

# LAWRENCE COUNTY SOCIAL SERVICES, INC.

**Financial and Compliance Report  
June 30, 2013**



**Carbis Walker LLP**

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*Certified Public Accountants & Consultants*

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Lawrence County Social Services, Inc.  
New Castle, Pennsylvania

### Report on the Financial Statements

We have audited the accompanying financial statements of Lawrence County Social Services, Inc. (LCSS, Inc.), which comprise the statements of financial position as of June 30, 2013 and 2012, and the related statements of activities, functional expenses, and cash flows for the years 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.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America 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 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 auditors' 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 auditors consider 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 audit opinion.

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Lawrence County Social Services, Inc. as of June 30, 2013 and 2012, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**"WE HELP YOU"**

## Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is presented for purposes of additional analysis and is 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.

## Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 14, 2014, on our consideration of Lawrence County Social Services, Inc.'s internal control over financial reporting and 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* in considering Lawrence County Social Services, Inc.'s internal control over financial reporting and compliance.

  
Certified Public Accountants

New Castle, Pennsylvania  
February 14, 2014

**LAWRENCE COUNTY SOCIAL SERVICES, INC.**

**STATEMENTS OF FINANCIAL POSITION**  
**June 30, 2013 and 2012**

|  | 2013                |                           |                     |
|--|---------------------|---------------------------|---------------------|
|  | Unrestricted        | Temporarily<br>Restricted | Total               |
| <b>ASSETS</b>  |                     |                           |                     |
| Cash   | \$ 285,673          | \$ 122,062                | \$ 407,735          |
| Accounts receivable, net of allowance for<br>doubtful accounts 2013 and 2012 \$ 81,095   | 1,225,101           | -                         | 1,225,101           |
| Accounts receivable, related parties   | 221,058             | -                         | 221,058             |
| Prepaid expenses   | 38,912              | -                         | 38,912              |
| Inventory  | 14,549              | -                         | 14,549              |
| Loan costs, net  | 15,789              | -                         | 15,789              |
| Land and land improvements, net of accumulated<br>depreciation 2013 \$ 67,073; 2012 \$ 49,705                                      | 113,871             | 114,669                   | 228,540             |
| Furniture, fixtures, equipment, and<br>leasehold improvements, net of accumulated<br>depreciation 2013 \$ 885,586; 2012 \$ 829,237 | -                   | 293,956                   | 293,956             |
| Building, net of accumulated depreciation<br>2013 \$ 30,670; 2012 \$ 24,324  | 228,531             | 368,446                   | 596,977             |
| Building improvements, net of accumulated<br>depreciation 2013 \$ 253,678; 2012 \$ 188,599   | 1,483,464           | 223,002                   | 1,706,466           |
| Construction in progress   | -                   | 39,835                    | 39,835              |
| Note receivable, related party   | 128,964             | -                         | 128,964             |
| <b>Total assets</b>  | <b>\$ 3,755,912</b> | <b>\$ 1,161,970</b>       | <b>\$ 4,917,882</b> |
| <b>LIABILITIES AND NET ASSETS</b>  |                     |                           |                     |
| <b>LIABILITIES</b>   |                     |                           |                     |
| Line of credit   | \$ 462,070          | \$ -                      | \$ 462,070          |
| Accounts payable   | 381,127             | -                         | 381,127             |
| Accounts payable, related parties  | 94,672              | -                         | 94,672              |
| Accrued interest   | 5,217               | -                         | 5,217               |
| Accrued wages  | 50,250              | -                         | 50,250              |
| Accrued payroll taxes  | 74,872              | -                         | 74,872              |
| Accrued leave costs  | 5,780               | -                         | 5,780               |
| Accrued pension  | 305,795             | -                         | 305,795             |
| Deferred revenue   | 2,098               | -                         | 2,098               |
| Interest rate swap   | 124,597             | -                         | 124,597             |
| Other accrued liabilities  | 62,855              | -                         | 62,855              |
| Long-term debt   | 1,296,068           | -                         | 1,296,068           |
| <b>Total liabilities</b>   | <b>2,865,401</b>    | <b>-</b>                  | <b>2,865,401</b>    |
| <b>NET ASSETS</b>  |                     |                           |                     |
| Unrestricted   | 890,511             | -                         | 890,511             |
| Temporarily restricted   | -                   | 1,161,970                 | 1,161,970           |
| <b>Total net assets</b>  | <b>890,511</b>      | <b>1,161,970</b>          | <b>2,052,481</b>    |
| <b>Total liabilities and net assets</b>  | <b>\$ 3,755,912</b> | <b>\$ 1,161,970</b>       | <b>\$ 4,917,882</b> |

See Notes to Financial Statements.

| 2012                |                        |                     |
|---------------------|------------------------|---------------------|
| Unrestricted        | Temporarily Restricted | Total               |
| \$ 246,431          | \$ 153,740             | \$ 400,171          |
| 1,131,813           | -                      | 1,131,813           |
| 221,758             | -                      | 221,758             |
| 64,361              | -                      | 64,361              |
| 21,955              | -                      | 21,955              |
| 19,056              | -                      | 19,056              |
| 124,326             | 121,582                | 245,908             |
| -                   | 369,371                | 369,371             |
| 229,495             | 373,828                | 603,323             |
| 1,531,183           | 215,309                | 1,746,492           |
| -                   | -                      | -                   |
| 134,673             | -                      | 134,673             |
| <u>\$ 3,725,051</u> | <u>\$ 1,233,830</u>    | <u>\$ 4,958,881</u> |
| <br>                |                        |                     |
| \$ 462,627          | \$ -                   | \$ 462,627          |
| 401,937             | -                      | 401,937             |
| 82,882              | -                      | 82,882              |
| 5,452               | -                      | 5,452               |
| 40,878              | -                      | 40,878              |
| 66,167              | -                      | 66,167              |
| 5,632               | -                      | 5,632               |
| 392,936             | -                      | 392,936             |
| 2,242               | -                      | 2,242               |
| 170,132             | -                      | 170,132             |
| 48,490              | -                      | 48,490              |
| 1,354,478           | -                      | 1,354,478           |
| 3,033,853           | -                      | 3,033,853           |
| 691,198             | -                      | 691,198             |
| -                   | 1,233,830              | 1,233,830           |
| 691,198             | 1,233,830              | 1,925,028           |
| <u>\$ 3,725,051</u> | <u>\$ 1,233,830</u>    | <u>\$ 4,958,881</u> |

LAWRENCE COUNTY SOCIAL SERVICES, INC.

STATEMENTS OF ACTIVITIES

Years Ended June 30, 2013 and 2012

|  | 2013              |                           |                     |
|--|-------------------|---------------------------|---------------------|
|  | Unrestricted      | Temporarily<br>Restricted | Total               |
| Change in net assets:                                    |                   |                           |                     |
| Revenues:  |                   |                           |                     |
| Grants   | \$ 10,250,193     | \$ 215,590                | \$ 10,465,783       |
| In-kind services   | 912,063           | -                         | 912,063             |
| Interest income  | 239               | -                         | 239                 |
| Other income   | 184,944           | 3,056                     | 188,000             |
| Net assets released from restrictions                    | 290,506           | (290,506)                 | -                   |
| <b>Total revenues</b>                                    | <b>11,637,945</b> | <b>(71,860)</b>           | <b>11,566,085</b>   |
| Functional expenses:                                     |                   |                           |                     |
| Program services   | 10,412,967        | -                         | 10,412,967          |
| Support activities                                       | 1,101,200         | -                         | 1,101,200           |
| <b>Total functional expenses</b>                         | <b>11,514,167</b> | <b>-</b>                  | <b>11,514,167</b>   |
| <b>Excess (deficiency) of revenues<br/>over expenses</b> | <b>123,778</b>    | <b>(71,860)</b>           | <b>51,918</b>       |
| Other changes in net assets:                             |                   |                           |                     |
| Change in value of interest rate swap agreement          | 45,535            | -                         | 45,535              |
| Gain (loss) on disposal of equipment                     | 30,000            | -                         | 30,000              |
| <b>Change in net assets</b>                              | <b>199,313</b>    | <b>(71,860)</b>           | <b>127,453</b>      |
| Net assets, beginning                                    | 691,198           | 1,233,830                 | 1,925,028           |
| Return of funds to funding source                        | -                 | -                         | -                   |
| Net assets, ending                                       | <b>\$ 890,511</b> | <b>\$ 1,161,970</b>       | <b>\$ 2,052,481</b> |

See Notes to Financial Statements.



| 2012          |                        |               |
|---------------|------------------------|---------------|
| Unrestricted  | Temporarily Restricted | Total         |
| \$ 11,736,960 | \$ 350,816             | \$ 12,087,776 |
| 2,074,279     | -                      | 2,074,279     |
| 257           | -                      | 257           |
| 126,332       | 2,125                  | 128,457       |
| 786,502       | (786,502)              | -             |
| 14,724,330    | (433,561)              | 14,290,769    |
| 13,305,484    | -                      | 13,305,484    |
| 1,212,769     | -                      | 1,212,769     |
| 14,518,253    | -                      | 14,518,253    |
| 206,077       | (433,561)              | (227,484)     |
| (45,415)      | -                      | (45,415)      |
| (122,326)     | -                      | (122,326)     |
| 38,336        | (433,561)              | (395,225)     |
| 652,862       | 1,810,747              | 2,463,609     |
| -             | (143,356)              | (143,356)     |
| \$ 691,198    | \$ 1,233,830           | \$ 1,925,028  |

**LAWRENCE COUNTY SOCIAL SERVICES, INC.**

**STATEMENTS OF FUNCTIONAL EXPENSES**  
**Years Ended June 30, 2013 and 2012**

|                                  | 2013                 |                       |                      |
|----------------------------------|----------------------|-----------------------|----------------------|
|                                  | Program<br>Services  | Support<br>Activities | Total                |
| Salaries                         | \$ 3,521,743         | \$ 604,200            | \$ 4,125,943         |
| Advertising                      | 32,902               | 6,794                 | 39,696               |
| Amortization                     | 3,267                | -                     | 3,267                |
| Depreciation expense             | 203,694              | -                     | 203,694              |
| Donation of land and building    | -                    | -                     | -                    |
| Dues and publications            | 9,889                | 2,500                 | 12,389               |
| Employee fringe benefits         | 701,271              | 109,282               | 810,553              |
| Equipment                        | 23,590               | -                     | 23,590               |
| Field trips                      | 1,621                | -                     | 1,621                |
| Fuel                             | 64,530               | 907                   | 65,437               |
| In-kind services                 | 912,063              | -                     | 912,063              |
| Insurance                        | 78,225               | 10,251                | 88,476               |
| Interest                         | 68,326               | 1                     | 68,327               |
| Payroll taxes                    | 412,672              | 56,103                | 468,775              |
| Private landlords                | 317,099              | -                     | 317,099              |
| Professional services            | 19,058               | 50,887                | 69,945               |
| Purchased services               | 2,050,230            | 28,433                | 2,078,663            |
| Real estate taxes                | 3,468                | -                     | 3,468                |
| Rent                             | 117,545              | 30,494                | 148,039              |
| Repairs and maintenance          | 311,729              | 48,239                | 359,968              |
| Retirement contribution          | 290,744              | 60,680                | 351,424              |
| Supplies                         | 934,363              | 36,966                | 971,329              |
| Travel and training              | 132,056              | 23,249                | 155,305              |
| Utilities                        | 174,772              | 29,554                | 204,326              |
| Miscellaneous                    | 28,110               | 2,660                 | 30,770               |
| <b>Total functional expenses</b> | <b>\$ 10,412,967</b> | <b>\$ 1,101,200</b>   | <b>\$ 11,514,167</b> |

See Notes to Financial Statements.

