

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

**FINANCIAL STATEMENTS WITH
ADDITIONAL INFORMATION**

**YEAR ENDED SEPTEMBER 30, 2012
WITH INDEPENDENT AUDITOR'S REPORTS**

LINCOLN COUNTY OPPORTUNITY COMPANY, INC.
FINANCIAL STATEMENTS WITH ADDITIONAL INFORMATION
YEAR ENDED SEPTEMBER 30, 2012

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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, 2012, 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, 2012, 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 20, 2013, 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 of the Organization. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting or other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole, except as described in Note 10 to the financial statements.

Ware & Hall PLLC

Huntington, West Virginia
June 20, 2013

LINCOLN COUNTY OPPORTUNITY COMPANY, INC.
STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2012

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 975,860
Grants receivable	174,714
Accounts receivable	380,886
Prepaid expenses	<u>27,341</u>
TOTAL CURRENT ASSETS	1,558,801

INVESTMENTS IN ANNUITIES 4,237,548

PROPERTY AND EQUIPMENT 3,084,607

OTHER ASSETS

Security deposits	<u>4,921</u>
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TOTAL OTHER ASSETS 4,921

TOTAL ASSETS **\$ 8,885,877**

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$ 33,209
Accrued annual leave	420,061
Accrued payroll	345,804
Payroll taxes withheld and accrued	292,788
Security deposits payable	4,921
Due to other entities	<u>105,380</u>

TOTAL CURRENT LIABILITIES 1,202,163

NET ASSETS

Unrestricted	4,599,107
Investment in property and equipment	<u>3,084,607</u>
TOTAL NET ASSETS	<u>7,683,714</u>

TOTAL LIABILITIES AND NET ASSETS **\$ 8,885,877**

**LINCOLN COUNTY OPPORTUNITY COMPANY, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2012**

UNRESTRICTED NET ASSETS

SUPPORT AND REVENUE

Grants:

Federal/State/pass-through	\$ 884,797
In-kind matching	29,860
Program income	2,451,269
Investment Income	<u>229,250</u>
TOTAL UNRESTRICTED SUPPORT AND REVENUE	<u>3,595,176</u>

EXPENSES

PROGRAM SERVICES

CSBG	28,624
Title IIIB - Senior Citizens	25,501
Title IIIC - Nutrition	164,075
Title IIID - Disease Prevention and Health Promotion and Medication Management	2,541
Title IIIE - Caregiver	13,943
Elder Abuse	406
Health Benefits/SHIP	7,000
Life	743
Lighthouse	272,689
FAIR	84,339
Transportation	75,249
Veterans	44,291
Personal care	1,717,228
Other programs	<u>70,667</u>
TOTAL PROGRAM SERVICES	<u>2,507,296</u>

SUPPORTING SERVICES

Management and general	<u>1,412,253</u>
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TOTAL EXPENSES	<u>3,919,549</u>
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CHANGE IN UNRESTRICTED NET ASSETS	(324,373)
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TEMPORARILY RESTRICTED NET ASSETS	-0-
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PERMANENTLY RESTRICTED NET ASSETS	<u>-0-</u>
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CHANGE IN NET ASSETS	(324,373)
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NET ASSETS, BEGINNING OF YEAR	<u>4,923,480</u>
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NET ASSETS, END OF YEAR	\$ <u>4,599,107</u>
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LINCOLN COUNTY OPPORTUNITY COMPANY, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED SEPTEMBER 30, 2012

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net assets	\$ (324,373)
Adjustments to reconcile change in net assets to net cash (used in) operating activities:	
(Increase) decrease in operating assets:	
Grants receivable	(113,351)
Accounts receivable	(105,109)
Prepaid expenses	(7,700)
Security deposits	195
Increase (decrease) in operating liabilities:	
Accounts payable	(4,026)
Accrued annual leave	65,005
Accrued payroll	277,700
Payroll taxes withheld and accrued	146,021
Security deposits payable	(195)
Due to other entities	<u>4,350</u>
NET CASH (USED IN) OPERATING ACTIVITIES	<u>(61,483)</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchase of investments	(193,160)
Sale of investments	<u>210,649</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>17,489</u>

