

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

**FINANCIAL STATEMENTS WITH
ADDITIONAL INFORMATION**

**YEAR ENDED SEPTEMBER 30, 2008
WITH INDEPENDENT AUDITOR'S REPORTS**

LINCOLN COUNTY OPPORTUNITY COMPANY, INC.
FINANCIAL STATEMENTS WITH ADDITIONAL INFORMATION
YEAR ENDED SEPTEMBER 30, 2008

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report	1 - 2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Activities	4
Statement of Cash Flows	5
Notes to Financial Statements	6 - 10
ADDITIONAL INFORMATION	
Schedule of Support and Revenue, Expenses and Changes in Net Assets	11 - 14
Schedule of Grant Support, Revenue and Expenses Compared to Grant Budgets (Non-GAAP Basis):	
Senior Citizens, Disease Prevention and Health Promotion, and Medication Management	15
Elder Abuse	16
INDEPENDENT AUDITOR'S REPORTS ON INTERNAL CONTROL AND ON COMPLIANCE:	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	17 - 18

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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, 2008, 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, 2008, 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 August 8, 2009, 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 the 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 basic financial statements of Lincoln County Opportunity Company, Inc. taken 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) presented on pages 11 through 16 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole, except as described in Note 10 to the basic financial statements.

Warr & Hall PLLC

Huntington, West Virginia
August 8, 2009

LINCOLN COUNTY OPPORTUNITY COMPANY, INC.
STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2008

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 711,359
Grants receivable	467,041
Prepaid Expenses	<u>15,358</u>
TOTAL CURRENT ASSETS	1,193,758

INVESTMENTS

3,817,865

PROPERTY AND EQUIPMENT

2,928,092

OTHER ASSETS

Security deposits	<u>4,897</u>
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TOTAL OTHER ASSETS 4,897

TOTAL ASSETS \$ 7,944,612

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$ 17,390
Accrued annual leave	209,111
Accrued payroll	67,356
Payroll taxes withheld and accrued	105,649
Security deposits payable	4,897
Other liabilities	360
Due to other entities	<u>47,448</u>

TOTAL CURRENT LIABILITIES 452,211

NET ASSETS

Unrestricted	4,564,309
Investment in property and equipment	<u>2,928,092</u>
TOTAL NET ASSETS	<u><u>7,492,401</u></u>

TOTAL LIABILITIES AND NET ASSETS \$ 7,944,612

LINCOLN COUNTY OPPORTUNITY COMPANY, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2008

UNRESTRICTED NET ASSETS

SUPPORT AND REVENUE

Grants:	
State/pass-through	\$ 778,910
In-kind matching	11,196
USDA food reimbursements	21,380
Program income	2,347,418
Investment Income	<u>(254,920)</u>
TOTAL UNRESTRICTED SUPPORT AND REVENUE	<u>2,903,984</u>

EXPENSES

PROGRAM SERVICES

CSBG	47,636
Title IIIB - Senior Citizens	34,348
Title IIIC - Nutrition	131,207
Title IIID - Disease Prevention and Health Promotion and Medication Management	2,461
Title IIIE - Caregiver	14,071
Elder Abuse	411
Lincoln County FEMA	7,891
LIFE	114,832
Lighthouse	134,994
FAIR	142,165
Transportation	61,729
Veterans	104,848
Personal Care	<u>1,403,607</u>
TOTAL PROGRAM SERVICES	<u>2,200,200</u>

SUPPORTING SERVICES

Management and general	<u>979,124</u>
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TOTAL EXPENSES	<u>3,179,324</u>
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(DECREASE) IN UNRESTRICTED NET ASSETS	(275,340)
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TEMPORARILY RESTRICTED NET ASSETS	-0-
--	------------

PERMANENTLY RESTRICTED NET ASSETS	<u>-0-</u>
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(DECREASE) IN NET ASSETS	(275,340)
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NET ASSETS, BEGINNING OF YEAR	<u>4,839,649</u>
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NET ASSETS, END OF YEAR	\$ <u>4,564,309</u>
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THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THE FINANCIAL STATEMENTS

LINCOLN COUNTY OPPORTUNITY COMPANY, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2008

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.

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, 2008**

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 - Investments are comprised of long-term annuity accounts which are carried at fair value as determined by quoted market prices.