| 2012                 |                     |                      |
|----------------------|---------------------|----------------------|
| Program Services     | Support Activities  | Total                |
| \$ 3,723,129         | \$ 701,329          | \$ 4,424,458         |
| 25,809               | 7,963               | 33,772               |
| 3,267                | -                   | 3,267                |
| 233,234              | -                   | 233,234              |
| 230,631              | -                   | 230,631              |
| 10,272               | 6,811               | 17,083               |
| 730,042              | 145,009             | 875,051              |
| 29,916               | 269                 | 30,185               |
| 454                  | -                   | 454                  |
| 67,950               | -                   | 67,950               |
| 2,074,279            | -                   | 2,074,279            |
| 67,503               | 12,105              | 79,608               |
| 72,322               | 547                 | 72,869               |
| 421,810              | 65,616              | 487,426              |
| 315,504              | -                   | 315,504              |
| 8,381                | 60,601              | 68,982               |
| 2,969,074            | 22,627              | 2,991,701            |
| 6,134                | 327                 | 6,461                |
| 166,510              | 24,383              | 190,893              |
| 227,051              | 30,378              | 257,429              |
| 300,161              | 71,856              | 372,017              |
| 1,290,471            | 21,100              | 1,311,571            |
| 135,620              | 18,766              | 154,386              |
| 170,388              | 20,237              | 190,625              |
| 25,572               | 2,845               | 28,417               |
| <u>\$ 13,305,484</u> | <u>\$ 1,212,769</u> | <u>\$ 14,518,253</u> |

**LAWRENCE COUNTY SOCIAL SERVICES, INC.**

**STATEMENTS OF CASH FLOWS**  
**Years Ended June 30, 2013 and 2012**

|  | 2013            | 2012             |
|--|-----------------|------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>  |                 |                  |
| Change in net assets   | \$ 127,453      | \$ (395,225)     |
| Adjustment to reconcile change in net assets to net cash provided by (used in) operating activities: |                 |                  |
| Depreciation   | 203,694         | 233,234          |
| Amortization   | 3,267           | 3,267            |
| Increase (decrease) in interest rate swap liability  | (45,535)        | 45,415           |
| Loss (gain) on disposal of equipment   | (30,000)        | 122,326          |
| Donation of land and building  | -               | 230,631          |
| Return of funds to funding source  | -               | (143,356)        |
| (Increase) decrease in assets:   |                 |                  |
| Accounts receivable  | (93,288)        | (98,979)         |
| Accounts receivable, related parties   | 700             | (155,919)        |
| Prepaid expenses   | 25,449          | 22,619           |
| Inventory  | 7,406           | (4,315)          |
| Increase (decrease) in liabilities:  |                 |                  |
| Accounts payable   | (20,810)        | 25,657           |
| Accounts payable, related parties  | 11,790          | (29,741)         |
| Accrued interest   | (235)           | (224)            |
| Accrued wages  | 9,372           | (227,266)        |
| Accrued payroll taxes  | 8,705           | (3,180)          |
| Accrued leave costs  | 148             | 141              |
| Accrued pension  | (87,141)        | 17,892           |
| Deferred revenue   | (144)           | 1,076            |
| Other accrued liabilities  | 14,365          | (2,409)          |
| <b>Net cash provided by (used in) operating activities</b>   | <b>135,196</b>  | <b>(358,356)</b> |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>  |                 |                  |
| Decrease in restricted cash  | 31,678          | 151,415          |
| Cash received on repayment of loan to related party  | 5,709           | 5,422            |
| Purchase of land improvements  | -               | (20,108)         |
| Purchase of furniture, fixtures, equipment, and leasehold improvements                               | (39,486)        | (26,803)         |
| Purchase of buildings  | -               | (152,341)        |
| Purchase of building improvements  | (25,053)        | (64,172)         |
| (Increase) decrease in construction in progress  | (39,835)        | 51,259           |
| Proceeds from sale of equipment  | 30,000          | 10,809           |
| Proceeds from sale of properties   | -               | 109,806          |
| <b>Net cash provided by (used in) investing activities</b>   | <b>(36,987)</b> | <b>65,287</b>    |

See Notes to Financial Statements.

|  | 2013              | 2012              |
|--|-------------------|-------------------|
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                                |                   |                   |
| Net borrowings (payments) on line of credit                                | \$ (557)          | \$ 323,127        |
| Principal payments on long-term debt                                       | <u>(58,410)</u>   | <u>(55,662)</u>   |
| <b>Net cash provided by (used in) financing activities</b>                 | <u>(58,967)</u>   | 267,465           |
| <b>Net increase (decrease) in cash</b>                                     | <b>39,242</b>     | <b>(25,604)</b>   |
| Cash:  |                   |                   |
| Beginning  | <u>246,431</u>    | <u>272,035</u>    |
| Ending   | <u>\$ 285,673</u> | <u>\$ 246,431</u> |
| <b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>                    |                   |                   |
| Interest paid  | <u>\$ 68,562</u>  | <u>\$ 73,093</u>  |
| <b>SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES</b> |                   |                   |
| Transfer of debt to related party  | <u>\$ -</u>       | <u>\$ 20,395</u>  |

**LAWRENCE COUNTY SOCIAL SERVICES, INC.**

**NOTES TO FINANCIAL STATEMENTS**

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**Note 1. Organization and Significant Accounting Policies**

Lawrence County Social Services, Inc. (LCSS, Inc.) was incorporated on April 29, 1974. Originally restricted to community action initiatives, LCSS, Inc. was enlarged to serve County government in a clearinghouse capacity on an administrative fee basis. LCSS, Inc. is governed by a uniquely structured Board of Directors, who are representational of various municipal segments including: elected officials, consumer representatives, and the private business sector. LCSS, Inc.'s commonness of purpose is the recognition of the need for a nonprofit organization with the flexibility and professional expertise to develop, refine, and place into operation pertinent private and governmental programs which reflect the current vocational, educational, and restorative requirements of the citizens on a timely basis.

LCSS, Inc. has entered into separate agreements with the Commissioners of Lawrence County (County) to administer the following grants for the year ended June 30, 2013:

| Grant  | Funding Source   |
|--|--|
| Medical Assistance Transportation Program (MATP) | Department of Public Welfare, Commonwealth of Pennsylvania                     |
| Human Services Development Fund (HSDF)           | Department of Public Welfare, Commonwealth of Pennsylvania                     |
| Homeless Assistance Program Grant                | Department of Public Welfare, Commonwealth of Pennsylvania                     |
| MH/DS Independent Monitoring                     | Department of Public Welfare, Commonwealth of Pennsylvania                     |
| MH/DS Rental Assistance                          | Department of Public Welfare, Commonwealth of Pennsylvania                     |
| Community Development Block Grant (CDBG)         | Department of Community and Economic Development, Commonwealth of Pennsylvania |
| Home Investment Partnership Program              | Department of Community and Economic Development, Commonwealth of Pennsylvania |
| Emergency Shelter                                | Department of Community and Economic Development, Commonwealth of Pennsylvania |
| Emergency Solutions                              | Department of Community and Economic Development, Commonwealth of Pennsylvania |
| Homeless Prevention and Rapid Re-Housing Program | U.S. Department of Housing and Urban Development                               |
| Northwest Regional Lead Hazard Control Grant     | U.S. Department of Housing and Urban Development                               |
| Neighborhood Stabilization Program               | Department of Community and Economic Development, Commonwealth of Pennsylvania |
| ACCESS   | Department of Community and Economic Development, Commonwealth of Pennsylvania |

## NOTES TO FINANCIAL STATEMENTS

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### Note 1. Organization and Significant Accounting Policies (Continued)

Funds are received for certain grants and deposited at the County from the applicable Commonwealth of Pennsylvania Department awarding the grant. Lawrence County reimburses LCSS, Inc. for expenses incurred in the various grants based on expenditure reports submitted by LCSS, Inc. to the County. Other grant funds are received directly by LCSS, Inc. and reports are submitted to the County.

In addition to administering grants for Lawrence County, LCSS, Inc. receives grant funds directly from the funding source and administers the following contracts:

| Grant                                     | Funding Source   |
|---|--|
| Community Services Block Grant            | Department of Community and Economic Development, Commonwealth of Pennsylvania |
| Supported Work                            | Department of Community and Economic Development, Commonwealth of Pennsylvania |
| Work Initiative Act                       | West Central Job Partnership   |
| Emergency Food and Shelter Program        | U.S. Department of Homeland Security   |
| New Options                               | U.S. Department of Housing and Urban Development                               |
| TEAM                                      | U.S. Department of Housing and Urban Development                               |
| Turning Point                             | U.S. Department of Housing and Urban Development                               |
| Supportive Housing                        | U.S. Department of Housing and Urban Development                               |
| Head Start Program                        | Department of Health and Human Services  |
| Family Savings Account Program            | Department of Community and Economic Development, Commonwealth of Pennsylvania |
| Head Start State Supplemental Assistance  | Berks County Intermediate Unit   |
| Pre-K Counts                              | Department of Education, Commonwealth of Pennsylvania                          |
| Child and Adult Care Food Program         | Department of Education  |
| Summer Food Service Program               | Department of Education  |
| Community Engagement                      | Northwest Institute of Research  |
| Carolyn M. White Physical Education Grant | U.S. Department of Education   |
| Senior Employment Programs                | Senior Services of America   |
| Weatherization                            | Department of Community and Economic Development, Commonwealth of Pennsylvania |
| HUD Counseling                            | U.S. Department of Housing and Urban Development                               |
| Northwest Regional Housing Alliance       | U.S. Department of Housing and Urban Development                               |
| Gen Y Transit Workforce Connection        | U.S. Department of Transportation  |
| Home Investment Partnership Program       | City of Farrell  |

## NOTES TO FINANCIAL STATEMENTS

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### Note 1. Organization and Significant Accounting Policies (Continued)

A Summary of LCSS, Inc.'s significant accounting policies follows:

Basis of accounting: The financial statements have been prepared using the accrual basis of accounting and are in accordance with accounting principles generally accepted in the United States of America.

Cash and deposit risk: In the normal course of business, LCSS, Inc. may have deposits with a local financial institution in excess of Federal Deposit Insurance Corporation (FDIC) insured limits. LCSS, Inc. has not experienced any losses in such accounts.

Accounts receivable: Accounts receivable are stated at the amount LCSS, Inc. expects to collect. LCSS, Inc. provides an allowance for doubtful accounts equal to the estimated uncollectable amounts. LCSS, Inc.'s estimate is based on historical collection experience and a review of the current status of accounts receivable. It is reasonably possible that LCSS, Inc.'s estimate of the allowance for doubtful accounts will change.

Inventory: Inventory is stated at the lower of cost, determined on a first-in, first-out basis, or market.

Loan costs: Loan costs are stated at cost and amortized on the straight-line basis over the life of the loan, ten years.

Furniture, fixtures, equipment, leasehold improvements, land improvements, building, and building improvements: Furniture, fixtures, equipment, leasehold improvements, land improvements, building, and building improvements are stated at cost. Depreciation is provided generally on a straight-line basis over the estimated useful life.

Many of LCSS, Inc.'s funding sources require that, upon termination or cancellation of a grant, property which has a remaining useful life and to which LCSS, Inc. holds title shall be returned to the funding source or disposed of as required by the funding source. The net book value of this property, including construction in progress, amounted to \$ 1,039,908 and \$ 1,080,090 as of June 30, 2013 and 2012, respectively.

Derivative financial swap agreement: All derivatives are recognized on the statements of financial position at their fair value. On the date the derivative contract was entered into, LCSS, Inc. designated the derivative as a cash flow hedge. Changes in the fair value of a derivative that is highly effective, and that is designated and qualified as a cash flow hedge, along with the unrealized loss or gain on the hedged liability that is attributable to the hedge risk (including losses or gains on commitments), are recorded on the statements of activities as other changes in net assets. The cash differentials paid and received on the interest rate swap agreement are accrued and recognized as adjustments to interest expense or interest income.

Net assets: Unrestricted net assets are neither permanently nor temporarily restricted by donor- or grantor-imposed restrictions.

