	50,000
Lincoln County Commission		
Community Partnership Grant	07/01/11 - 06/30/12	25,000

NOTE 3 - INVESTMENTS IN ANNUITIES

Investments in annuities as of September 30, 2011 are summarized as follows:

Jackson National Life Insurance Company	\$ 3,637,278
Pacific National Life Insurance Company	395,099
Hartford Life Insurance Company	<u>222,660</u>
Total	\$ <u>4,255,037</u>

Interest income of \$ 83,861 constituted the investment return for the year ended September 30, 2011.

NOTE 4 - PROPERTY AND EQUIPMENT

Property and equipment of Lincoln County Opportunity Company, Inc. consists of the following:

Land	\$ 124,498
Buildings	1,650,622
Improvements	287,656
Furniture, Fixtures and equipment	460,432
Vehicles	<u>392,019</u>
Total Property And Equipment	\$ <u>2,915,227</u>

LINCOLN COUNTY OPPORTUNITY COMPANY, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2011

NOTE 5 - DEFINED CONTRIBUTION BENEFIT PLAN

Lincoln County Opportunity Company, Inc. sponsors a noncontributory defined contribution pension plan that covers all regular employees with over one year of service. Pension costs include current service costs, which are accrued and funded on a current basis. Pension expense charged to operations during the year ended September 30, 2011 totaled \$176,491.

NOTE 6 - LEASES

Lincoln County Opportunity Company, Inc. leases centers for the Senior Citizens Program and other facilities and equipment under operating leases on an annual, monthly or daily basis. For the year ended September 30, 2011, total rent expense amounted to \$2,726. An additional \$5,974 was recorded as *in-kind* space costs which represents the fair market value of facilities provided at no charge.

NOTE 7 - COST ALLOCATION

Lincoln County Opportunity Company, Inc. has adopted a cost allocation plan whereby each program is charged its fair share of the general administration costs of the Agency as a direct charge. Space costs, maintenance fees and utilities are allocated to the programs based on square footage of building space used by the program. Copy costs, telephone usage, and standard agency forms are allocated to the programs based on usage of each program.

NOTE 8 - CONCENTRATION OF CREDIT RISK

The Organization provides various services to the elderly and low income individuals of Lincoln County, West Virginia on a third-party reimbursement basis. The Organization bills the various funding sources in accordance with contractual agreements without requiring collateral or any other security. Grants and accounts receivable have been adjusted for all known uncollectible accounts.

The Organization maintains cash balances at local banks. Accounts at these institutions are insured by Federal Deposit Insurance Corporation up to \$250,000. Deposits with these financial institutions exceeded insured levels by \$529,998 at September 30, 2011.

NOTE 9 - LITIGATION

At September 30, 2011, the Organization was involved in a legal proceeding and claim involving a former employee who sued the Organization for damages for alleged failure to pay overtime. See Note 11 - Subsequent Events.

LINCOLN COUNTY OPPORTUNITY COMPANY, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2011

NOTE 10 - BUDGETARY REPORTING BASIS

Except for the treatment of property and equipment as described in Note 1, the accompanying financial statements are prepared in accordance with accounting principles generally accepted in the United States of America. The accompanying schedules of grant support, revenue and expenses compared to grant budgets contained on pages 15 and 16 are prepared on a basis which differs from the financial statements in the following areas:

- 1) Encumbrances are reported as expenditures in the year in which they are budgeted.
- 2) With the exception of per-diem reimbursement contracts, revenue is recognized at the time the grant is awarded as opposed to when qualifying expenses have been incurred.

NOTE 11 - SUBSEQUENT EVENTS

Management has reviewed events occurring subsequent to September 30, 2011 through June 13, 2012 (the date the final statements were available to be issued) for possible adjustments to, or disclosures in, the accompanying financial statements as required by the Subsequent Events Topic of the FASB Accounting Standards Codification. The following event occurred after September 30, 2011:

On December 13, 2011, the United States District Court for the Southern District of West Virginia granted the Organization's motion for summary judgement related to the legal proceeding discussed in Note 9 - Litigation.