ADVERTISING COSTS - Advertising costs totaling \$28,875 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, 2007 through September 30, 2008:

<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	01/01/07 - 12/31/07	\$ 48,000
CSBG	01/01/08 - 12/31/08	48,000
CSGB	01/01/08 - 12/31/08	5,000
West Virginia State College, Metro Area Agency on Aging:		
Title IIIB - 2836	10/01/07 - 09/30/08	32,368
Title IIIC - 2836	10/01/07 - 09/30/08	60,709
Title IIIE - 2836	10/01/07 - 09/30/08	10,553
Title IIID - 2836	10/01/07 - 09/30/08	2,087
Elder Abuse - 2833	10/01/07 - 09/30/08	411

**LINCOLN COUNTY OPPORTUNITY COMPANY, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2008**

NOTE 2 - SUMMARY OF GRANT AGREEMENTS (CONTINUED)

<u>Description</u>	<u>Grant Period</u>	<u>Amount of Award</u>
Federal Assistance (Continued)		
Department of Homeland Security		
Lincoln County FEMA - 26-9000-00	11/01/07 - 10/31/08	\$ 7,341
Department of Agriculture		
West Virginia State College, Metro Area Agency on Aging: Child and Adult Care Food Program	10/01/07 - 09/30/08	21,380
State Assistance		
West Virginia State College, Metro Area Agency on Aging:		
Title IIIB - 2836	10/01/07 - 09/30/08	25,262
Title IIIC - 2836	10/01/07 - 09/30/08	9,142
Title IIIC State Supplemental Nutrition - 2828	07/01/07 - 06/30/08	15,150
Title IIIC State Supplemental Nutrition - 2928	07/01/07 - 09/30/08	3,579
Title IIIC State Enhancement -2846 In-Home Services	07/01/07 - 06/30/08	16,818
Food/Fuel Supplemental	07/01/07 - 06/30/08	14,160
Title IIID - 2836	10/01/07 - 09/30/08	128
LIFE - 2803	07/01/07 - 06/30/08	183,122
In-Home Services - 2950	07/01/08 - 06/30/09	235,895
West Virginia Bureau of Senior Services:		
Alzheimer's Respite - ALZ2821	07/01/07 - 06/30/08	61,167
Lighthouse - LH2821	07/01/07 - 06/30/08	203,565
Senior Grant - SC2734	07/01/06 - 06/30/08	75,834
Senior Grant - SC2933	07/01/08 - 06/30/09	75,417
Senior Grant - SC2859	07/01/07 - 06/30/09	65,750

LINCOLN COUNTY OPPORTUNITY COMPANY, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2008

NOTE 3 - INVESTMENTS

Investments as of September 30, 2008 are summarized as follows:

	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Gain (Loss)</u>
Annuities	\$ 3,817,865	\$ 3,817,865	\$ -0-

Interest income of \$38,948 and loss on investments of (\$293,868) constituted the investment return for the year ended September 30, 2008.

NOTE 4 - PROPERTY AND EQUIPMENT

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

Land	\$ 124,498
Buildings	1,584,846
Improvements	287,656
Furniture, Fixtures and equipment	447,980
Vehicles	<u>483,112</u>
Total Property And Equipment	\$ <u>2,928,092</u>

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, 2008 totaled \$197,637.

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 or monthly basis. For the year ended September 30, 2008, total rent expense amounted to \$2,795. An additional \$4,054 was recorded as *in-kind* space costs which represents the fair market value of facilities provided at no charge.

LINCOLN COUNTY OPPORTUNITY COMPANY, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2008

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 receivable have been adjusted for all known uncollectible accounts.

The Organization maintains cash balances at three local banks. The accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$100,000. The Organization had gross bank balances of \$580,747 and \$151,336 at two of these banks at September 30, 2008.

NOTE 9 - PENDING LITIGATION

The Organization is involved in two legal proceedings and claims involving employees who have sued the Organization for damages. While it is not possible to determine the ultimate outcome of any lawsuit with certainty, management believes that the ultimate outcome will not have a materially adverse effect on the financial position of the Organization.

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.

ADDITIONAL INFORMATION

LINCOLN COUNTY OPPORTUNITY COMPANY, INC.
SCHEDULE OF SUPPORT AND REVENUE, EXPENSES AND CHANGES IN NET ASSETS
YEAR ENDED SEPTEMBER 30, 2008