Temporarily restricted net assets result from contributions, grants, or other inflows of assets whose use by LCSS, Inc. is limited by donor- or grantor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of LCSS, Inc. pursuant of those stipulations, from other asset enhancements and diminishments subject to the same kinds of stipulations, or from reclassifications to or from other classes of net assets as a consequence of donor- or grantor-imposed stipulations, their expiration by passage of time, or their fulfillment and removal by actions of LCSS, Inc. pursuant to those stipulations.

Permanently restricted net assets result from contributions, grants, and other inflows of assets whose use by LCSS, Inc. is limited to donor- or grantor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of LCSS, Inc., from other asset enhancements and diminishments subject to the same kinds of restrictions, or from reclassifications from or to other classes of net assets as a consequence of donor- or grantor-imposed stipulations.

LCSS, Inc. does not have any permanently restricted net assets.



## NOTES TO FINANCIAL STATEMENTS

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### Note 1. Organization and Significant Accounting Policies (Continued)

In-kind services: LCSS, Inc. receives various contributed services for the operation of the various programs including the Head Start Program. These services are recorded at fair value and include the following activities:

#### In-Kind

|   |   |
|---|---|
| Homeowner Contributions                                 | Other Meetings                                  |
| Parent Center Committee Meetings                        | Parent/Teacher and Parent/Family Service        |
| Classroom Volunteers - Parent & Community               | Worker Conferences                              |
| Parent and Child Time                                   | Lending Library                                 |
| General Non-Classroom Volunteers - Parent and Community | Community Contributions                         |
| Policy Council  | Department of Education (Collaboration Funding) |
| Vision Screenings                                       | Legal Services                                  |
| Dietician and Nutrition Services                        | Home Visits                                     |
| Donated Items   | Rent  |
| LCSS, Inc. Governing Board                              | Third Party Contributions                       |
| Audiology Screenings                                    | Mental Health Services Consulting               |

The amount of in-kind services recorded as revenue and related expenses for the years ended June 30, 2013 and 2012, amounted to \$ 912,063 and \$ 2,074,279, respectively.

Advertising: LCSS, Inc. follows the policy of charging the cost of advertising to expense as incurred. The amount of advertising expense totaled \$ 39,696 and \$ 33,772 for the years ended June 30, 2013 and 2012, respectively.

Grants: Grants received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any grantor restrictions.

Use of estimates: The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and revenue and expenses, including functional allocations, during the reporting period. Actual results could differ from those estimates.

Income tax status: LCSS, Inc. is a not-for-profit corporation and is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been provided.

LCSS, Inc. follows the guidance for accounting for uncertainty in income taxes recognized in a company's financial statements that prescribes a recognition threshold of more-likely-than-not to be sustained upon examination by the appropriate taxing authority. Measurement of the tax uncertainty occurs if the recognition threshold has been met. The guidance also addresses derecognition, classification, interest and penalties, accounting in interim periods, and disclosure.

Management has determined that this guidance had no material effect on the financial statements. LCSS, Inc.'s policy is to recognize interest related to unrecognized tax benefits in interest expense and penalties in general and administrative expenses. There were no interest or penalties recognized on the statements of activities as a result of this guidance. Generally, tax returns for years ended June 30, 2010, and thereafter remain subject to examination by federal and state tax authorities.

Functional allocation of expenses: The costs of providing the various programs and other activities have been summarized on a functional basis on the statements of functional expenses. Accordingly, certain costs have been allocated between program services and support activities.

## NOTES TO FINANCIAL STATEMENTS

### Note 1. Organization and Significant Accounting Policies (Continued)

Subsequent events: In preparing these financial statements, LCSS, Inc. evaluated events that occurred through February 14, 2014, the date the financial statements were available to be issued, for potential recognition or disclosure.

Recent accounting pronouncements: In May 2011, the Financial Accounting Standards Board (FASB) issued revised guidance related to fair value measurement and the related disclosures. This guidance changes the wording used to describe many of the requirements in accounting principles generally accepted in the United States for measuring fair value and/or disclosing information about fair value measurements. The new guidance also establishes additional disclosures for assets and liabilities reported at fair value. For many requirements, the FASB does not intend for the amendments in this update to result in a change in the application of the requirements in Topic 820 of the Codification. This guidance is effective for all entities with fiscal years beginning after December 15, 2011. LCSS, Inc. adopted this guidance during the year ended June 30, 2013. Adoption of this guidance did not have a material impact on LCSS Inc.'s financial statements.

In April 2013, the FASB issued guidance related to a not-for-profit entity's recognition of services received from personnel of an affiliate. This guidance requires a recipient not-for-profit entity to recognize all services received from personnel of an affiliate that directly benefit the recipient not-for-profit entity. Those services should be measured at the cost recognized by the affiliate for the personnel providing those services; however, if measuring a service received from personnel of an affiliate at cost will significant overstate or understate the value of the service received, the recipient not-for-profit entity may elect alternative measurement methodologies which are specified in the guidance. The amendments in this Accounting Standards Update (ASU) are effective prospectively for fiscal years beginning after June 15, 2014, and interim and annual period thereafter. A recipient not-for-profit entity may apply the amendments using a modified retrospective approach under which all prior periods presented upon the date of adoption should be adjusted, but no adjustment should be made to the beginning balance of net assets of the earliest period presented. Early adoption is permitted. LCSS, Inc. is currently evaluating the impact, if any, that adoption will have on its financial statements.

### Note 2. Accounts Receivable

Accounts receivable consist of the following as of June 30:

|  | 2013                | 2012                |
|--|---------------------|---------------------|
| Account receivable:                                    |                     |                     |
| Commonwealth of Pennsylvania                           | \$ 735,307          | \$ 583,352          |
| Federal Government                                     | 350,301             | 418,490             |
| Pass-through entities                                  | 47,754              | 86,522              |
| County of Lawrence MH/ID                               | 15,260              | -                   |
| Allied Development Corporation, temporarily restricted | 81,095              | 81,095              |
| Other  | 76,479              | 43,449              |
|  | <b>1,306,196</b>    | 1,212,908           |
| Less allowance for doubtful accounts                   | <b>81,095</b>       | 81,095              |
| <b>Total accounts receivable</b>                       | <b>1,225,101</b>    | 1,131,813           |
| Accounts receivable, related parties (Note 4):         |                     |                     |
| Allied Coordinated Transportation Services, Inc.       | 207,994             | 212,298             |
| United Community Services of Lawrence County, Inc.     | 13,064              | 9,460               |
| <b>Total accounts receivable, related parties</b>      | <b>221,058</b>      | 221,758             |
| <b>Total</b>   | <b>\$ 1,446,159</b> | <b>\$ 1,353,571</b> |

## NOTES TO FINANCIAL STATEMENTS

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### Note 3. Loan Costs

Loan costs as of June 30 consist of the following:

|   | 2013             | 2012             |
|---|------------------|------------------|
| Loan costs, amortizable over 120 months | \$ 32,668        | \$ 32,668        |
| Less accumulated amortization           | 16,879           | 13,612           |
| <b>Total</b>                            | <b>\$ 15,789</b> | <b>\$ 19,056</b> |

Amortization expense recognized on loan costs totaled \$ 3,267 for each of the years ended June 30, 2013 and 2012.

Estimated aggregate amortization expense for each of the next five years as of June 30, 2013, is as follows:

#### Years Ending June 30:

|      |          |
|------|----------|
| 2014 | \$ 3,267 |
| 2015 | 3,267    |
| 2016 | 3,267    |
| 2017 | 3,267    |
| 2018 | 2,721    |

### Note 4. Related Party Transactions and Note Receivable

Related party transactions: LCSS, Inc., Allied Coordinated Transportation Services, Inc. (ACTS, Inc.), and United Community Services of Lawrence County, Inc. (UCS, Inc.) are considered related parties with shared management. LCSS, Inc. provides administrative services and leases employees to UCS, Inc. and ACTS, Inc. In addition to the leased employees' salaries and benefits, LCSS, Inc. also allocates certain additional costs from LCSS, Inc. to ACTS, Inc. and UCS, Inc. based on the leased employees' salaries (Note 2). UCS, Inc. provides day care and other social services for predominantly low income individuals. LCSS, Inc. paid \$ 32,053 and \$ 30,938 of Community Service Block Grant monies, and \$ 8,511 and \$ 7,912 of Child and Adult Care Food Program funds to UCS, Inc. during the years ended June 30, 2013 and 2012, respectively. ACTS, Inc. provides transportation services to LCSS, Inc. under the Medical Assistance Transportation Program and the Community Development Block Grant Program and leases office space to LCSS, Inc. (Note 5). Additionally, the buildings owned by ACTS, Inc. and UCS, Inc. are used as collateral for long-term debt of LCSS, Inc.

LCSS, Inc. also guarantees lines of credit for related parties. The outstanding balance of these related parties' lines of credit as of June 30, 2013 and 2012, was \$ 125,000 and \$ 127,499, respectively. LCSS, Inc. would be required to perform under these guarantees in the event of nonpayment of outstanding borrowings by the related parties under these line of credit agreements.

Note receivable, related party: In April 2008, LCSS, Inc. entered into an agreement with ACTS, Inc. where LCSS, Inc. refinanced ACTS, Inc.'s loan with First Commonwealth Bank. ACTS, Inc. is to reimburse and pay LCSS, Inc. the entire principal and interest paid by LCSS, Inc. relating to the refinance of this debt in monthly principal and interest payments of \$ 1,043 with interest computed at 4.83% with the final payment due May 2018. The amount due from ACTS, Inc. amounted to \$ 128,964 and \$ 134,673 as of June 30, 2013 and 2012, respectively.

## NOTES TO FINANCIAL STATEMENTS

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### Note 4. Related Party Transactions and Note Receivable (Continued)

Aggregate annual maturities required on the note receivable, related party as of June 30, 2013, are as follows:

#### Years Ending June 30:

|      |    |         |
|------|----|---------|
| 2014 | \$ | 6,009   |
| 2015 |    | 6,326   |
| 2016 |    | 6,660   |
| 2017 |    | 7,012   |
| 2018 |    | 102,957 |

### Note 5. Accounts Payable

Accounts payable as of June 30 consist of the following:

|  | 2013              | 2012              |
|--|-------------------|-------------------|
| Accounts payable                                   | \$ 381,127        | \$ 401,937        |
| Accounts payable, related parties (Note 4):        |                   |                   |
| Allied Coordinated Transportation Services, Inc.   | 68,600            | 60,889            |
| United Community Services of Lawrence County, Inc. | 26,072            | 21,993            |
|  | <u>94,672</u>     | <u>82,882</u>     |
| <b>Total accounts payable</b>                      | <u>\$ 475,799</u> | <u>\$ 484,819</u> |

### Note 6. Accrued Leave Costs

Compensated absences of employees for vacation and sick leave are recorded as accrued leave costs. The total accrued leave costs amounted to \$ 5,780 and \$ 5,632 as of June 30, 2013 and 2012, respectively. The change in leave costs increased employee fringe benefits on the statements of functional expenses by \$ 148 and \$ 141 for the years ended June 30, 2013 and 2012, respectively.

### Note 7. Line of Credit

LCSS, Inc. maintains a \$ 750,000 line of credit from FirstMerit Bank, NA, bearing interest at the London Interbank Offered Rate (LIBOR) plus 3.25% (3.44% as of June 30, 2013), collateralized by all inventory, chattel paper, accounts, equipment, and general intangibles, excluding all assets related to the Head Start Program, and is guaranteed by UCS, Inc. and ACTS, Inc., which are related parties to LCSS, Inc. The unused portion on the line of credit as of June 30, 2013, amounted to \$ 287,930.