ADDITIONAL INFORMATION

LINCOLN COUNTY OPPORTUNITY COMPANY, INC.
SCHEDULE OF SUPPORT AND REVENUE, EXPENSES AND CHANGES IN NET ASSETS
YEAR ENDED SEPTEMBER 30, 2011

	<u>CSBG</u>	Title IIIB <u>Senior Citizens</u>	Title IIIC <u>Nutrition</u>	Title IIID Disease Prevention and <u>Health Promotion</u>
SUPPORT AND REVENUE				
Grant revenue-federal/state/pass-through	\$ 51,217	\$ 56,530	\$ 131,526	\$ 1,738
In-kind matching	-0-	5,612	23,105	362
Program income	-0-	-0-	20,152	-0-
Investment income	<u>-0-</u>	<u>-0-</u>	<u>255</u>	<u>-0-</u>
TOTAL SUPPORT AND REVENUE	<u>51,217</u>	<u>62,142</u>	<u>175,038</u>	<u>2,100</u>
EXPENSES				
Salaries and benefits	17,567	14,924	60,720	1,738
Travel and training	16	-0-	9,572	-0-
Consumable supplies	277	1,750	720	-0-
Buildings	80	1,565	8,792	-0-
Vehicles and equipment	57	809	6,856	-0-
Insurance	308	756	636	-0-
Occupancy	-0-	600	600	-0-
Contractual and Consultants	-0-	-0-	-0-	-0-
Telephone and utilities	306	4,446	8,027	-0-
Program costs	20,380	-0-	56,107	-0-
Other	-0-	-0-	432	-0-
Volunteer Labor - nonfunded	-0-	-0-	23,105	-0-
Other costs - nonfunded	<u>-0-</u>	<u>5,612</u>	<u>-0-</u>	<u>362</u>
TOTAL EXPENSES	<u>38,991</u>	<u>30,462</u>	<u>175,567</u>	<u>2,100</u>
INCREASE (DECREASE) IN NET ASSETS	12,226	31,680	(529)	-0-
NET ASSETS - BEGINNING OF YEAR	-0-	-0-	-0-	-0-
TRANSFER IN (OUT)	<u>(12,226)</u>	<u>(31,680)</u>	<u>529</u>	<u>-0-</u>
NET ASSETS - END OF YEAR	\$ <u><u>-0-</u></u>	\$ <u><u>-0-</u></u>	\$ <u><u>-0-</u></u>	\$ <u><u>-0-</u></u>

<u>Title III Medication Management</u>	<u>Title III Caregiver</u>	<u>Elder Abuse</u>	<u>Health Benefits/SHIP</u>	<u>LIFE</u>
\$ 441	\$ 10,454	\$ 406	\$ 5,842	\$ 227,795
-0-	-0-	-0-	-0-	-0-
-0-	-0-	-0-	-0-	-0-
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>441</u>	<u>10,454</u>	<u>406</u>	<u>5,842</u>	<u>227,795</u>
441	13,463	406	5,676	8,911
-0-	476	-0-	166	818
-0-	-0-	-0-	-0-	29
-0-	-0-	-0-	-0-	8
-0-	-0-	-0-	-0-	6
-0-	-0-	-0-	-0-	32
-0-	-0-	-0-	-0-	-0-
-0-	-0-	-0-	-0-	-0-
-0-	-0-	-0-	-0-	32
-0-	-0-	-0-	-0-	-0-
-0-	-0-	-0-	-0-	-0-
-0-	-0-	-0-	-0-	-0-
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>441</u>	<u>13,939</u>	<u>406</u>	<u>5,842</u>	<u>9,836</u>
-0-	(3,485)	-0-	-0-	217,959
-0-	-0-	-0-	-0-	-0-
<u>-0-</u>	<u>3,485</u>	<u>-0-</u>	<u>-0-</u>	<u>(217,959)</u>
\$ <u><u>-0-</u></u>	\$ <u><u>-0-</u></u>	\$ <u><u>-0-</u></u>	\$ <u><u>-0-</u></u>	\$ <u><u>-0-</u></u>