NET (DECREASE) IN CASH AND CASH EQUIVALENTS (43,994)

CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR 1,019,854

CASH AND CASH EQUIVALENTS AT END OF YEAR \$ 975,860

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Cash paid during the year for:	
Interest	\$ <u><u>-0-</u></u>
Income tax	\$ <u><u>-0-</u></u>

LINCOLN COUNTY OPPORTUNITY COMPANY, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012

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. Therefore, the effect of property and equipment purchases and disposals does not appear in the investing activities section of the statement of cash flows.

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, 2012

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. Management believes the Organization is no longer subject to income tax examination for the years prior to 2009.

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 \$32,996 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, 2011 through September 30, 2012:

<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	01/01/11 - 12/31/11	\$ 30,000
CSBG	01/01/12 - 12/31/12	30,000
West Virginia State College, Metro Area Agency on Aging:		
Title IIIB - 21236	10/01/11 - 09/30/12	31,819
Title IIIC	10/01/11 - 09/30/12	79,151
Title IIIE - 21236	10/01/11 - 09/30/12	10,454
Title IIID - 21236	10/01/11 - 09/30/12	2,051
Elder Abuse - 21233	10/01/11 - 09/30/12	406
West Virginia Bureau of Senior Services:		
Health Benefits/SHIP - SH 21271	04/01/11 - 03/31/12	7,000
Health Benefits/SHIP - SH21371	04/01/12 - 03/31/13	4,000

LINCOLN COUNTY OPPORTUNITY COMPANY, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012

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 IIB - 21236	10/01/11 - 09/30/12	\$ 24,711
Title IIC	10/01/11 - 09/30/12	56,279
Title IID - 21236	10/01/11 - 09/30/12	128
LIFE - 21203	07/01/11 - 06/30/12	185,016
LIFE - 21303	07/10/12 - 06/30/13	184,640
In-Home Services - 21250	07/01/11 - 06/30/12	347,432
In-Home Services - 21350	07/01/12 - 06/30/13	327,432
West Virginia Bureau of Senior Services:		
Senior Grant - SC21217	07/01/11 - 06/30/12	26,312
Senior Grant - SC21284	07/01/11 - 06/30/12	42,899
Lincoln County Commission:		
Community Partnership Grant - ILEDA0161	07/01/11 - 06/30/12	25,000
Community Partnership Grant - ILEDA0162	07/01/11 - 06/30/12	25,000

NOTE 3 - INVESTMENTS IN ANNUITIES

Investments in annuities as of September 30, 2012 are summarized as follows:

Jackson National Life Insurance Company	\$ 3,858,651
Pacific National Life Insurance Company	<u>378,897</u>
Total	\$ <u>4,237,548</u>

Interest income of \$ 229,250 constituted the investment return for the year ended September 30, 2012.

NOTE 4 - PROPERTY AND EQUIPMENT

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

Land	\$ 124,498
Buildings	1,654,567
Improvements	369,811
Furniture, Fixtures and equipment	510,379
Vehicles	<u>425,352</u>
Total Property And Equipment	\$ <u>3,084,607</u>

LINCOLN COUNTY OPPORTUNITY COMPANY, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012

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, 2012 totaled \$272,206.

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, 2012, 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 - DONATED SERVICES

Lincoln County Opportunity Company, Inc. received services from volunteers for the Title III C Nutrition program and recorded the related in-kind revenue and expenses with values of \$23,886.

NOTE 8 - 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 9 - 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.

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.

LINCOLN COUNTY OPPORTUNITY COMPANY, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012

NOTE 11 - SUBSEQUENT EVENTS

Management has reviewed events occurring subsequent to September 30, 2012 through June 20, 2013 (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.

