

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

**FINANCIAL STATEMENTS WITH  
ADDITIONAL INFORMATION**

**YEAR ENDED SEPTEMBER 30, 2014  
WITH INDEPENDENT AUDITOR'S REPORTS**

**LINCOLN COUNTY OPPORTUNITY COMPANY, INC.**  
**FINANCIAL STATEMENTS WITH ADDITIONAL INFORMATION**  
**YEAR ENDED SEPTEMBER 30, 2014**

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# Ware & Hall, PLLC

Certified Public Accountants

The River Tower, Suite 601, 1108 3<sup>rd</sup> Avenue  
Post Office Box 819, Huntington, West Virginia 25712-0819  
Telephone: (304) 525-7202 Fax: (304) 525-7282

Daniel J. Ware, CPA  
William L. Hall, CPA

Members of  
American Institute of  
Certified Public Accountants  
WV Society of Certified Public Accountants

## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Financial Statements

We have audited the accompanying financial statements of Lincoln County Opportunity Company, Inc., (a non-profit organization), which comprise the statement of financial position as of September 30, 2014, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our 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 a reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### **Basis for Qualified Opinion**

As explained in Note 1 to the financial statements, property and equipment purchases have been charged to expense in the accompanying financial statements. Accounting principles generally accepted in the United States of America require purchases of property and equipment to be capitalized and depreciated over their estimated useful lives. The effects on the accompanying financial statements of the failure to capitalize purchases of property and equipment and depreciate them over their estimated useful lives have not been determined.

### **Qualified Opinion**

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion 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, 2014, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The 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 19 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole, except as described in Note 12 to the financial statements.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2015, 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* in considering Lincoln County Opportunity Company, Inc.'s internal control over financial reporting and compliance.

Huntington, West Virginia  
June 20, 2015

*Ware & Hall PLLC*

**LINCOLN COUNTY OPPORTUNITY COMPANY, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**SEPTEMBER 30, 2014**

**ASSETS**

**CURRENT ASSETS**

Cash and cash equivalents	\$ 906,685
Grants receivable	75,267
Accounts receivable	266,920
Prepaid expenses	<u>11,960</u>
<b>TOTAL CURRENT ASSETS</b>	<b>1,260,832</b>

<b>INVESTMENTS IN ANNUITIES</b>	4,914,351
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<b>PROPERTY AND EQUIPMENT</b>	3,084,483
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**OTHER ASSETS**

Security deposits	<u>4,926</u>
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<b>TOTAL OTHER ASSETS</b>	<u>4,926</u>
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<b>TOTAL ASSETS</b>	<b>\$ <u>9,264,592</u></b>
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**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES**

Accounts payable	\$ 25,723
Accrued annual leave	64,544
Accrued payroll	79,919
Payroll taxes withheld and accrued	28,509
Current portion of employment contract liability	50,000
Security deposits payable	4,926
Due to other entities	<u>193,131</u>

<b>TOTAL CURRENT LIABILITIES</b>	<u>446,752</u>
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**LONG-TERM LIABILITIES**

Employment contract liability, less current portion included above	<u>929,141</u>
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<b>TOTAL LONG-TERM LIABILITIES</b>	<u>929,141</u>
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<b>TOTAL LIABILITIES</b>	<u>1,375,893</u>
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**NET ASSETS**

Unrestricted	4,804,216
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Investment in property and equipment	<u>3,084,483</u>
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<b>TOTAL NET ASSETS</b>	<u>7,888,699</u>
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<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ <u>9,264,592</u></b>
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**LINCOLN COUNTY OPPORTUNITY COMPANY, INC.**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED SEPTEMBER 30, 2014**

**UNRESTRICTED NET ASSETS**

**SUPPORT AND REVENUE**

Grants:	
Federal/State/pass-through	\$ 755,476
In-kind matching	16,410
Program income	2,424,969
Investment income	206,779
Other income	<u>87,000</u>
<b>TOTAL UNRESTRICTED SUPPORT AND REVENUE</b>	<b><u>3,490,634</u></b>