LINCOLN COUNTY OPPORTUNITY COMPANY, INC.
SCHEDULE OF SUPPORT AND REVENUE, EXPENSES AND CHANGES IN NET ASSETS
YEAR ENDED SEPTEMBER 30, 2011

	Lighthouse In-Home <u>Services</u>	<u>FAIR</u>	<u>Transportation</u>
SUPPORT AND REVENUE			
Grant revenue-federal/state/pass-through	\$ 163,907	\$ 29,584	\$ -0-
In-kind matching	-0-	-0-	-0-
Program income	6,522	1,851	44,131
Investment income	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
TOTAL SUPPORT AND REVENUE	<u>170,429</u>	<u>31,435</u>	<u>44,131</u>
EXPENSES			
Salaries and benefits	260,945	77,936	56,414
Travel and training	21,355	4,062	14,246
Consumable supplies	3,571	1,184	682
Buildings	1,035	343	198
Vehicles and equipment	734	244	9,296
Insurance	3,967	1,315	758
Occupancy	-0-	-0-	-0-
Contractual and consultants	-0-	-0-	-0-
Telephone and utilities	4,306	1,310	3,613
Program costs	-0-	-0-	-0-
Other	-0-	-0-	-0-
Volunteer labor - nonfunded	-0-	-0-	-0-
Other costs - nonfunded	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
TOTAL EXPENSES	<u>295,913</u>	<u>86,394</u>	<u>85,207</u>
INCREASE (DECREASE) IN NET ASSETS	(125,484)	(54,959)	(41,076)
NET ASSETS - BEGINNING OF YEAR	-0-	-0-	-0-
TRANSFER IN (OUT)	<u>125,484</u>	<u>54,959</u>	<u>41,076</u>
NET ASSETS - END OF YEAR	\$ <u><u>-0-</u></u>	\$ <u><u>-0-</u></u>	\$ <u><u>-0-</u></u>

<u>Veteran's Administration</u>	<u>Medicaid</u>	<u>Medicaid Waiver</u>	<u>Other Programs</u>	<u>Total</u>
\$ -0-	\$ -0-	\$ -0-	\$ 110,126	\$ 789,566
-0-	-0-	-0-	-0-	29,079
94,100	1,036,913	1,024,512	16,735	2,244,916
<u>-0-</u>	<u>12,858</u>	<u>3,863</u>	<u>66,885</u>	<u>83,861</u>
<u>94,100</u>	<u>1,049,771</u>	<u>1,028,375</u>	<u>193,746</u>	<u>3,147,422</u>
59,397	894,618	765,571	370,729	2,609,456
1,656	34,029	48,726	9,925	145,047
1,667	12,693	11,689	4,161	38,423
357	3,761	4,979	72,799	93,917
253	6,096	3,541	19,216	47,108
1,369	11,862	9,684	6,049	36,736
-0-	-0-	-0-	-0-	1,200
-0-	9,407	11,120	13,500	34,027
1,364	15,253	9,649	4,924	53,230
-0-	-0-	-0-	-0-	76,487
-0-	18,141	18,140	11,633	48,346
-0-	-0-	-0-	-0-	23,105
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>5,974</u>
<u>66,063</u>	<u>1,005,860</u>	<u>883,099</u>	<u>512,936</u>	<u>3,213,056</u>
28,037	43,911	145,276	(319,190)	(65,634)
-0-	-0-	-0-	4,989,114	4,989,114
<u>(28,037)</u>	<u>(43,911)</u>	<u>(145,276)</u>	<u>253,556</u>	<u>-0-</u>
\$ <u><u>-0-</u></u>	\$ <u><u>-0-</u></u>	\$ <u><u>-0-</u></u>	\$ <u><u>4,923,480</u></u>	\$ <u><u>4,923,480</u></u>