ADDITIONAL INFORMATION

LINCOLN COUNTY OPPORTUNITY COMPANY, INC.
SCHEDULE OF SUPPORT AND REVENUE, EXPENSES AND CHANGES IN NET ASSETS
YEAR ENDED SEPTEMBER 30, 2012

	<u>CSBG</u>	Title IIIB Senior <u>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	\$ 30,892	\$ 56,530	\$ 134,795	\$ 1,738
In-kind matching	-0-	5,612	23,886	362
Program income	-0-	-0-	21,765	-0-
Investment income	<u>-0-</u>	<u>-0-</u>	<u>189</u>	<u>-0-</u>
TOTAL SUPPORT AND REVENUE	<u>30,892</u>	<u>62,142</u>	<u>180,635</u>	<u>2,100</u>
EXPENSES				
Salaries and benefits	21,102	14,924	66,680	1,738
Travel and training	-0-	-0-	9,073	-0-
Consumable supplies	1,102	750	-0-	-0-
Buildings	259	824	2,918	-0-
Vehicles and equipment	165	2,000	5,651	-0-
Insurance	1,003	756	1,685	-0-
Occupancy	-0-	600	600	-0-
Contractual and Consultants	-0-	-0-	-0-	-0-
Telephone and utilities	1,607	4,996	8,337	-0-
Program costs	4,700	-0-	54,716	-0-
Other	-0-	-0-	715	-0-
Volunteer Labor - nonfunded	-0-	-0-	23,886	-0-
Other costs - nonfunded	<u>-0-</u>	<u>5,612</u>	<u>-0-</u>	<u>362</u>
TOTAL EXPENSES	<u>29,938</u>	<u>30,462</u>	<u>174,261</u>	<u>2,100</u>
INCREASE (DECREASE)				
IN NET ASSETS	954	31,680	6,374	-0-
NET ASSETS - BEGINNING OF YEAR	-0-	-0-	-0-	-0-
TRANSFER IN (OUT)	<u>(954)</u>	<u>(31,680)</u>	<u>(6,374)</u>	<u>-0-</u>
NET ASSETS - END OF YEAR	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>-0-</u>

<u>Title III D</u> <u>Medication</u> <u>Management</u>	<u>Title III E</u> <u>Caregiver</u>	<u>Elder</u> <u>Abuse</u>	<u>Health</u> <u>Benefits/SHIP</u>	<u>LIFE</u>
\$ 441	\$ 10,458	\$ 406	\$ 7,000	\$ 132,741
-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>10,458</u>	<u>406</u>	<u>7,000</u>	<u>132,741</u>
441	13,916	406	7,000	6,759
-0-	27	-0-	-0-	743
-0-	-0-	-0-	-0-	-0-
-0-	-0-	-0-	-0-	-0-
-0-	-0-	-0-	-0-	25,000
-0-	-0-	-0-	-0-	-0-
-0-	-0-	-0-	-0-	-0-
-0-	-0-	-0-	-0-	-0-
-0-	-0-	-0-	-0-	-0-
-0-	-0-	-0-	-0-	-0-
-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>13,943</u>	<u>406</u>	<u>7,000</u>	<u>32,502</u>
-0-	(3,485)	-0-	-0-	100,239
-0-	-0-	-0-	-0-	-0-
<u>-0-</u>	<u>3,485</u>	<u>-0-</u>	<u>-0-</u>	<u>(100,239)</u>
\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>-0-</u>

LINCOLN COUNTY OPPORTUNITY COMPANY, INC.
SCHEDULE OF SUPPORT AND REVENUE, EXPENSES AND CHANGES IN NET ASSETS
YEAR ENDED SEPTEMBER 30, 2012