## NOTES TO FINANCIAL STATEMENTS

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### Note 8. Long-Term Debt

The Lawrence County Industrial Development Authority issued two separate notes consisting of its Mortgage Revenue Note, Series A of 2008, in the principal amount of \$ 1,556,004 and its Mortgage Revenue Note, Series B of 2008, in the principal amount of \$ 114,879 dated April 22, 2008. The proceeds of the notes were loaned to LCSS, Inc. The purpose of the notes is to provide funding: 1) to pay certain costs of issuing the notes; 2) for the repayment of prior debt; and 3) to fund the costs of the Ben Franklin School Project.

Long-term debt consists of the following as of June 30:

|   | 2013                | 2012                |
|---|---------------------|---------------------|
| Mortgage Revenue Note, Series A of 2008, due in monthly installments of \$ 10,212, including interest at 4.83% (Note 9), collateralized by real estate of LCSS, Inc. and related parties (Note 4), due May 2018 | <u>\$ 1,296,068</u> | <u>\$ 1,354,478</u> |

Aggregate annual maturities required on long-term debt as of June 30, 2013, are as follows:

#### Years Ending June 30:

|      |           |
|------|-----------|
| 2014 | \$ 61,295 |
| 2015 | 64,322    |
| 2016 | 67,498    |
| 2017 | 70,831    |
| 2018 | 1,032,122 |

Total interest expense for the years ended June 30, 2013 and 2012, amounted to \$ 68,327 and \$ 72,869, respectively.

### Note 9. Interest Rate Swap Agreement

Effective May 1, 2008, LCSS, Inc. entered into an interest rate swap agreement, which is considered a derivative financial instrument, a cash flow hedge, to hedge variable rate interest payments due on the Mortgage Revenue Note, Series A (Note 8). There was no payment due or received at the inception of the swap agreement.

The objective of this swap agreement is to minimize the risks associated with financing activities by reducing the impact of changes in the interest rates on variable rate debt. The swap agreement is a contract to exchange variable rate for fixed rate payments over the term of the swap agreement without the exchange of underlying notional amounts. The notional amounts of the swap agreement are used to measure the interest to be paid or received and do not represent the amount of exposure to credit loss. Exposure to credit loss is limited to the receivable, if any, which may be generated as a result of the swap agreement. Management believes losses related to the credit risk are remote. The net cash paid or received under the swap agreement is recognized as an adjustment to interest expense. As a result of the swap agreement, interest expense was increased by \$ 39,293 in 2013 and increased by \$ 40,995 in 2012. LCSS, Inc. does not utilize interest rate swap agreements or other financial instruments for trading or other speculative purposes.

## NOTES TO FINANCIAL STATEMENTS

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### Note 9. Interest Rate Swap Agreement (Continued)

As of June 30, 2013, LCSS, Inc. has the following interest rate swap in effect:

|                 |   |
|-----------------|---|
| Notional amount | \$ 1,296,068                                    |
| Fixed rate      | 4.830%  |
| Variable rate   | 65% times, USD-LIBOR-BBA plus 2.25%, plus 0.25% |
| Period          | May 1, 2008, to May 1, 2018                     |

The fair value of the interest rate swap agreement, which approximates the amount that LCSS, Inc. would pay to terminate the swap agreement, was \$ 124,597 and \$ 170,132 as of June 30, 2013 and 2012, respectively, and was based on information supplied by the counterparties to the swap. The swap's changes in fair value are reported on the statements of activities. The change in value of the agreement of \$ 45,535 and \$ (45,415) was charged to net assets for the years ended June 30, 2013 and 2012, respectively.

### Note 10. Retirement Plan

LCSS, Inc. maintains a retirement plan (Plan). The employer's contribution is discretionary and is determined by management. The Plan has a six month waiting period service requirement and an employee must have attained the age of 21 to become eligible to participate. Vesting is 100% after two years of service. This Plan excludes employees who are participants in the Senior Community Service Employment Program. The retirement contributions for the years ended June 30, 2013 and 2012, amounted to \$ 374,975 and \$ 402,720, which include \$ 23,551 and \$ 30,703, respectively, of accrued pension contributions related to LCSS, Inc. employees that were leased to ACTS, Inc. and UCS, Inc. (Note 4).

### Note 11. Support from Governmental Units

LCSS, Inc. receives all of its support from federal, state, and local governments. A significant reduction in the level of this support, if this were to occur, may have a significant adverse effect on LCSS, Inc.'s programs and activities.

### Note 12. Leases and License Agreements

The Head Start Program for LCSS, Inc. leases a building under a ten year cancelable license agreement with ACTS, Inc. (Note 4) at a monthly cost of \$ 4,850. LCSS, Inc. leases office space at Career Link at a variable monthly rate dependent upon usage, subject to annual renewals. LCSS, Inc. also leases office space under a ten year noncancelable license agreement with ACTS, Inc. (Note 4) at a monthly cost of \$ 7,000, plus the payment of utilities and insurance. A portion of this is allocated to the related parties discussed in Note 4. The license agreement expires in September 2018 and has the option to be renewed for two additional terms of five years. In addition, LCSS, Inc. leases parking space under a cancelable lease agreement with ACTS, Inc. at a monthly cost of \$ 1,775 plus the payment of insurance, utilities, taxes, and major repairs. LCSS, Inc. also leases office and training space under a cancelable lease agreement with ACTS, Inc. at a monthly cost of \$ 1,350 plus the payment of insurance utilities, taxes, and major repairs.

The total minimum rental commitment on the noncancelable license agreement as of June 30, 2013, is due as follows:

#### Years Ending June 30:

|              |                   |
|--------------|-------------------|
| 2014         | \$ 84,000         |
| 2015         | 84,000            |
| 2016         | 84,000            |
| 2017         | 84,000            |
| 2018         | 84,000            |
| Thereafter   | 21,000            |
| <b>Total</b> | <b>\$ 441,000</b> |

## NOTES TO FINANCIAL STATEMENTS

### Note 12. Leases and License Agreements (Continued)

Total rent expense for the years ended June 30, 2013 and 2012, amounted to \$ 148,039 and \$ 190,893, respectively.

### Note 13. Temporarily Restricted Net Assets

Temporarily restricted net assets are comprised of grant monies received or receivable and unexpended by year end and property purchased with grant monies with grantor imposed restrictions on disposal.

### Note 14. Net Assets Released from Restrictions

Net assets are released from donor restrictions by incurring expenses satisfying the restrictive purpose of the grant. Net assets released from restrictions consist of the following for the years ended June 30:

|   | 2013              | 2012              |
|---|-------------------|-------------------|
| Community Engagement Transitions          | \$ -              | \$ 1,755          |
| Family Savings Account                    | 2,519             | 5,745             |
| Senior Citizen Shopping                   | 2,461             | 1,906             |
| New Options                               | -                 | 33,863            |
| Turning Point                             | -                 | 333               |
| ACCESS - Almira Foundation                | 589               | 3                 |
| Northwest Regional Housing Alliance       | 2,027             | -                 |
| Child and Adult Care Food Program         | 2,630             | -                 |
| Summer Food Program                       | 1,943             | -                 |
| National Global Youth Service Day         | 2,036             | 1,160             |
| ACCESS Match                              | 6,442             | -                 |
| Emergency Shelter                         | -                 | 9,969             |
| Weatherization                            | 22,873            | 21,873            |
| Head Start                                | 45,188            | 79,625            |
| Neighborhood Stabilization Program        | 5,382             | 557,669           |
| Medical Assistance Transportation Program | 124,802           | 3                 |
| Community Services Block Grant            | 11,868            | 12,223            |
| Work Ready                                | 2,405             | 2,405             |
| Community Services Block Grant ARRA       | 18,145            | 18,145            |
| Getting Youth Motivated                   | -                 | 852               |
| Lead Hazard Control Grant                 | 4,857             | 4,857             |
| Jason Altmire                             | 5,968             | 5,968             |
| Head Start State Supplemental Assistance  | 23,621            | 23,621            |
| TEAM                                      | 2,169             | 2,169             |
| Pre-K Counts                              | 2,581             | 2,358             |
|   | <b>\$ 290,506</b> | <b>\$ 786,502</b> |



## NOTES TO FINANCIAL STATEMENTS

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### Note 15. Fair Value of Financial Instruments

Authoritative guidance regarding *Fair Value Measurements* establishes a framework for measuring fair value. This guidance defines fair value, establishes a framework and hierarchy for measuring fair value, and outlines the related disclosure requirements. The guidance indicates that a fair value measurement assumes that the transaction to sell an asset or transfer a liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market for the asset or liability based upon an exit price model. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level I measurements) and the lowest priority to unobservable inputs (Level III measurements).

Financial assets and liabilities recorded on the statements of financial position are categorized based on the inputs to the valuation techniques as follows:

- Level I Quoted prices in active markets for identical assets or liabilities. Level I assets and liabilities include debt and equity securities and derivative contracts that are traded in an active exchange market.
- Level II Observable inputs other than Level I prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities. Level II assets and liabilities include debt securities with quoted prices that are traded less frequently than exchange-traded instruments or derivative contracts whose value is determined using a pricing model with inputs that are observable in the market or can be derived principally from or corroborated by observable market data.
- Level III Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The table below presents the balance of the liability measured at fair value as of June 30, 2013:

|                    | Total      | Level I | Level II   | Level III |
|--------------------|------------|---------|------------|-----------|
| Interest rate swap | \$ 124,597 | \$ -    | \$ 124,597 | \$ -      |

The table below presents the balance of the liability measured at fair value as of June 30, 2012:

|                    | Total      | Level I | Level II   | Level III |
|--------------------|------------|---------|------------|-----------|
| Interest rate swap | \$ 170,132 | \$ -    | \$ 170,132 | \$ -      |

The following methods were used by LCSS, Inc. in estimating the fair value of its financial instruments:

Cash: The carrying amounts reported on the statements of financial position for cash approximate fair value.

Interest rate swap: The carrying amounts reported on the statements of financial position for the interest rate swap approximate fair value and are based on discounted cash flow computations.

Line of credit: The carrying amounts reported on the statements of financial position for the line of credit approximate fair value.

Long-term debt: Fair values of LCSS, Inc.'s long-term debt are estimated using discounted cash flow analyses, based on LCSS, Inc.'s current incremental borrowing rates for fixed interest rate debt.



## NOTES TO FINANCIAL STATEMENTS

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### Note 15. Fair Value of Financial Instruments (Continued)

The carrying amounts and fair values of LCSS, Inc.'s financial instruments as of June 30 are as follows:

|                    | 2013               |               | 2012               |               |
|--------------------|--------------------|---------------|--------------------|---------------|
|                    | Carrying<br>Amount | Fair<br>Value | Carrying<br>Amount | Fair<br>Value |
| Cash               | \$ 407,735         | \$ 407,735    | \$ 400,171         | \$ 400,171    |
| Interest rate swap | 124,597            | 124,597       | 170,132            | 170,132       |
| Line of credit     | 462,070            | 462,070       | 462,627            | 462,627       |
| Long-term debt     | 1,296,068          | 1,296,068     | 1,354,478          | 1,354,478     |