**EXPENSES**

**PROGRAM SERVICES**

CSBG	26,369
Title IIIB - Senior Citizens	26,103
Title IIIC-1 Congregate Nutrition	50,407
Title IIIC-2 Home Delivered Nutrition	92,226
Title IIID - Disease Prevention and Health Promotion and Medication Management	2,853
Title IIIE - Caregiver	18,272
Health Benefits/SHIP	7,896
Life	8,540
Lighthouse	267,563
FAIR	58,819
Transportation	50,352
Veterans	47,435
Personal care	<u>1,848,145</u>
<b>TOTAL PROGRAM SERVICES</b>	<b><u>2,504,980</u></b>

**SUPPORTING SERVICES**

Management and general	<u>1,010,680</u>
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<b>TOTAL EXPENSES</b>	<b><u>3,515,660</u></b>
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<b>CHANGE IN UNRESTRICTED NET ASSETS</b>	(25,026)
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<b>TEMPORARILY RESTRICTED NET ASSETS</b>	-0-
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<b>PERMANENTLY RESTRICTED NET ASSETS</b>	<u>-0-</u>
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<b>CHANGE IN NET ASSETS</b>	(25,026)
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<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>4,829,242</u>
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<b>NET ASSETS, END OF YEAR</b>	<b>\$ <u>4,804,216</u></b>
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**LINCOLN COUNTY OPPORTUNITY COMPANY, INC.**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED SEPTEMBER 30, 2014**

<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Change in net assets	\$ (25,026)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
(Increase) decrease in operating assets:	
Grants receivable	(12,041)
Accounts receivable	78,596
Prepaid expenses	9,232
Increase (decrease) in operating liabilities:	
Accounts payable	(5,025)
Accrued annual leave	(395,764)
Accrued payroll	(271,541)
Payroll taxes withheld and accrued	(268,960)
Employment contract liability	979,141
Due to other entities	44,596
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>133,208</u>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Purchase of investments	(182,868)
Sale of investments	85,488
<b>NET CASH (USED IN) INVESTING ACTIVITIES</b>	<u>(97,380)</u>
 <b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	 35,828
 <b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	 <u>870,857</u>
 <b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	 \$ <u><u>906,685</u></u>
 <b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>	
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, 2014**

**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 purchases 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, 2014**

**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 2011.

**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 \$34,759 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, 2013 through September 30, 2014:

<u>Description</u>	<u>Grant Period</u>	<u>Amount of Award</u>
<b>Federal Assistance</b>		
<b>Department of Health and Human Services</b>		
Southwestern Community Action Council, Inc.:		
CSBG	01/01/13 - 12/31/13	\$ 31,000
CSBG	01/01/14 - 12/31/14	30,000
West Virginia State University, Metro Area Agency on Aging:		
Title IIIB - 21436	10/01/13 - 09/30/14	31,536
Title IIIC	10/01/13 - 09/30/14	75,746
Title IIIE - 21436	10/01/13 - 09/30/14	13,704
Title IIID - 21436	10/01/13 - 09/30/14	2,386
West Virginia Bureau of Senior Services:		
Health Benefits/SHIP - SH21321	04/01/13 - 03/31/14	6,000
Health Benefits/SHIP - SH1P1514	04/01/14 - 03/31/15	3,750
MIPPA - MIPPA1420	10/01/13 - 09/30/14	2,200

**LINCOLN COUNTY OPPORTUNITY COMPANY, INC.  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2014**

**NOTE 2 - SUMMARY OF GRANT AGREEMENTS (CONTINUED)**

<u>Description</u>	<u>Grant Period</u>	<u>Amount of Award</u>
<b>State Assistance</b>		
<b>West Virginia State University, Metro Area Agency on Aging:</b>		
Title IIIB - 21436	10/01/13 - 09/30/14	\$ 24,227
Title IIIC	10/01/13 - 09/30/14	52,768
Title IIID - 21436	10/01/13 - 09/30/14	128
LIFE - 21403	07/01/13 - 06/30/14	184,640
LIFE - 21503 -Lincoln	07/01/13 - 06/30/14	179,051
LIEAP	10/01/13 - 09/30/14	1,950
<b>West Virginia Bureau of Senior Services:</b>		
In-Home Services - IH1423	07/01/13 - 06/30/14	230,953
In-Home Services - IH1520	07/01/14 - 06/30/15	214,216
In-Home Services - IH1558	07/01/14 - 06/30/15	72,000
Senior Grant - SC21006A	07/01/13 - 06/30/15	7,500
Senior Grant - SC21186	07/01/11 - 06/30/13	10,000
Senior Grant - SC21317	07/01/12 - 06/30/13	49,250
Senior Grant - SC21417A	07/01/13 - 06/30/14	7,500
Senior Grant - SC21417	07/01/13 - 06/30/14	20,000
Marketplace Consumer Assistance Program - MCAP 1407	08/01/13 - 06/30/15	55,618
<b>Pride Community Services, Inc.:</b>		
In-Home Services - Logan	07/01/13 - 06/30/14	100,000