	Lighthouse In-Home <u>Services</u>	<u>FAIR</u>	<u>Transportation</u>
SUPPORT AND REVENUE			
Grant revenue-federal/state/pass-through	\$ 292,824	\$ 114,708	\$ -0-
In-kind matching	-0-	-0-	-0-
Program income	4,701	1,770	41,926
Investment income	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
TOTAL SUPPORT AND REVENUE	<u>297,525</u>	<u>116,478</u>	<u>41,926</u>
EXPENSES			
Salaries and benefits	262,281	85,671	52,651
Travel and training	23,196	2,951	14,137
Consumable supplies	-0-	-0-	-0-
Buildings	-0-	-0-	-0-
Vehicles and equipment	-0-	-0-	6,905
Insurance	-0-	-0-	800
Occupancy	-0-	-0-	-0-
Contractual and consultants	-0-	-0-	-0-
Telephone and utilities	326	-0-	3,915
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>285,803</u>	<u>88,622</u>	<u>78,408</u>
INCREASE (DECREASE) IN NET ASSETS			
	11,722	27,856	(36,482)
NET ASSETS - BEGINNING OF YEAR	-0-	-0-	-0-
TRANSFER IN (OUT)	<u>(11,722)</u>	<u>(27,856)</u>	<u>36,482</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-	\$ 102,264	\$ 884,797
-0-	-0-	-0-	-0-	29,860
63,849	1,168,311	1,106,449	42,498	2,451,269
<u>-0-</u>	<u>21,687</u>	<u>14,940</u>	<u>192,434</u>	<u>229,250</u>
<u>63,849</u>	<u>1,189,998</u>	<u>1,121,389</u>	<u>337,196</u>	<u>3,595,176</u>
45,503	912,953	828,062	877,753	3,197,840
608	41,045	46,022	14,693	152,495
9	23,393	23,413	1,786	50,453
-0-	3,991	3,764	15,437	27,193
-0-	2,049	1,143	199,226	242,139
-0-	13,852	13,536	-0-	31,632
-0-	-0-	-0-	-0-	1,200
-0-	1,675	1,331	14,050	17,056
-0-	13,755	13,758	-0-	46,694
-0-	-0-	-0-	-0-	59,416
-0-	20,234	19,236	23,386	63,571
-0-	-0-	-0-	-0-	23,886
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>5,974</u>
<u>46,120</u>	<u>1,032,947</u>	<u>950,265</u>	<u>1,146,331</u>	<u>3,919,549</u>
17,729	157,051	171,124	(809,135)	(324,373)
-0-	-0-	-0-	4,923,480	4,923,480
<u>(17,729)</u>	<u>(157,051)</u>	<u>(171,124)</u>	<u>484,762</u>	<u>-0-</u>
\$ <u><u>-0-</u></u>	\$ <u><u>-0-</u></u>	\$ <u><u>-0-</u></u>	\$ <u><u>4,599,107</u></u>	\$ <u><u>4,599,107</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 IIB,
DISEASE PREVENTION AND HEALTH PROMOTION,
AND MEDICATION MANAGEMENT - TITLE IID, AND
CAREGIVER - TITLE IIE - GRANT NUMBER 21236
GRANT PERIOD OCTOBER 1, 2011 TO SEPTEMBER 30, 2012**

	<u>Budget</u>	<u>Actual</u>			<u>(Over) Under Budget</u>
		<u>IIB</u>	<u>IID</u>	<u>IIE</u>	
SUPPORT AND REVENUE					
Federal	\$ 44,324	\$ 31,819	\$ 2,051	\$ 10,458	\$ (4)
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>10,458</u>	<u>(4)</u>
EXPENSES					
Personnel	17,103	14,924	2,179	13,916	(13,916)
Travel	-0-	-0-	-0-	27	(27)
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-	-0-	45,619
Other	<u>1,756</u>	<u>1,756</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>13,943</u>	<u>31,676</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>13,943</u>	<u>31,676</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, 2012	\$ <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 21233
GRANT PERIOD OCTOBER 1, 2011 TO SEPTEMBER 30, 2012