	<u>CSBG</u>	Title IIB Senior <u>Citizens</u>	Title IIIC <u>Nutrition</u>	Title IIID Disease Prevention and <u>Health Promotion</u>
SUPPORT AND REVENUE				
Grant revenue-state/pass-through	\$ 49,116	\$ 57,630	\$ 115,395	\$ 1,774
In-kind matching	-0-	3,808	7,142	194
USDA food reimbursement	-0-	-0-	21,380	-0-
Program income	-0-	-0-	18,273	-0-
Investment income	<u>-0-</u>	<u>-0-</u>	<u>253</u>	<u>-0-</u>
TOTAL SUPPORT AND REVENUE	<u>49,116</u>	<u>61,438</u>	<u>162,443</u>	<u>1,968</u>
EXPENSES				
Salaries and benefits	32,354	41,653	51,000	1,774
Travel and training	-0-	1,320	6,687	-0-
Consumable supplies	909	1,246	8,254	-0-
Buildings	175	1,170	6,893	-0-
Vehicles and equipment	211	2,925	6,928	-0-
Insurance	683	2,680	5,959	-0-
Occupancy	-0-	600	700	-0-
Contractual and Consultants	-0-	-0-	-0-	-0-
Telephone and utilities	1,734	6,036	12,408	-0-
Program costs	22,832	-0-	68,142	-0-
Medicaid/Medicare taxes	-0-	-0-	-0-	-0-
Other	-0-	-0-	322	-0-
Bad Debt	-0-	-0-	-0-	-0-
Volunteer Labor - nonfunded	-0-	-0-	7,142	-0-
Other costs - nonfunded	<u>-0-</u>	<u>3,808</u>	<u>-0-</u>	<u>194</u>
TOTAL EXPENSES	<u>58,898</u>	<u>61,438</u>	<u>174,435</u>	<u>1,968</u>
INCREASE (DECREASE)				
IN NET ASSETS	(9,782)	-0-	(11,992)	-0-
NET ASSETS - BEGINNING OF YEAR	-0-	-0-	-0-	-0-
TRANSFER IN (OUT)	<u>9,782</u>	<u>-0-</u>	<u>11,992</u>	<u>-0-</u>
NET ASSETS - END OF YEAR	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>-0-</u>

<u>Title IID Medication Management</u>	<u>Title IIIE Caregiver</u>	<u>Elder Abuse</u>	<u>Lincoln County FEMA</u>	<u>LIFE</u>
\$ 441	\$ 10,553	\$ 411	\$ 7,341	\$ 168,952
52	-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>493</u>	<u>10,553</u>	<u>411</u>	<u>7,341</u>	<u>168,952</u>
441	12,463	411	-0-	19,300
-0-	1,165	-0-	-0-	815
-0-	443	-0-	-0-	-0-
-0-	-0-	-0-	-0-	742
-0-	-0-	-0-	-0-	88,642
-0-	-0-	-0-	-0-	9,887
-0-	-0-	-0-	-0-	-0-
-0-	-0-	-0-	-0-	-0-
-0-	-0-	-0-	-0-	-0-
-0-	-0-	-0-	7,891	-0-
-0-	-0-	-0-	-0-	-0-
-0-	-0-	-0-	-0-	39
-0-	-0-	-0-	-0-	-0-
-0-	-0-	-0-	-0-	-0-
<u>52</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<u>493</u>	<u>14,071</u>	<u>411</u>	<u>7,891</u>	<u>119,425</u>
-0-	(3,518)	-0-	(550)	49,527
-0-	-0-	-0-	-0-	-0-
<u>-0-</u>	<u>3,518</u>	<u>-0-</u>	<u>550</u>	<u>(49,527)</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, 2008

	Lighthouse In-Home <u>Services</u>	<u>FAIR</u>	<u>Transportation</u>	Veteran's <u>Administration</u>
SUPPORT AND REVENUE				
Grant revenue-state/pass-through	\$ 228,886	\$ 52,876	\$ -0-	\$ -0-
In-kind matching	-0-	-0-	-0-	-0-
USDA food reimbursement	-0-	-0-	-0-	-0-
Program income	-0-	-0-	60,021	207,948
Investment income	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
TOTAL SUPPORT AND REVENUE	<u>228,886</u>	<u>52,876</u>	<u>60,021</u>	<u>207,948</u>
EXPENSES				
Salaries and benefits	158,896	71,191	51,963	104,762
Travel and training	11,468	1,880	14,243	4,018
Consumable supplies	-0-	-0-	-0-	-0-
Buildings	-0-	-0-	-0-	-0-
Vehicles and equipment	-0-	-0-	6,363	259
Insurance	-0-	-0-	-0-	-0-
Occupancy	-0-	-0-	-0-	-0-
Contractual and consultants	-0-	-0-	-0-	-0-
Telephone and utilities	66	-0-	2,151	-0-
Program costs	-0-	-0-	-0-	-0-
Medicaid/Medicare taxes	-0-	-0-	-0-	-0-
Other	1,110	-0-	-0-	-0-
Bad debt	-0-	-0-	-0-	-0-
Volunteer labor - nonfunded	-0-	-0-	-0-	-0-
Other costs - nonfunded	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
TOTAL EXPENSES	<u>171,540</u>	<u>73,071</u>	<u>74,720</u>	<u>109,039</u>
INCREASE (DECREASE) IN NET ASSETS	57,346	(20,195)	(14,699)	98,909
NET ASSETS - BEGINNING OF YEAR	-0-	-0-	-0-	-0-
TRANSFER IN (OUT)	<u>(57,346)</u>	<u>20,195</u>	<u>14,699</u>	<u>(98,909)</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>Medicaid</u>	<u>Medicaid Waiver</u>	<u>Other Programs</u>	<u>Total</u>
\$ -0-	\$ -0-	\$ 85,535	\$ 778,910
-0-	-0-	-0-	11,196
-0-	-0-	-0-	21,380
1,169,666	880,171	11,339	2,347,418
<u>(29,729)</u>	<u>920,884)</u>	<u>(204,560)</u>	<u>(254,920)</u>
<u>1,139,937</u>	<u>859,287</u>	<u>(107,686)</u>	<u>2,903,984</u>
874,235	705,642	417,757	2,543,842
47,249	29,032	13,416	131,293
19,588	10,419	1,772	42,631
1,322	1,626	15,495	27,423
3,341	1,891	24,756	135,316
20,345	5,169	-0-	44,723
-0-	-0-	-0-	1,300
3,102	3,102	9,350	15,554
12,995	10,553	-0-	45,943
-0-	-0-	-0-	98,865
404	161	-0-	565
16,654	1,606	17,785	52,516
28,157	-0-	-0-	28,157
-0-	-0-	-0-	7,142
<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>4,054</u>
<u>1,027,392</u>	<u>784,201</u>	<u>500,331</u>	<u>3,179,324</u>
112,545	75,086	(608,017)	(275,340)
-0-	-0-	4,839,649	4,839,649
<u>(112,545)</u>	<u>(75,086)</u>	<u>332,677</u>	<u>-0-</u>
\$ <u><u>-0-</u></u>	\$ <u><u>-0-</u></u>	\$ <u><u>4,564,309</u></u>	\$ <u><u>4,564,309</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 2836
GRANT PERIOD OCTOBER 1, 2007 TO SEPTEMBER 30, 2008**