**LAWRENCE COUNTY SOCIAL SERVICES, INC.**

**STATEMENT OF ACTIVITIES BEFORE CAPITAL ADDITIONS - BY PROGRAM**

Year Ended June 30, 2013

See Independent Auditors' Report

|   | <b>2012/2013<br/>Community<br/>Services<br/>Block Grant</b> | <b>Community<br/>Services<br/>Block Grant<br/>Workforce<br/>Initiatives</b> | <b>Community<br/>Services<br/>Block Grant<br/>Diversity<br/>Initiatives</b> |
|---|---|---|---|
| <b>Revenues:</b>                                |   |   |   |
| Grants  | \$ 270,697  | \$ 32,931   | \$ 19,158   |
| Grants released from restrictions               | -   | -   | -   |
| In-kind services                                | 43,136  | -   | -   |
| Interest income                                 | 1   | -   | -   |
| Other income                                    | 508   | -   | -   |
| <b>Total revenues</b>                           | <b>314,342</b>  | <b>32,931</b>   | <b>19,158</b>   |
| <b>Expenditures:</b>                            |   |   |   |
| Salaries  | 98,062  | 10,753  | 9,151   |
| Advertising                                     | 1,218   | 148   | 80  |
| Dues and publications                           | 4,231   | 35  | -   |
| Employee fringe benefits                        | 20,827  | 1,982   | 1,434   |
| Equipment and note payments                     | 8,836   | 8,200   | -   |
| Field trips                                     | 732   | -   | -   |
| Fuel  | 89  | 4   | -   |
| In-kind services                                | 43,136  | -   | -   |
| Insurance                                       | 1,679   | 101   | 125   |
| Interest  | -   | -   | -   |
| Payroll taxes                                   | 9,692   | 1,613   | 779   |
| Private landlords                               | -   | -   | -   |
| Professional services                           | 1,391   | 148   | -   |
| Purchased services                              | 54,527  | 234   | 1,475   |
| Real estate taxes                               | -   | -   | -   |
| Rent  | 9,072   | 3,608   | 548   |
| Repairs and maintenance                         | 14,983  | 810   | 378   |
| Retirement contribution                         | 9,818   | 584   | 749   |
| Supplies  | 14,343  | 3,797   | 2,517   |
| Travel and training                             | 12,814  | 577   | 1,545   |
| Utilities                                       | 6,236   | 299   | 356   |
| Miscellaneous                                   | 2,656   | 38  | 21  |
| <b>Total expenditures</b>                       | <b>314,342</b>  | <b>32,931</b>   | <b>19,158</b>   |
| <b>Excess of revenues<br/>over expenditures</b> | <b>\$ -</b>   | <b>\$ -</b>   | <b>\$ -</b>   |

| <b>HSD</b> | <b>Medical Assistance<br/>Transportation<br/>Program</b> | <b>Senior<br/>Shopping<br/>Program</b> | <b>Work<br/>Initiative<br/>Act</b> | <b>Supported<br/>Work</b> |
|------------|--|--|------------------------------------|---------------------------|
| \$ 114,423 | \$ 812,559   | \$ -                                   | \$ 190,712                         | \$ 228,916                |
| -          | 124,802  | 2,461                                  | -                                  | -                         |
| -          | -  | -                                      | -                                  | -                         |
| -          | 219  | -                                      | -                                  | -                         |
| -          | -  | -                                      | -                                  | -                         |
| 114,423    | 937,580  | 2,461                                  | 190,712                            | 228,916                   |
| 45,032     | 206,609  | 7                                      | 98,936                             | 107,851                   |
| 972        | 298  | -                                      | 657                                | 46                        |
| 19         | 261  | -                                      | 38                                 | 140                       |
| 8,826      | 54,308   | 1                                      | 18,347                             | 38,430                    |
| -          | 3,605  | -                                      | -                                  | -                         |
| 219        | -  | -                                      | 470                                | -                         |
| 17         | 60   | -                                      | 31                                 | 62                        |
| -          | -  | -                                      | -                                  | -                         |
| 464        | 2,349  | -                                      | 990                                | 1,496                     |
| -          | -  | -                                      | -                                  | -                         |
| 6,424      | 20,677   | 1                                      | 12,078                             | 11,684                    |
| -          | -  | -                                      | -                                  | -                         |
| 201        | 5,368  | -                                      | 4,101                              | 353                       |
| 39,186     | 581,244  | 2,448                                  | 3,071                              | 5,868                     |
| -          | -  | -                                      | -                                  | -                         |
| 4,279      | 10,242   | -                                      | 4,797                              | 18,671                    |
| 1,141      | 9,732  | 3                                      | 4,550                              | 6,946                     |
| 3,182      | 20,561   | 1                                      | 7,054                              | 10,340                    |
| 2,133      | 9,707  | -                                      | 27,788                             | 17,365                    |
| 711        | 1,344  | -                                      | 3,058                              | 3,415                     |
| 1,496      | 7,558  | -                                      | 3,629                              | 5,715                     |
| 121        | 3,657  | -                                      | 1,117                              | 534                       |
| 114,423    | 937,580  | 2,461                                  | 190,712                            | 228,916                   |
| \$ -       | \$ -   | \$ -                                   | \$ -                               | \$ -                      |

LAWRENCE COUNTY SOCIAL SERVICES, INC.

STATEMENT OF ACTIVITIES BEFORE CAPITAL ADDITIONS - BY PROGRAM (CONTINUED)

Year Ended June 30, 2013

See Independent Auditors' Report

|   | Fit 4<br>Life  | Gen Y<br>Transit | Child and<br>Adult Care<br>Food<br>Program |
|---|----------------|------------------|--|
| Revenues:                                       |                |                  |  |
| Grants  | \$ 104,154     | \$ 26,856        | \$ 9,636                                   |
| Grants released from restrictions               | -              | -                | 2,630                                      |
| In-kind services                                | -              | -                | -  |
| Interest income                                 | -              | -                | -  |
| Other income                                    | -              | -                | -  |
| <b>Total revenues</b>                           | <b>104,154</b> | <b>26,856</b>    | <b>12,266</b>                              |
| Expenditures:                                   |                |                  |  |
| Salaries  | 35,189         | 1,572            | 2,577                                      |
| Advertising                                     | 780            | -                | -  |
| Dues and publications                           | -              | 4                | -  |
| Employee fringe benefits                        | 7,982          | 371              | 308  |
| Equipment and note payments                     | -              | -                | -  |
| Field trips                                     | -              | -                | -  |
| Fuel  | -              | 1                | -  |
| In-kind services                                | -              | -                | -  |
| Insurance                                       | -              | 18               | 30   |
| Interest  | -              | -                | -  |
| Payroll taxes                                   | 3,932          | 149              | 200  |
| Private landlords                               | -              | -                | -  |
| Professional services                           | -              | 19               | -  |
| Purchased services                              | 9,200          | 40               | 8,537                                      |
| Real estate taxes                               | -              | -                | -  |
| Rent  | -              | 2,004            | 82   |
| Repairs and maintenance                         | -              | 99               | 65   |
| Retirement contribution                         | 3,449          | 1,063            | 259  |
| Supplies  | 42,190         | 20,830           | 70   |
| Travel and training                             | 84             | 293              | 64   |
| Utilities                                       | -              | 78               | 69   |
| Miscellaneous                                   | 1,348          | 315              | 5  |
| <b>Total expenditures</b>                       | <b>104,154</b> | <b>26,856</b>    | <b>12,266</b>                              |
| <b>Excess of revenues<br/>over expenditures</b> | <b>\$ -</b>    | <b>\$ -</b>      | <b>\$ -</b>                                |

| Summer<br>Food Service<br>Program | Community<br>Engagement | Senior<br>Employment<br>Program | Housing<br>Assistance<br>Program | HUD<br>Counseling |
|-----------------------------------|-------------------------|---------------------------------|----------------------------------|-------------------|
| \$ 43,503                         | \$ 1,891                | \$ 544,084                      | \$ 120,502                       | \$ 9,316          |
| 1,943                             | -                       | -                               | -                                | -                 |
| 1,708                             | -                       | 76,947                          | -                                | -                 |
| -                                 | -                       | 3                               | -                                | -                 |
| 4,000                             | -                       | -                               | -                                | -                 |
| 51,154                            | 1,891                   | 621,034                         | 120,502                          | 9,316             |
| 169                               | 1,265                   | 469,009                         | 44,811                           | 6,299             |
| -                                 | -                       | 115                             | 58                               | -                 |
| 50                                | -                       | 74                              | 430                              | -                 |
| 28                                | 400                     | 14,269                          | 9,085                            | 1,771             |
| -                                 | -                       | -                               | -                                | -                 |
| -                                 | -                       | -                               | -                                | -                 |
| -                                 | -                       | 6                               | 39                               | -                 |
| 1,708                             | -                       | 76,947                          | -                                | -                 |
| 1                                 | -                       | 1,090                           | 586                              | -                 |
| -                                 | -                       | -                               | -                                | -                 |
| 14                                | 98                      | 36,508                          | 5,010                            | 611               |
| -                                 | -                       | -                               | 36,119                           | -                 |
| -                                 | -                       | 2,242                           | 1,196                            | -                 |
| 47,718                            | -                       | 1,308                           | 1,708                            | -                 |
| -                                 | -                       | -                               | -                                | -                 |
| 5                                 | -                       | 1,509                           | 2,723                            | -                 |
| 38                                | -                       | 2,172                           | 3,313                            | -                 |
| 17                                | 128                     | 2,854                           | 4,335                            | 635               |
| 745                               | -                       | 2,310                           | 4,013                            | -                 |
| 655                               | -                       | 5,649                           | 3,617                            | -                 |
| 4                                 | -                       | 3,896                           | 1,923                            | -                 |
| 2                                 | -                       | 1,076                           | 1,536                            | -                 |
| 51,154                            | 1,891                   | 621,034                         | 120,502                          | 9,316             |
| \$ -                              | \$ -                    | \$ -                            | \$ -                             | \$ -              |

**LAWRENCE COUNTY SOCIAL SERVICES, INC.**

**STATEMENT OF ACTIVITIES BEFORE CAPITAL ADDITIONS - BY PROGRAM (CONTINUED)**

Year Ended June 30, 2013

See Independent Auditors' Report

|   | <b>Family<br/>Savings<br/>Account</b> | <b>SAFE<br/>Supportive<br/>Housing<br/>Program</b> | <b>TEAM</b>   |
|---|---------------------------------------|--|---------------|
| <b>Revenues:</b>                                |                                       |  |               |
| Grants  | \$ -                                  | \$ 45,957  | \$ 76,650     |
| Grants released from restrictions               | 2,519                                 | -  | -             |
| In-kind services                                | -                                     | -  | -             |
| Interest income                                 | -                                     | -  | -             |
| Other income                                    | -                                     | -  | 8,857         |
| <b>Total revenues</b>                           | <b>2,519</b>                          | <b>45,957</b>                                      | <b>85,507</b> |
| <b>Expenditures:</b>                            |                                       |  |               |
| Salaries  | 279                                   | 25,642   | 26,084        |
| Advertising                                     | -                                     | 3  | 11            |
| Dues and publications                           | -                                     | 2  | 17            |
| Employee fringe benefits                        | 111                                   | 6,089  | 5,118         |
| Equipment and note payments                     | -                                     | -  | -             |
| Field trips                                     | -                                     | -  | -             |
| Fuel  | -                                     | 9  | 14            |
| In-kind services                                | -                                     | -  | -             |
| Insurance                                       | 4                                     | 336  | 336           |
| Interest  | -                                     | -  | -             |
| Payroll taxes                                   | 22                                    | 2,943  | 2,721         |
| Private landlords                               | -                                     | -  | 35,242        |
| Professional services                           | -                                     | 440  | 776           |
| Purchased services                              | 2,003                                 | 1,102  | 7,497         |
| Real estate taxes                               | -                                     | -  | -             |
| Rent  | 26                                    | 1,647  | 1,605         |
| Repairs and maintenance                         | 14                                    | 937  | 1,237         |
| Retirement contribution                         | 28                                    | 2,496  | 2,506         |
| Supplies  | 12                                    | 3,035  | 1,015         |
| Travel and training                             | -                                     | 166  | 148           |
| Utilities                                       | 19                                    | 1,075  | 1,161         |
| Miscellaneous                                   | 1                                     | 35   | 19            |
| <b>Total expenditures</b>                       | <b>2,519</b>                          | <b>45,957</b>                                      | <b>85,507</b> |
| <b>Excess of revenues<br/>over expenditures</b> | <b>\$ -</b>                           | <b>\$ -</b>  | <b>\$ -</b>   |