	<u>Budget</u>	<u>Actual</u>	<u>(Over) Under</u> <u>Budget</u>
SUPPORT AND REVENUE			
Federal	\$ 406	\$ 406	\$ -0-
TOTAL SUPPORT AND REVENUE	<u>406</u>	<u>406</u>	<u>-0-</u>
EXPENSES			
Personnel	406	406	-0-
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, 2012		\$ <u>-0-</u>	

**LINCOLN COUNTY OPPORTUNITY COMPANY, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED SEPTEMBER 30, 2012**

<u>Federal or State Grantor/Pass-through Grantor/ Program Title</u>	<u>Pass-through Number</u>	<u>Agency/ Program Period</u>
FEDERAL AWARDS		
Department of Health and Human Services		
Pass-through Southwestern Community Action Council, Inc:		
CSBG	N/A	01/01/11 - 12/31/11
CSBG	N/A	01/01/12 - 12/31/12
Pass-through West Virginia State College, Metro Area Agency on Aging:		
Title IIIB Senior Citizens	21236	10/01/11 - 09/30/12
Title IIIC Nutrition Services	N/A	10/01/11 - 09/30/12
Title IIID Disease Prevention and Health Promotion	21236	10/01/11 - 09/30/12
Title IIID Medication Management	21236	10/01/11 - 09/30/12
Title IIIE Caregiver	21236	10/01/11 - 09/30/12
Elder Abuse	21233	10/01/11 - 09/30/12
Pass-through West Virginia Bureau of Senior Services:		
Health Benefits/SHIP	21271	04/01/11 - 03/31/12
Total Federal Awards		

STATE AWARDS

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

Title IIIB Senior Citizens	21236	10/01/11 - 09/30/12
Title IIIC Nutrition Services	N/A	10/01/11 - 09/30/12
Title IIID Disease Prevention and Health Promotion	21236	10/01/11 - 09/30/12

<u>Program or Award Amount</u>	<u>Receipts or Revenue Recognized</u>	<u>Disbursements/ Expenditures</u>
\$ 30,000	\$ 6,446	\$ 6,446
30,000	24,446	24,446
31,819	31,819	31,819
79,151	78,516	78,516
1,610	1,610	1,610
441	441	441
10,454	10,454	10,454
406	406	406
<u>7,000</u>	<u>7,000</u>	<u>7,000</u>
	<u>161,138</u>	<u>161,138</u>
24,711	24,711	24,711
56,279	56,279	56,279
128	128	128

LINCOLN COUNTY OPPORTUNITY COMPANY, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED SEPTEMBER 30, 2012

<u>Federal or State Grantor/Pass-through Grantor/ Program Title</u>	<u>Pass-through Number</u>	<u>Agency/ Program Period</u>
STATE AWARDS (CONTINUED)		
West Virginia State College, Metro Area Agency on Aging (Continued)		
LIFE	21203	07/01/11 - 06/30/12
In-Home Services	21250	07/01/11 - 06/30/12
In-Home Services	21350	07/01/12 - 06/30/13
West Virginia Bureau of Senior Service		
Senior Grant	SC21284	07/01/11 - 06/30/12
Senior Grant	SC21217	07/01/11 - 06/30/12
Lincoln County Commission		
Community Partnership Grant	11LEDA0162	07/01/11 - 06/30/12
Community Partnership Grant	11LEDA0161	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	\$ 132,741	\$ 132,741
347,432	277,766	277,766
327,432	129,766	129,766
42,899	42,899	42,899
26,312	9,826	9,826
25,000	16,788	16,788
25,000	<u>25,000</u>	<u>25,000</u>
	715,904	<u>715,904</u>
	\$ <u>877,042</u>	\$ <u>877,042</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, 2012, and have issued our report thereon dated June 20, 2013, 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 20, 2013