**NOTE 3 - INVESTMENTS IN ANNUITIES**

Investments in annuities as of September 30, 2014 are summarized as follows:

Jackson National Life Insurance Company	\$ 4,598,955
Pacific National Life Insurance Company	<u>315,396</u>
Total	\$ <u><u>4,914,351</u></u>

Interest income of \$206,779 constituted the investment return for the year ended September 30, 2014.

**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	428,077
Furniture, Fixtures and equipment	499,203
Vehicles	<u>378,138</u>
Total Property And Equipment	\$ <u><u>3,084,483</u></u>

**LINCOLN COUNTY OPPORTUNITY COMPANY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**

**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, 2014 totaled \$175,428.

**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, 2014, total rent expense amounted to \$2,726. An additional \$5,901 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 \$10,509.

**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.

The Organization maintains cash balances with various financial institutions. All accounts are insured up to \$250,000 by the Federal Deposit Insurance Corporation. In addition, cash balances can be secured by adequate bond or other securities held by the banking institution in the account holder's name. As of September 30, 2014, \$5,060 of such deposits were not covered by federal depository insurance or secured by adequate bond or other securities held by the banking institution in the Organization's name.

**NOTE 10 - EMPLOYMENT CONTRACT LIABILITY**

The Organization had an employment contract with their previous Executive Director who retired in July, 2014. The agreement provides for the payment of accrued sick and annual leave totaling \$435,767 and \$275,000 for split-dollar life insurance purchased by the Executive Director. The amount, totaling \$710,767 is payable in one hundred forty two monthly installments of \$5,000 and one final installment of \$767. In the event of death, any remaining unpaid balance will be paid to the decedent's beneficiaries under the same terms. At September 30, 2014, the total outstanding commitment, inclusive of \$278,374 of payroll related taxes accrued, amounted to \$979,141.

**LINCOLN COUNTY OPPORTUNITY COMPANY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2014**

**NOTE 11 - RELATED PARTY TRANSACTIONS**

The Organization sold a vehicle to the former Executive Director, at retirement, for \$25,751.

**NOTE 12 - 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 schedule of grant support, revenue and expenses compared to grant budgets contained on page 15 is 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 13 - SUBSEQUENT EVENTS**

Management has reviewed events occurring subsequent to September 30, 2014 through June 20, 2015 (the date the final statements were available to be issued) for possible adjustments to, or disclosure 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, 2014**

	<u>CSBG</u>	<u>Title IIIB Senior Citizens</u>	<u>Title IIIC-1 Congregate Nutrition</u>	<u>Title IIIC-2 Home-Delivered Nutrition</u>
<b>SUPPORT AND REVENUE</b>				
Grant revenue-federal/state/pass-through	\$ 31,384	\$ 55,763	\$ 45,386	\$ 83,128
In-kind matching	-0-	5,562	3,630	6,879
Program income	-0-	-0-	4,751	8,326
Investment income	-0-	-0-	140	-0-
Other income	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<b>TOTAL SUPPORT AND REVENUE</b>	<u>31,384</u>	<u>61,325</u>	<u>53,907</u>	<u>98,333</u>
<b>EXPENSES</b>				
Salaries and benefits	14,785	14,934	21,884	42,814
Travel and training	-0-	500	-0-	7,011
Consumable supplies	80	750	1,460	479
Buildings	-0-	-0-	-0-	-0-
Vehicles and equipment	-0-	1,156	-0-	-0-
Insurance	99	756	-0-	-0-
Occupancy	-0-	600	300	300
Contractual and Consultants	-0-	-0-	-0-	-0-
Telephone and utilities	505	6,727	4,369	6,085
Program costs	11,179	-0-	18,102	29,904
Other	460	500	4,162	4,861
Volunteer Labor - nonfunded	-0-	-0-	3,630	6,879
Other costs - nonfunded	<u>-0-</u>	<u>5,562</u>	<u>-0-</u>	<u>-0-</u>
<b>TOTAL EXPENSES</b>	<u>27,108</u>	<u>31,485</u>	<u>53,907</u>	<u>98,333</u>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	4,276	29,840	-0-	-0-
<b>NET ASSETS - BEGINNING OF YEAR</b>	-0-	-0-	-0-	-0-
<b>TRANSFER IN (OUT)</b>	<u>(4,276)</u>	<u>(29,840)</u>	<u>-0-</u>	<u>-0-</u>
<b>NET ASSETS - END OF YEAR</b>	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>-0-</u>