| <b>New Options</b> | <b>Emergency Food<br/>and Shelter<br/>Program</b> | <b>2010<br/>Emergency<br/>Shelter</b> | <b>Homeless<br/>Prevention &amp;<br/>Rapid<br/>Re-housing<br/>Program</b> | <b>2011<br/>Emergency<br/>Solutions</b> |
|--------------------|---|---------------------------------------|---|---|
| \$ 131,598         | \$ 10,000   | \$ 13,991                             | \$ 34,929   | \$ 42,509                               |
| -                  | -   | -                                     | -   | -                                       |
| -                  | -   | -                                     | -   | -                                       |
| -                  | -   | -                                     | -   | -                                       |
| 4,930              | -   | -                                     | -   | -                                       |
| 136,528            | 10,000  | 13,991                                | 34,929  | 42,509                                  |
| 56,076             | -   | 6,580                                 | 13,579  | 16,642                                  |
| 12                 | -   | -                                     | -   | -                                       |
| 25                 | -   | -                                     | -   | -                                       |
| 11,663             | -   | 974                                   | 3,294   | 3,202                                   |
| 2,950              | -   | -                                     | -   | -                                       |
| -                  | -   | -                                     | -   | -                                       |
| 20                 | -   | -                                     | -   | -                                       |
| -                  | -   | -                                     | -   | -                                       |
| 703                | -   | 45                                    | 83  | 225                                     |
| -                  | -   | -                                     | -   | -                                       |
| 5,916              | -   | 717                                   | 1,192   | 2,309                                   |
| 38,130             | 10,000  | -                                     | 13,001  | 14,770                                  |
| 795                | -   | -                                     | -   | 57                                      |
| 1,566              | -   | 5,059                                 | 180   | 258                                     |
| -                  | -   | -                                     | -   | -                                       |
| 4,210              | -   | 24                                    | 1,253   | 858                                     |
| 2,501              | -   | 10                                    | 499   | 761                                     |
| 5,430              | -   | 414                                   | 1,307   | 1,663                                   |
| 3,966              | -   | 81                                    | 230   | 491                                     |
| 54                 | -   | 12                                    | 34  | 415                                     |
| 2,446              | -   | 71                                    | 267   | 746                                     |
| 65                 | -   | 4                                     | 10  | 112                                     |
| 136,528            | 10,000  | 13,991                                | 34,929  | 42,509                                  |
| \$ -               | \$ -  | \$ -                                  | \$ -  | \$ -                                    |

LAWRENCE COUNTY SOCIAL SERVICES, INC.

STATEMENT OF ACTIVITIES BEFORE CAPITAL ADDITIONS - BY PROGRAM (CONTINUED)

Year Ended June 30, 2013

See Independent Auditors' Report

|   | 2012<br>Emergency<br>Solutions | Turning Point  | MH/DS<br>Rental<br>Assistance |
|---|--------------------------------|----------------|-------------------------------|
| Revenues:                                       |                                |                |                               |
| Grants  | \$ 20,383                      | \$ 93,459      | \$ 135,617                    |
| Grants released from restrictions               | -                              | -              | -                             |
| In-kind services                                | -                              | -              | -                             |
| Interest income                                 | -                              | -              | -                             |
| Other income                                    | -                              | 9,998          | -                             |
| <b>Total revenues</b>                           | <b>20,383</b>                  | <b>103,457</b> | <b>135,617</b>                |
| Expenditures:                                   |                                |                |                               |
| Salaries  | 6,988                          | 28,494         | 49,127                        |
| Advertising                                     | -                              | 11             | 32                            |
| Dues and publications                           | -                              | 19             | 75                            |
| Employee fringe benefits                        | 1,492                          | 6,234          | 9,417                         |
| Equipment and note payments                     | -                              | -              | -                             |
| Field trips                                     | -                              | -              | -                             |
| Fuel  | -                              | 8              | 10                            |
| In-kind services                                | -                              | -              | -                             |
| Insurance                                       | 51                             | 336            | 609                           |
| Interest  | -                              | -              | -                             |
| Payroll taxes                                   | 553                            | 2,876          | 5,448                         |
| Private landlords                               | 8,440                          | 51,408         | 42,839                        |
| Professional services                           | 743                            | 662            | 17                            |
| Purchased services                              | 167                            | 1,031          | 1,305                         |
| Real estate taxes                               | -                              | -              | -                             |
| Rent  | 350                            | 1,877          | 2,929                         |
| Repairs and maintenance                         | 244                            | 1,175          | 2,068                         |
| Retirement contribution                         | 701                            | 2,779          | 4,842                         |
| Supplies  | 182                            | 5,224          | 14,684                        |
| Travel and training                             | 162                            | 144            | 130                           |
| Utilities                                       | 298                            | 1,152          | 2,000                         |
| Miscellaneous                                   | 12                             | 27             | 85                            |
| <b>Total expenditures</b>                       | <b>20,383</b>                  | <b>103,457</b> | <b>135,617</b>                |
| <b>Excess of revenues<br/>over expenditures</b> | <b>\$ -</b>                    | <b>\$ -</b>    | <b>\$ -</b>                   |



| <b>Northwest<br/>Regional<br/>Housing<br/>Alliance</b> | <b>2010<br/>Community<br/>Development<br/>Block Grant</b> | <b>2011<br/>Community<br/>Development<br/>Block Grant</b> | <b>2009<br/>Homes<br/>Investment<br/>Partnership<br/>Program</b> | <b>City of Farrell<br/>Homes<br/>Investment<br/>Partnership<br/>Program</b> |
|--|---|---|--|---|
| \$ 85,584  | \$ 133,667  | \$ 195,684  | \$ 73,466  | \$ 9,120  |
| 2,027  | -   | -   | -  | -   |
| -  | 728   | -   | 12,238   | -   |
| -  | -   | -   | -  | -   |
| 666  | -   | -   | -  | -   |
| <b>88,277</b>  | <b>134,395</b>  | <b>195,684</b>  | <b>85,704</b>  | <b>9,120</b>  |
| 11,043   | 33,339  | 18,384  | 16,712   | 2,904   |
| 2  | 174   | 4,717   | -  | 2,428   |
| 19   | 439   | 9   | 20   | 5   |
| 1,897  | 6,690   | 3,988   | 5,643  | 848   |
| -  | -   | -   | -  | -   |
| -  | -   | -   | -  | -   |
| 7  | 371   | 4   | 255  | 3   |
| -  | 728   | -   | 12,238   | -   |
| 112  | 547   | 239   | 317  | 34  |
| -  | -   | -   | -  | -   |
| 1,182  | 2,933   | 1,525   | 1,308  | 287   |
| 66,990   | -   | -   | -  | -   |
| 1,147  | 4,342   | 1,307   | 730  | 837   |
| 1,035  | 68,652  | 159,056   | 43,842   | 55  |
| -  | -   | -   | -  | -   |
| 770  | 1,524   | 1,134   | 682  | 112   |
| 812  | 2,415   | 828   | 803  | 276   |
| 1,081  | 3,283   | 1,944   | 1,706  | 292   |
| 1,139  | 1,377   | 619   | 478  | 86  |
| 216  | 5,061   | 818   | 58   | 709   |
| 785  | 2,130   | 995   | 764  | 197   |
| 40   | 390   | 117   | 148  | 47  |
| <b>88,277</b>  | <b>134,395</b>  | <b>195,684</b>  | <b>85,704</b>  | <b>9,120</b>  |
| \$ -   | \$ -  | \$ -  | \$ -   | \$ -  |

LAWRENCE COUNTY SOCIAL SERVICES, INC.

STATEMENT OF ACTIVITIES BEFORE CAPITAL ADDITIONS - BY PROGRAM (CONTINUED)

Year Ended June 30, 2013

See Independent Auditors' Report

|   | ACCESS        | 2010<br>Homes<br>Investment<br>Partnership<br>Program | Northwest<br>Regional<br>Lead Hazard<br>Control |
|---|---------------|---|---|
| Revenues:                                       |               |   |   |
| Grants  | \$ 15,213     | \$ 191,914  | \$ 769,782                                      |
| Grants released from restrictions               | -             | -   | -   |
| In-kind services                                | -             | 1,577   | 376,109   |
| Interest income                                 | -             | -   | -   |
| Other income                                    | -             | -   | -   |
| <b>Total revenues</b>                           | <b>15,213</b> | <b>193,491</b>  | <b>1,145,891</b>                                |
| Expenditures:                                   |               |   |   |
| Salaries  | 8,305         | 15,943  | 133,786   |
| Advertising                                     | 386           | 388   | -   |
| Dues and publications                           | 8             | 22  | 209   |
| Employee fringe benefits                        | 2,031         | 4,478   | 33,510  |
| Equipment and note payments                     | -             | -   | -   |
| Field trips                                     | -             | -   | -   |
| Fuel  | 17            | 17  | 1,216   |
| In-kind services                                | -             | 1,577   | 376,109   |
| Insurance                                       | 100           | 1,552   | 3,535   |
| Interest  | -             | -   | -   |
| Payroll taxes                                   | 884           | 1,527   | 10,639  |
| Private landlords                               | -             | -   | -   |
| Professional services                           | 525           | 1,862   | -   |
| Purchased services                              | 120           | 156,858   | 521,650   |
| Real estate taxes                               | -             | -   | -   |
| Rent  | 351           | 661   | 5,496   |
| Repairs and maintenance                         | 253           | 3,313   | 7,978   |
| Retirement contribution                         | 839           | 1,604   | 13,844  |
| Supplies  | 925           | 1,266   | 16,165  |
| Travel and training                             | 14            | 1,557   | 12,709  |
| Utilities                                       | 406           | 812   | 5,813   |
| Miscellaneous                                   | 49            | 54  | 3,232   |
| <b>Total expenditures</b>                       | <b>15,213</b> | <b>193,491</b>  | <b>1,145,891</b>                                |
| <b>Excess of revenues<br/>over expenditures</b> | <b>\$ -</b>   | <b>\$ -</b>   | <b>\$ -</b>                                     |

| <b>Northwest<br/>Regional<br/>Lead Hazard<br/>Control 2012</b> | <b>Neighborhood<br/>Stabilization</b> | <b>Contractual<br/>Management</b> | <b>Weatherization<br/>Low Income<br/>Heating Energy<br/>Assistance<br/>Program</b> | <b>Weatherization<br/>Department<br/>of Energy</b> |
|--|---------------------------------------|-----------------------------------|--|--|
| \$ 372,088   | \$ 84,653                             | \$ 51,884                         | \$ 718,544   | \$ 97,433  |
| -  | -                                     | -                                 | -  | -  |
| 270,220  | -                                     | -                                 | -  | -  |
| -  | -                                     | 14                                | -  | -  |
| -  | -                                     | 119,713                           | -  | -  |
| 642,308  | 84,653                                | 171,611                           | 718,544  | 97,433   |
| 102,042  | 16,264                                | 22,292                            | 242,075  | 38,310   |
| 12,204   | -                                     | 2,866                             | 1,461  | 18   |
| 213  | 6                                     | 1,142                             | 107  | 44   |
| 29,894   | 5,911                                 | 4,509                             | 85,719   | 14,197   |
| -  | -                                     | -                                 | -  | -  |
| -  | -                                     | -                                 | -  | -  |
| 544  | 1,017                                 | 4,516                             | 4,949  | 879  |
| 270,220  | -                                     | -                                 | -  | -  |
| 5,473  | 1,640                                 | 2,113                             | 6,854  | 649  |
| -  | -                                     | 8,020                             | -  | -  |
| 11,598   | 1,974                                 | 2,911                             | 24,665   | 4,113  |
| -  | -                                     | 160                               | -  | -  |
| 3,807  | 320                                   | 1,549                             | 3,555  | 866  |
| 149,250  | 12,711                                | 28,772                            | 62,552   | 1,416  |
| -  | 2,340                                 | 1,128                             | -  | -  |
| 4,239  | 355                                   | 943                               | 6,898  | 897  |
| 9,950  | 32,262                                | 5,362                             | 15,666   | 1,858  |
| 10,225   | 1,646                                 | 2,884                             | 24,172   | 3,392  |
| 7,039  | 1,115                                 | 11,618                            | 209,329  | 24,768   |
| 17,040   | 5,992                                 | 12,324                            | 12,626   | 3,879  |
| 6,068  | 1,074                                 | 4,768                             | 17,089   | 2,073  |
| 2,502  | 26                                    | 3,131                             | 827  | 74   |
| 642,308  | 84,653                                | 121,008                           | 718,544  | 97,433   |
| \$ -   | \$ -                                  | \$ 50,603                         | \$ -   | \$ -   |

LAWRENCE COUNTY SOCIAL SERVICES, INC.