**LINCOLN COUNTY OPPORTUNITY COMPANY, INC.
SCHEDULE OF GRANT SUPPORT, REVENUE AND EXPENSES
COMPARED TO GRANT BUDGETS (NON-GAAP BASIS)
SENIOR CITIZENS PROGRAM - TITLE IIIB,
DISEASE PREVENTION AND HEALTH PROMOTION,
AND MEDICATION MANAGEMENT - TITLE IIID, AND
CAREGIVER - TITLE IIIE - GRANT NUMBER 21136
GRANT PERIOD OCTOBER 1, 2010 TO SEPTEMBER 30, 2011**

	<u>Budget</u>	<u>Actual</u>			<u>(Over) Under Budget</u>
		<u>IIIB</u>	<u>IIID</u>	<u>IIIE</u>	
SUPPORT AND REVENUE					
Federal	\$ 44,324	\$ 31,819	\$ 2,051	\$ 10,454	\$ -0-
State	24,839	24,711	128	-0-	-0-
In-kind - matching	<u>5,974</u>	<u>5,612</u>	<u>362</u>	<u>-0-</u>	<u>-0-</u>
TOTAL SUPPORT AND REVENUE	<u>75,137</u>	<u>62,142</u>	<u>2,541</u>	<u>10,454</u>	<u>-0-</u>
EXPENSES					
Personnel	17,103	14,924	2,179	-0-	-0-
Travel	-0-	-0-	-0-	-0-	-0-
Printing and supplies	1,750	1,750	-0-	-0-	-0-
Building space	600	600	-0-	-0-	-0-
Communications and utilities	5,820	5,820	-0-	-0-	-0-
Program costs	45,619	-0-	-0-	13,939	31,680
Other	<u>1,756</u>	<u>756</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
TOTAL EXPENSES	<u>72,648</u>	<u>24,850</u>	<u>2,179</u>	<u>13,939</u>	<u>31,680</u>
GRANTEE'S SHARE	<u>5,974</u>	<u>5,612</u>	<u>362</u>	<u>-0-</u>	<u>-0-</u>
GRAND TOTAL	<u>78,622</u>	<u>30,462</u>	<u>2,541</u>	<u>13,939</u>	<u>31,680</u>
(DECREASE) INCREASE IN NET ASSETS	(3,485)	31,680	-0-	(3,485)	31,680
TRANSFERS IN (OUT)	3,485	(31,680)	-0-	3,485	(31,680)
Net assets from prior years not reprogrammed	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
NET ASSETS, SEPTEMBER 30, 2011	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>-0-</u>

LINCOLN COUNTY OPPORTUNITY COMPANY, INC.
SCHEDULE OF GRANT SUPPORT, REVENUE AND EXPENSES
COMPARED TO GRANT BUDGETS (NON-GAAP BASIS)
ELDER ABUSE - GRANT NUMBER 21133
GRANT PERIOD OCTOBER 1, 2010 TO SEPTEMBER 30, 2011

	<u>Budget</u>	<u>Actual</u>	<u>(Over) Under</u> <u>Budget</u>
SUPPORT AND REVENUE			
Federal	\$ <u>406</u>	\$ <u>406</u>	\$ <u>-0-</u>
TOTAL SUPPORT AND REVENUE	<u>406</u>	<u>406</u>	<u>-0-</u>
 EXPENSES			
Personnel	<u>406</u>	<u>406</u>	<u>-0-</u>
TOTAL EXPENSES	\$ <u>406</u>	<u>406</u>	\$ <u>-0-</u>
 INCREASE IN NET ASSETS		-0-	
Net assets from prior years not reprogrammed		<u>-0-</u>	
 NET ASSETS, SEPTEMBER 30, 2011		\$ <u>-0-</u>	

**LINCOLN COUNTY OPPORTUNITY COMPANY, INC.
 SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
 YEAR ENDED SEPTEMBER 30, 2011**