<u>Title IIID Disease Prevention and Health Promotion</u>	<u>Title IIID Medication Management</u>	<u>Title IIIE Caregiver</u>	<u>Health Benefits/SHIP</u>	<u>LIFE</u>
\$ 2,073	\$ 441	\$ 13,704	\$ 9,162	\$ 184,622
339	-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>2,412</u>	<u>441</u>	<u>13,704</u>	<u>9,162</u>	<u>184,622</u>
2,073	441	18,217	7,842	7,233
-0-	-0-	14	54	1,307
-0-	-0-	-0-	-0-	-0-
-0-	-0-	-0-	-0-	-0-
-0-	-0-	-0-	-0-	-0-
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-0-	-0-	-0-	-0-	-0-
-0-	-0-	22	-0-	-0-
-0-	-0-	-0-	-0-	-0-
<u>339</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>2,412</u>	<u>441</u>	<u>18,272</u>	<u>7,896</u>	<u>8,540</u>
-0-	-0-	(4,568)	1,266	176,082
-0-	-0-	-0-	-0-	-0-
<u>-0-</u>	<u>-0-</u>	<u>4,568</u>	<u>(1,266)</u>	<u>(176,082)</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, 2014**

	Lighthouse In-Home <u>Services</u>	<u>FAIR</u>	<u>Transportation</u>
<b>SUPPORT AND REVENUE</b>			
Grant revenue-federal/state/pass-through	\$ 201,828	\$ 52,297	\$ -0-
In-kind matching	-0-	-0-	-0-
Program income	-0-	-0-	24,304
Investment income	-0-	-0-	-0-
Other income	<u>7,311</u>	<u>-0-</u>	<u>-0-</u>
<b>TOTAL SUPPORT AND REVENUE</b>	<u>209,139</u>	<u>52,297</u>	<u>24,304</u>
<b>EXPENSES</b>			
Salaries and benefits	267,954	59,737	34,053
Travel and training	12,095	1,786	9,468
Consumable supplies	142	35	-0-
Buildings	-0-	-0-	-0-
Vehicles and equipment	-0-	-0-	-0-
Insurance	-0-	-0-	-0-
Occupancy	-0-	-0-	-0-
Contractual and consultants	-0-	-0-	-0-
Telephone and utilities	632	115	4,141
Program costs	-0-	-0-	-0-
Other	138	133	4,733
Volunteer labor - nonfunded	-0-	-0-	-0-
Other costs - nonfunded	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<b>TOTAL EXPENSES</b>	<u>280,961</u>	<u>61,806</u>	<u>52,395</u>
<b>INCREASE (DECREASE) IN NET ASSETS</b>			
	(71,822)	(9,509)	(28,091)
<b>NET ASSETS - BEGINNING OF YEAR</b>	-0-	-0-	-0-
<b>TRANSFER IN (OUT)</b>	<u>71,822</u>	<u>9,509</u>	<u>28,091</u>
<b>NET ASSETS - END OF YEAR</b>	\$ <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-	\$ 75,688	\$ 755,476
-0-	-0-	-0-	-0-	16,410
73,577	1,518,989	795,022	-0-	2,424,969
-0-	16,545	11,632	178,462	206,779
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>79,689</u>	<u>87,000</u>
<u>73,577</u>	<u>1,535,534</u>	<u>806,654</u>	<u>333,839</u>	<u>3,490,634</u>
46,623	1,172,949	687,512	483,285	2,882,336
1,261	33,281	23,242	14,275	104,294
1,070	16,887	17,047	12,262	50,212
-0-	-0-	-0-	-0-	-0-
-0-	-0-	-0-	157,994	159,150
-0-	13,142	9,234	2,186	25,417
-0-	-0-	-0-	-0-	1,200
-0-	-0-	-0-	17,200	17,200
160	17,035	12,093	4,303	56,184
-0-	-0-	-0-	-0-	59,185
186	34,974	35,083	58,820	144,072
-0-	-0-	-0-	-0-	10,509
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>5,901</u>
<u>49,300</u>	<u>1,288,268</u>	<u>784,211</u>	<u>750,325</u>	<u>3,515,660</u>
24,277	247,266	22,443	(416,486)	(25,026)
-0-	-0-	-0-	4,829,242	4,829,242
<u>(24,277)</u>	<u>(247,266)</u>	<u>(22,443)</u>	<u>391,460</u>	<u>-0-</u>
\$ <u><u>-0-</u></u>	\$ <u><u>-0-</u></u>	\$ <u><u>-0-</u></u>	\$ <u><u>4,804,216</u></u>	\$ <u><u>4,804,216</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 21436  
GRANT PERIOD OCTOBER 1, 2013 TO SEPTEMBER 30, 2014**