STATEMENT OF ACTIVITIES BEFORE CAPITAL ADDITIONS - BY PROGRAM (CONTINUED)

Year Ended June 30, 2013

See Independent Auditors' Report

|   | Weatherization<br>American<br>Recovery &<br>Reinvestment Act | Head Start       | Head<br>Start State<br>Supplemental<br>Assistance |
|---|--|------------------|---|
| Revenues:                                       |  |                  |   |
| Grants  | \$ 92,759  | \$ 3,019,535     | \$ 788,184  |
| Grants released from restrictions               | -  | -                | -   |
| In-kind services                                | -  | 220,597          | -   |
| Interest income                                 | -  | 2                | -   |
| Other income                                    | -  | 53,779           | -   |
| <b>Total revenues</b>                           | <b>92,759</b>  | <b>3,293,913</b> | <b>788,184</b>                                    |
| Expenditures:                                   |  |                  |   |
| Salaries  | 21,367   | 1,330,219        | 401,992   |
| Advertising                                     | -  | 6,733            | 1,907   |
| Dues and publications                           | 22   | 3,462            | 914   |
| Employee fringe benefits                        | 7,469  | 231,672          | 64,655  |
| Equipment and note payments                     | -  | 142,103          | -   |
| Field trips                                     | -  | 131              | 39  |
| Fuel  | 921  | 38,292           | 11,299  |
| In-kind services                                | -  | 220,597          | -   |
| Insurance                                       | 617  | 38,286           | 10,461  |
| Interest  | -  | 8                | 2,799   |
| Payroll taxes                                   | 1,854  | 174,646          | 53,037  |
| Private landlords                               | -  | -                | -   |
| Professional services                           | -  | 20,496           | 6,225   |
| Purchased services                              | 932  | 71,270           | 17,235  |
| Real estate taxes                               | -  | -                | -   |
| Rent  | 517  | 121,497          | 27,554  |
| Repairs and maintenance                         | 1,463  | 213,082          | 55,853  |
| Retirement contribution                         | 2,154  | 123,400          | 37,725  |
| Supplies  | 54,016   | 434,066          | 64,656  |
| Travel and training                             | 60   | 33,635           | 9,103   |
| Utilities                                       | 1,324  | 85,003           | 21,369  |
| Miscellaneous                                   | 43   | 5,315            | 1,361   |
| <b>Total expenditures</b>                       | <b>92,759</b>  | <b>3,293,913</b> | <b>788,184</b>                                    |
| <b>Excess of revenues<br/>over expenditures</b> | <b>\$ -</b>  | <b>\$ -</b>      | <b>\$ -</b>                                       |

| <b>Pre-K<br/>Counts</b> | <b>Miscellaneous<br/>Grants</b> | <b>Totals</b>     |
|-------------------------|---------------------------------|-------------------|
| \$ 624,451              | \$ 1,262                        | \$ 10,459,654     |
| -                       | 9,568                           | 145,950           |
| 22,116                  | -                               | 1,025,376         |
| -                       | -                               | 239               |
| -                       | 12,493                          | 214,944           |
| <b>646,567</b>          | <b>23,323</b>                   | <b>11,846,163</b> |
| 330,850                 | 13,333                          | 4,125,943         |
| 1,067                   | 904                             | 39,696            |
| 328                     | -                               | 12,389            |
| 79,322                  | 2,157                           | 810,553           |
| -                       | -                               | 165,694           |
| 30                      | -                               | 1,621             |
| 417                     | 343                             | 65,437            |
| 22,116                  | -                               | 1,025,376         |
| 4,135                   | 155                             | 88,476            |
| 28                      | -                               | 10,855            |
| 37,188                  | 2,337                           | 468,775           |
| -                       | -                               | 317,099           |
| 3,867                   | 1                               | 69,945            |
| 6,247                   | 278                             | 2,078,663         |
| -                       | -                               | 3,468             |
| 12,079                  | 50                              | 258,078           |
| 18,424                  | 582                             | 424,856           |
| 33,761                  | 277                             | 351,424           |
| 79,152                  | 2,260                           | 1,086,802         |
| 3,894                   | 519                             | 155,305           |
| 13,057                  | 105                             | 204,326           |
| 605                     | 13                              | 30,770            |
| <b>646,567</b>          | <b>23,314</b>                   | <b>11,795,551</b> |
| <b>\$ -</b>             | <b>\$ 9</b>                     | <b>\$ 50,612</b>  |

**LAWRENCE COUNTY SOCIAL SERVICES, INC.**

**STATEMENT OF ACTIVITIES BEFORE CAPITAL ADDITIONS - BY PROGRAM**

Year Ended June 30, 2012

See Independent Auditors' Report

|   | <b>2010/2011<br/>Community<br/>Services<br/>Block Grant</b> | <b>2012<br/>Community<br/>Services<br/>Block Grant</b> | <b>Community<br/>Services<br/>Block Grant<br/>Diversity<br/>Initiatives</b> |
|---|---|--|---|
| <b>Revenues:</b>                                |   |  |   |
| Grants  | \$ 163,706  | \$ 108,669   | \$ 29,893   |
| Grants released from restrictions               | -   | -  | -   |
| In-kind services                                | 64,311  | 42,191   | -   |
| Interest income                                 | -   | 1  | -   |
| Other income                                    | 100   | -  | -   |
| <b>Total revenues</b>                           | <b>228,117</b>  | <b>150,861</b>   | <b>29,893</b>   |
| <b>Expenditures:</b>                            |   |  |   |
| Salaries  | 72,331  | 39,099   | 15,988  |
| Advertising                                     | 260   | 410  | 458   |
| Dues and publications                           | 3,174   | 152  | 10  |
| Employee fringe benefits                        | 13,048  | 6,548  | 2,822   |
| Equipment and note payments                     | -   | 1,452  | -   |
| Field trips                                     | -   | 66   | -   |
| Fuel  | 166   | 160  | -   |
| In-kind services                                | 64,311  | 42,191   | -   |
| Insurance                                       | 1,019   | 557  | 170   |
| Interest  | -   | -  | -   |
| Leasehold repairs and maintenance               | -   | -  | -   |
| Payroll taxes                                   | 5,751   | 3,626  | 1,958   |
| Private landlords                               | -   | -  | -   |
| Professional services                           | -   | 1,569  | 573   |
| Purchased services                              | 27,599  | 30,987   | 425   |
| Real estate taxes                               | -   | -  | -   |
| Rent  | 7,432   | 2,996  | 957   |
| Repairs and maintenance                         | 7,331   | 1,612  | 513   |
| Retirement contribution                         | 7,244   | 5,135  | 1,266   |
| Supplies  | 4,113   | 2,034  | 3,632   |
| Travel and training                             | 8,523   | 9,088  | 332   |
| Utilities                                       | 4,796   | 2,530  | 610   |
| Miscellaneous                                   | 1,019   | 649  | 179   |
| <b>Total expenditures</b>                       | <b>228,117</b>  | <b>150,861</b>   | <b>29,893</b>   |
| <b>Excess of revenues<br/>over expenditures</b> | <b>\$ -</b>   | <b>\$ -</b>  | <b>\$ -</b>   |

| <b>HSDf</b> | <b>Medical Assistance Transportation Program</b> | <b>Senior Shopping Program</b> | <b>Work Initiative Act</b> | <b>Supported Work</b> |
|-------------|--|--------------------------------|----------------------------|-----------------------|
| \$ 121,447  | \$ 1,272,938                                     | \$ -                           | \$ 220,608                 | \$ 198,751            |
| -           | 3  | 1,906                          | -                          | -                     |
| -           | -  | -                              | -                          | -                     |
| 13          | 188  | -                              | -                          | -                     |
| -           | -  | -                              | 25                         | -                     |
| 121,460     | 1,273,129  | 1,906                          | 220,633                    | 198,751               |
| 44,038      | 244,964  | 11                             | 102,949                    | 97,544                |
| 675         | 766  | -                              | 1,070                      | 159                   |
| 3,441       | 339  | -                              | 71                         | 132                   |
| 9,230       | 64,986   | 2                              | 29,912                     | 30,525                |
| -           | 1,456  | -                              | -                          | -                     |
| -           | -  | -                              | 231                        | -                     |
| -           | -  | -                              | -                          | -                     |
| -           | -  | -                              | -                          | -                     |
| 477         | 2,228  | -                              | 903                        | 991                   |
| -           | -  | -                              | -                          | -                     |
| -           | -  | -                              | -                          | -                     |
| 4,105       | 23,956   | 1                              | 10,655                     | 10,290                |
| -           | -  | -                              | -                          | -                     |
| 629         | 7,431  | -                              | 3,597                      | 2,055                 |
| 47,956      | 859,564  | 1,890                          | 1,825                      | 11,636                |
| -           | -  | -                              | -                          | -                     |
| 1,752       | 12,242   | 1                              | 15,726                     | 16,247                |
| 1,574       | 9,984  | -                              | 4,000                      | 4,596                 |
| 4,448       | 23,525   | 1                              | 10,223                     | 8,921                 |
| 1,334       | 9,165  | -                              | 31,969                     | 7,229                 |
| 344         | 1,392  | -                              | 2,715                      | 3,736                 |
| 1,362       | 8,078  | -                              | 3,542                      | 3,740                 |
| 95          | 3,053  | -                              | 1,245                      | 950                   |
| 121,460     | 1,273,129  | 1,906                          | 220,633                    | 198,751               |
| \$ -        | \$ -   | \$ -                           | \$ -                       | \$ -                  |

**LAWRENCE COUNTY SOCIAL SERVICES, INC.**

**STATEMENT OF ACTIVITIES BEFORE CAPITAL ADDITIONS - BY PROGRAM (CONTINUED)**

Year Ended June 30, 2012

See Independent Auditors' Report

|   | <b>Child and<br/>Adult Care<br/>Food<br/>Program</b> | <b>Summer<br/>Food Service<br/>Program</b> | <b>Community<br/>Engagement</b> |
|---|--|--|---------------------------------|
| <b>Revenues:</b>                                |  |  |                                 |
| Grants  | \$ 22,483  | \$ 27,991                                  | \$ 50,000                       |
| Grants released from restrictions               | -  | -  | -                               |
| In-kind services                                | -  | -  | -                               |
| Interest income                                 | -  | -  | 2                               |
| Other income                                    | -  | 6,280                                      | 1,550                           |
| <b>Total revenues</b>                           | <b>22,483</b>  | <b>34,271</b>                              | <b>51,552</b>                   |
| <b>Expenditures:</b>                            |  |  |                                 |
| Salaries  | 10,325   | 506  | 24,264                          |
| Advertising                                     | -  | 100  | 4,551                           |
| Dues and publications                           | 7  | 41   | 16                              |
| Employee fringe benefits                        | 1,163  | 25   | 4,464                           |
| Equipment and note payments                     | -  | -  | -                               |
| Field trips                                     | -  | -  | -                               |
| Fuel  | -  | -  | -                               |
| In-kind services                                | -  | -  | -                               |
| Insurance                                       | 77   | 1  | 255                             |
| Interest  | -  | -  | -                               |
| Leasehold repairs and maintenance               | -  | -  | -                               |
| Payroll taxes                                   | 1,048  | 274  | 2,296                           |
| Private landlords                               | -  | -  | -                               |
| Professional services                           | 28   | -  | 796                             |
| Purchased services                              | 8,071  | 31,500                                     | 445                             |
| Real estate taxes                               | -  | -  | -                               |
| Rent  | 113  | 4  | 2,128                           |
| Repairs and maintenance                         | 95   | 5  | 1,710                           |
| Retirement contribution                         | 1,044  | 12   | 2,454                           |
| Supplies  | 247  | 1,640                                      | 4,825                           |
| Travel and training                             | 143  | 153  | 1,803                           |
| Utilities                                       | 113  | 10   | 1,186                           |
| Miscellaneous                                   | 9  | -  | 359                             |
| <b>Total expenditures</b>                       | <b>22,483</b>  | <b>34,271</b>                              | <b>51,552</b>                   |
| <b>Excess of revenues<br/>over expenditures</b> | <b>\$ -</b>  | <b>\$ -</b>                                | <b>\$ -</b>                     |