	<u>Budget</u>	<u>Actual</u>			<u>(Over) Under</u>
		<u>IIIB</u>	<u>IIID</u>	<u>IIIE</u>	<u>Budget</u>
SUPPORT AND REVENUE					
Federal	\$ 45,008	\$ 32,368	\$ 2,087	\$ 10,553	\$ -0-
State	25,390	25,262	128	-0-	-0-
In-kind - matching	<u>4,054</u>	<u>3,808</u>	<u>246</u>	<u>-0-</u>	<u>-0-</u>
TOTAL SUPPORT AND REVENUE	<u>74,452</u>	<u>61,438</u>	<u>2,461</u>	<u>10,553</u>	<u>-0-</u>
EXPENSES					
Personnel	56,256	41,653	2,215	12,463	(75)
Travel	2,485	1,320	-0-	1,165	-0-
Printing and supplies	1,689	1,246	-0-	443	-0-
Equipment	1,500	2,925	-0-	-0-	(1,425)
Building space	600	600	-0-	-0-	-0-
Communications and utilities	7,206	6,036	-0-	-0-	1,170
Other	<u>4,180</u>	<u>3,850</u>	<u>-0-</u>	<u>-0-</u>	<u>330</u>
TOTAL EXPENSES	<u>73,916</u>	<u>57,630</u>	<u>2,215</u>	<u>14,071</u>	<u>-0-</u>
GRANTEE'S SHARE	<u>4,054</u>	<u>3,808</u>	<u>246</u>	<u>-0-</u>	<u>-0-</u>
GRAND TOTAL	<u>77,970</u>	<u>61,438</u>	<u>2,461</u>	<u>14,071</u>	<u>-0-</u>
(DECREASE) IN NET ASSETS	(3,518)	-0-	-0-	(3,518)	-0-
TRANSFERS IN	3,518	-0-	-0-	3,518	-0-
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, 2008	\$ <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 2833
GRANT PERIOD OCTOBER 1, 2007 TO SEPTEMBER 30, 2008**

	<u>Budget</u>	<u>Actual</u>	<u>(Over) Under Budget</u>
SUPPORT AND REVENUE			
Federal	\$ 411	\$ 411	\$ -0-
TOTAL SUPPORT AND REVENUE	<u>411</u>	<u>411</u>	<u>-0-</u>
EXPENSES			
Personnel	411	411	-0-
TOTAL EXPENSES	\$ <u>411</u>	<u>411</u>	\$ <u>-0-</u>
INCREASE IN NET ASSETS		-0-	
Net assets from prior years not reprogrammed		<u>-0-</u>	
NET ASSETS, SEPTEMBER 30, 2008		\$ <u>-0-</u>	

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

Ware & Hall, PLLC

Certified Public Accountants

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Telephone: (304) 525-7202 Fax: (304) 525-7282

Daniel J. Ware, CPA
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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, 2008, and have issued our report thereon dated August 8, 2009. In our report, our opinion 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

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 control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Organization's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the Organization's financial statements that is more than inconsequential will not be prevented or detected by the Organization's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Organization's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be 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 management, the board of directors, 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
August 8, 2009