		<u>Actual</u>			
	<u>Budget</u>	<u>IIIB</u>	<u>IIID</u>	<u>IIIE</u>	<u>(Over) Under Budget</u>
<b>SUPPORT AND REVENUE</b>					
Federal	\$ 47,626	\$ 31,536	\$ 2,386	\$ 13,704	\$ -0-
State	24,355	24,227	128	-0-	-0-
In-kind - matching	<u>5,901</u>	<u>5,562</u>	<u>339</u>	<u>-0-</u>	<u>-0-</u>
<b>TOTAL SUPPORT AND REVENUE</b>	<u>77,882</u>	<u>61,325</u>	<u>2,853</u>	<u>13,704</u>	<u>-0-</u>
<b>EXPENSES</b>					
Personnel	17,438	14,924	2,514	-0-	-0-
Travel	500	500	-0-	-0-	-0-
Printing and supplies	1,916	1,916	-0-	-0-	-0-
Building space	600	600	-0-	-0-	-0-
Communications and utilities	6,727	6,727	-0-	-0-	-0-
Program costs	48,112	29,840	-0-	18,272	-0-
Other	<u>1,256</u>	<u>1,256</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<b>TOTAL EXPENSES</b>	<u>76,549</u>	<u>55,763</u>	<u>2,514</u>	<u>18,272</u>	<u>-0-</u>
<b>GRANTEE'S SHARE</b>	<u>5,901</u>	<u>5,562</u>	<u>339</u>	<u>-0-</u>	<u>-0-</u>
<b>GRAND TOTAL</b>	<u>82,450</u>	<u>61,325</u>	<u>2,853</u>	<u>18,272</u>	<u>-0-</u>
<b>(DECREASE) INCREASE IN NET ASSETS</b>	(4,568)	-0-	-0-	(4,568)	-0-
<b>TRANSFERS IN (OUT)</b>	4,568	-0-	-0-	4,568	-0-
Net assets from prior years not reprogrammed	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<b>NET ASSETS, SEPTEMBER 30, 2014</b>	\$ <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 EXPENDITURES OF FEDERAL AND STATE AWARDS  
YEAR ENDED SEPTEMBER 30, 2014**

<u>Federal or State Grantor/Pass-through Grantor/ Program Title</u>	<u>Pass-through Number</u>	<u>Agency/ Program Period</u>
<b>FEDERAL AWARDS</b>		
<b>Department of Health and Human Services</b>		
Pass-through Southwestern Community Action Council, Inc:		
CSBG	N/A	01/01/13 - 12/31/13
CSBG	N/A	01/01/14 - 12/31/14
Pass-through West Virginia State University, Metro Area Agency on Aging:		
Title IIIB Senior Citizens	21436	10/01/13 - 09/30/14
Title IIIC Nutrition Services	N/A	10/01/13 - 09/30/14
Title IIID Disease Prevention and Health Promotion	21436	10/01/13 - 09/30/14
Title IIID Medication Management	21436	10/01/13 - 09/30/14
Title IIIE Caregiver	21436	10/01/13 - 09/30/14
Pass-through West Virginia Bureau of Senior Services:		
Health Benefits/SHIP	SH21321	04/01/13 - 03/31/14
Health Benefits/SHIP	SHIP1514	04/01/14 - 03/31/15
MIPPA	MIPPA1420	10/01/13 - 09/30/14
Total Federal Awards		