<u>Federal or State Grantor/Pass-through Grantor/ Program Title</u>	<u>Agency/ Pass-through Number</u>	<u>Program Period</u>
FEDERAL AWARDS		
Department of Health and Human Services		
Pass-through Southwestern Community Action Council, Inc:		
CSBG	N/A	09/01/10 - 06/30/11
CSBG	N/A	01/01/11 - 12/31/11
Pass-through West Virginia State College, Metro Area Agency on Aging:		
Title IIIB Senior Citizens	21136	10/01/10 - 09/30/11
Title IIIC Nutrition Services	N/A	10/01/10 - 09/30/11
Title IIID Disease Prevention and Health Promotion	21136	10/01/10 - 09/30/11
Title IIID Medication Management	21136	10/01/10 - 09/30/11
Title IIIE Caregiver	21136	10/01/10 - 09/30/11
Elder Abuse	21133	10/01/10 - 09/30/11
Pass-through West Virginia Bureau of Senior Services:		
Health Benefits/SHIP	SH21118	04/01/10 - 03/31/11
Total Federal Awards		

STATE AWARDS

**West Virginia State College, Metro Area
Agency on Aging**

Title IIIB Senior Citizens	21136	10/01/10 - 09/30/11
Title IIIC Nutrition Services	N/A	10/01/10 - 09/30/11
Title IIID Disease Prevention and Health Promotion	21136	10/01/10 - 09/30/11

<u>Program or Award Amount</u>	<u>Receipts or Revenue Recognized</u>	<u>Disbursements/ Expenditures</u>
\$ 29,220	\$ 29,220	\$ 29,220
30,000	21,997	21,997
31,819	31,819	31,819
83,200	83,200	83,200
1,610	1,610	1,610
441	441	441
10,454	10,454	10,454
406	406	406
8,500	<u>5,842</u>	<u>5,842</u>
	<u>184,989</u>	<u>184,989</u>
24,711	24,711	24,711
48,326	48,326	48,326
128	128	128

**LINCOLN COUNTY OPPORTUNITY COMPANY, INC.
 SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
 YEAR ENDED SEPTEMBER 30, 2011**

<u>Federal or State Grantor/Pass-through Grantor/ Program Title</u>	<u>Agency/ Pass-through Number</u>	<u>Program Period</u>
STATE AWARDS (CONTINUED)		
West Virginia State College, Metro Area Agency on Aging (Continued)		
LIFE	21103	07/01/09 - 06/30/11
LIFE	21203	07/01/11 - 06/30/12
In-Home Services	21150	07/01/10 - 06/30/11
In-Home Services	21250	07/01/11 - 06/30/12
West Virginia Bureau of Senior Services:		
Senior Grant	SC21006	07/01/09 - 06/30/10
Senior Grant	SC21117	07/01/10 - 06/30/11
Senior Grant	SC21168	07/01/10 - 06/30/11
Lincoln County Commission		
Community Partnership Grant	11LEDA0162	07/01/11 - 06/30/12
Total State Awards		
Total Federal and State awards		

<u>Program or Award Amount</u>	<u>Receipts or Revenue Recognized</u>	<u>Disbursements/ Expenditures</u>
\$ 185,016	\$ 175,520	\$ 175,520
185,016	52,275	52,275
355,123	150,933	150,933
347,432	42,558	42,558
70,502	23,602	23,602
28,311	28,311	28,311
50,000	50,000	50,000
25,000	<u>8,213</u>	<u>8,213</u>
	<u>604,577</u>	<u>604,577</u>
	\$ <u>789,566</u>	\$ <u>789,566</u>

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
AND ON COMPLIANCE**

Ware & Hall, PLLC

Certified Public Accountants

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

Board of Directors
Lincoln County Opportunity
Company, Inc.
Hamlin, West Virginia

We have audited the financial statements of Lincoln County Opportunity Company, Inc. (a non-profit organization) as of and for the year ended September 30, 2011, and have issued our report thereon dated June 13, 2012, which was qualified because the Organization expenses property and equipment purchases as opposed to capitalizing the assets and depreciating them over their estimated useful lives. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of Lincoln County Opportunity Company, Inc. is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Lincoln County Opportunity Company, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Lincoln County Opportunity Company, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Lincoln County Opportunity Company, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the board of directors, management, and others within the entity, and is not intended to be and should not be used by anyone other than these specified parties.

Ware & Hall PLLC

Huntington, West Virginia
June 13, 2012