**STATE AWARDS**

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

Title IIIB Senior Citizens	21436	10/01/13 - 09/30/14
Title IIIC Nutrition Services	N/A	10/01/13 - 09/30/14
Title IIID Disease Prevention and Health Promotion	21436	10/01/13 - 09/30/14

<u>Program or Award Amount</u>	<u>Receipts or Revenue Recognized</u>	<u>Disbursements/ Expenditures</u>
\$ 31,000	\$ 5,091	\$ 5,091
30,000	26,293	26,293
31,536	31,536	31,536
75,746	75,746	75,746
1,945	1,945	1,945
441	441	441
13,704	13,704	13,704
6,000	3,212	3,212
3,750	3,750	3,750
2,200	<u>2,200</u>	<u>2,200</u>
	<u>163,918</u>	<u>163,918</u>
24,227	24,227	24,227
52,768	52,768	52,768
128	128	128

**LINCOLN COUNTY OPPORTUNITY COMPANY, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**YEAR ENDED SEPTEMBER 30, 2014**

Federal or State Grantor/Pass-through Grantor/ Program Title	Agency/ Pass-through Number	Program Period
<b>STATE AWARDS (CONTINUED)</b>		
<b>West Virginia State University, Metro Area Agency on Aging (Continued)</b>		
LIFE	21403	07/01/13 - 06/30/14
LIEAP	N/A	10/01/13 - 09/30/14
<b>West Virginia Bureau of Senior Services</b>		
In-Home Services	IH1423	07/01/13 - 06/30/14
In-Home Services	IH1520	07/01/14 - 06/30/15
Senior Grant	SC21317	07/01/12 - 06/30/13
Senior Grant	SC21417A	07/01/13 - 06/30/14
Senior Grant	SC21417	07/01/13 - 06/30/14
Senior Grant	SC21186	07/01/11 - 06/30/13
Marketplace Consumer Assistant Program	MCAP1407	08/01/13 - 06/30/15
<b>Pride Community Services, Inc.</b>		
In-Home services - Logan	N/A	07/01/13 - 06/30/14
Total State Awards		
Total Federal and State awards		

<u>Program or Award Amount</u>	<u>Receipts or Revenue Recognized</u>	<u>Disbursements/ Expenditures</u>
184,640	184,622	184,622
1,950	1,950	1,950
230,953	120,793	120,793
214,216	81,452	81,452
49,250	2,815	2,815
7,500	7,500	7,500
20,000	20,000	20,000
10,000	10,000	10,000
55,618	33,423	33,423
100,000	<u>51,880</u>	<u>51,880</u>
	<u>591,558</u>	<u>591,558</u>
	\$ <u>755,476</u>	\$ <u>755,476</u>

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

# Ware & Hall, PLLC

Certified Public Accountants

The River Tower, Suite 601, 1108 3<sup>rd</sup> Avenue  
Post Office Box 819, Huntington, West Virginia 25712-0819  
Telephone: (304) 525-7202 Fax: (304) 525-7282

Daniel J. Ware, CPA  
William L. Hall, CPA

Members of  
American Institute of  
Certified Public Accountants  
WV Society of Certified Public Accountants

**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, in accordance with the 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, the financial statements of Lincoln County Opportunity Company, Inc. (a nonprofit organization), which comprise the statement of financial position as of September 30, 2014, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 20, 2015 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.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Lincoln County Opportunity Company, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Lincoln County Opportunity Company, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Lincoln County's Opportunity Company, Inc.'s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or 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. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.



Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether 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*.

### **Purpose of this Report**

The purpose of this report is intended solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Huntington, West Virginia  
June 20, 2015

*Ware & Hall PLLC*