| <b>Community<br/>Engagement<br/>Transitions</b> | <b>Senior<br/>Employment<br/>Program</b> | <b>MH/ID<br/>Independent<br/>Monitoring</b> | <b>Housing<br/>Assistance<br/>Program</b> | <b>HUD<br/>Counseling</b> |
|---|--|---|---|---------------------------|
| \$ 3,500  | \$ 669,889                               | \$ 44,359                                   | \$ 133,891                                | \$ 20,584                 |
| 1,755   | -  | -   | -   | -                         |
| -   | -  | -   | -   | -                         |
| -   | 1  | -   | 13  | -                         |
| -   | -  | -   | -   | -                         |
| 5,255   | 669,890                                  | 44,359                                      | 133,904                                   | 20,584                    |
| 2,252   | 583,636                                  | 9,172                                       | 39,283                                    | 13,874                    |
| 600   | -  | -   | 933                                       | -                         |
| 2   | 62                                       | 23  | 421                                       | -                         |
| 518   | 17,301                                   | 447   | 8,726                                     | 4,232                     |
| -   | -  | -   | 2,000                                     | -                         |
| -   | -  | -   | -   | -                         |
| -   | -  | -   | -   | -                         |
| -   | -  | -   | -   | -                         |
| 15  | 1,235                                    | 57  | 704                                       | -                         |
| -   | -  | -   | -   | -                         |
| -   | -  | -   | -   | -                         |
| 174   | 45,469                                   | 1,676                                       | 4,113                                     | 1,074                     |
| -   | -  | -   | 51,709                                    | -                         |
| -   | 2,053                                    | 38  | 1,220                                     | -                         |
| 15  | 1,733                                    | 460   | 4,870                                     | -                         |
| -   | -  | -   | -   | -                         |
| 90  | 228                                      | 58  | 2,482                                     | -                         |
| 131   | 2,094                                    | 51  | 2,315                                     | -                         |
| 228   | 3,583                                    | 324   | 3,497                                     | 1,404                     |
| 1,156   | 1,883                                    | 747   | 5,934                                     | -                         |
| 3   | 5,468                                    | 1,412                                       | 2,933                                     | -                         |
| 69  | 3,903                                    | 80  | 1,585                                     | -                         |
| 2   | 1,242                                    | 76  | 1,179                                     | -                         |
| 5,255   | 669,890                                  | 14,621                                      | 133,904                                   | 20,584                    |
| \$ -  | \$ -                                     | \$ 29,738                                   | \$ -                                      | \$ -                      |

LAWRENCE COUNTY SOCIAL SERVICES, INC.

STATEMENT OF ACTIVITIES BEFORE CAPITAL ADDITIONS - BY PROGRAM (CONTINUED)

Year Ended June 30, 2012

See Independent Auditors' Report

|   | Family<br>Savings<br>Account | SAFE<br>Supportive<br>Housing<br>Program | TEAM          |
|---|------------------------------|--|---------------|
| Revenues:                                       |                              |  |               |
| Grants  | \$ -                         | \$ 39,631                                | \$ 76,650     |
| Grants released from restrictions               | 5,745                        | -  | -             |
| In-kind services                                | -                            | -  | -             |
| Interest income                                 | 2                            | -  | -             |
| Other income                                    | -                            | -  | 12,177        |
| <b>Total revenues</b>                           | <b>5,747</b>                 | <b>39,631</b>                            | <b>88,827</b> |
| Expenditures:                                   |                              |  |               |
| Salaries  | 1,850                        | 23,298                                   | 30,379        |
| Advertising                                     | -                            | -  | -             |
| Dues and publications                           | 2                            | 6  | 4             |
| Employee fringe benefits                        | 624                          | 4,985                                    | 5,503         |
| Equipment and note payments                     | -                            | 1,313                                    | 5,841         |
| Field trips                                     | -                            | -  | -             |
| Fuel  | -                            | -  | -             |
| In-kind services                                | -                            | -  | -             |
| Insurance                                       | 30                           | 203                                      | 254           |
| Interest  | -                            | -  | -             |
| Leasehold repairs and maintenance               | -                            | -  | -             |
| Payroll taxes                                   | 212                          | 2,510                                    | 3,996         |
| Private landlords                               | -                            | -  | 34,583        |
| Professional services                           | 9                            | 400                                      | 232           |
| Purchased services                              | 2,533                        | 1,155                                    | 500           |
| Real estate taxes                               | -                            | -  | -             |
| Rent  | 118                          | 1,259                                    | 1,790         |
| Repairs and maintenance                         | 63                           | 1,068                                    | 882           |
| Retirement contribution                         | 188                          | 2,145                                    | 2,563         |
| Supplies  | 42                           | 563                                      | 808           |
| Travel and training                             | 3                            | 18                                       | 477           |
| Utilities                                       | 71                           | 685                                      | 993           |
| Miscellaneous                                   | 2                            | 23                                       | 22            |
| <b>Total expenditures</b>                       | <b>5,747</b>                 | <b>39,631</b>                            | <b>88,827</b> |
| <b>Excess of revenues<br/>over expenditures</b> | <b>\$ -</b>                  | <b>\$ -</b>                              | <b>\$ -</b>   |

| <b>New Options</b> | <b>Emergency Food<br/>and Shelter<br/>Program</b> | <b>Foreclosure<br/>Mitigation<br/>Counseling</b> | <b>2010<br/>Emergency<br/>Shelter</b> | <b>Homeless<br/>Prevention &amp;<br/>Rapid<br/>Re-housing<br/>Program</b> |
|--------------------|---|--|---------------------------------------|---|
| \$ 144,881         | \$ 7,667  | \$ 2,400   | \$ 53,065                             | \$ 127,924  |
| 33,863             | -   | -  | 9,969                                 | -   |
| -                  | -   | -  | -                                     | -   |
| -                  | -   | -  | -                                     | -   |
| 7,076              | -   | -  | -                                     | -   |
| 185,820            | 7,667   | 2,400  | 63,034                                | 127,924   |
| 84,709             | -   | 54   | 39,185                                | 44,906  |
| -                  | -   | -  | -                                     | -   |
| 43                 | -   | -  | 24                                    | 28  |
| 19,732             | -   | 19   | 8,327                                 | 11,112  |
| 7,516              | -   | -  | -                                     | -   |
| -                  | -   | -  | -                                     | -   |
| -                  | -   | -  | -                                     | -   |
| 646                | -   | -  | 381                                   | 402   |
| -                  | -   | -  | -                                     | -   |
| -                  | -   | -  | -                                     | -   |
| 8,297              | -   | 4  | 4,538                                 | 4,470   |
| 35,384             | 7,667   | -  | -                                     | 52,957  |
| 245                | -   | -  | 82                                    | 959   |
| 797                | -   | 277  | 569                                   | 638   |
| -                  | -   | -  | -                                     | -   |
| 6,171              | -   | 5  | 2,340                                 | 2,922   |
| 6,546              | -   | 16   | 1,406                                 | 1,989   |
| 8,265              | -   | 5  | 3,381                                 | 4,306   |
| 3,746              | -   | 1  | 1,409                                 | 985   |
| 87                 | -   | -  | 72                                    | 63  |
| 3,502              | -   | 1  | 1,277                                 | 1,640   |
| 134                | -   | 91   | 43                                    | 547   |
| 185,820            | 7,667   | 473  | 63,034                                | 127,924   |
| \$ -               | \$ -  | \$ 1,927   | \$ -                                  | \$ -  |

**LAWRENCE COUNTY SOCIAL SERVICES, INC.**

**STATEMENT OF ACTIVITIES BEFORE CAPITAL ADDITIONS - BY PROGRAM (CONTINUED)**

Year Ended June 30, 2012

See Independent Auditors' Report

|   | Turning Point  | MH/ID<br>Rental<br>Assistance | Northwest<br>Regional<br>Housing<br>Alliance |
|---|----------------|-------------------------------|--|
| <b>Revenues:</b>                                |                |                               |  |
| Grants  | \$ 94,560      | \$ 136,565                    | \$ 61,697                                    |
| Grants released from restrictions               | 333            | -                             | -  |
| In-kind services                                | -              | -                             | -  |
| Interest income                                 | -              | -                             | -  |
| Other income                                    | 7,020          | -                             | 106  |
| <b>Total revenues</b>                           | <b>101,913</b> | <b>136,565</b>                | <b>61,803</b>                                |
| <b>Expenditures:</b>                            |                |                               |  |
| Salaries  | 27,835         | 52,256                        | 7,237  |
| Advertising                                     | -              | -                             | -  |
| Dues and publications                           | 12             | 36                            | -  |
| Employee fringe benefits                        | 6,322          | 11,045                        | 1,463  |
| Equipment and note payments                     | 1,858          | 14,414                        | -  |
| Field trips                                     | -              | -                             | -  |
| Fuel  | -              | -                             | -  |
| In-kind services                                | -              | -                             | -  |
| Insurance                                       | 254            | 450                           | 76   |
| Interest  | -              | -                             | -  |
| Leasehold repairs and maintenance               | -              | -                             | -  |
| Payroll taxes                                   | 2,729          | 5,593                         | 584  |
| Private landlords                               | 50,433         | 37,048                        | 45,273                                       |
| Professional services                           | 245            | 229                           | -  |
| Purchased services                              | 333            | 854                           | 5,000  |
| Real estate taxes                               | -              | -                             | -  |
| Rent  | 1,956          | 2,703                         | 431  |
| Repairs and maintenance                         | 2,249          | 1,602                         | 409  |
| Retirement contribution                         | 2,724          | 4,773                         | 734  |
| Supplies  | 3,375          | 3,299                         | 153  |
| Travel and training                             | 393            | 428                           | 192  |
| Utilities                                       | 1,087          | 1,775                         | 242  |
| Miscellaneous                                   | 108            | 60                            | 9  |
| <b>Total expenditures</b>                       | <b>101,913</b> | <b>136,565</b>                | <b>61,803</b>                                |
| <b>Excess of revenues<br/>over expenditures</b> | <b>\$ -</b>    | <b>\$ -</b>                   | <b>\$ -</b>                                  |

| <b>2008<br/>Community<br/>Development<br/>Block Grant</b> | <b>2009<br/>Community<br/>Development<br/>Block Grant</b> | <b>2010<br/>Community<br/>Development<br/>Block Grant</b> | <b>2011<br/>Community<br/>Development<br/>Block Grant</b> | <b>2009<br/>Homes<br/>Investment<br/>Partnership<br/>Program</b> |
|---|---|---|---|--|
| \$ 68   | \$ 208,277  | \$ 287,072  | \$ 379  | \$ 340,807   |
| -   | -   | -   | -   | -  |
| -   | -   | -   | -   | 240,834  |
| -   | -   | -   | -   | -  |
| -   | -   | 6,840   | -   | -  |
| <b>68</b>   | <b>208,277</b>  | <b>293,912</b>  | <b>379</b>  | <b>581,641</b>   |
| -   | 30,892  | 16,860  | -   | 35,323   |
| -   | 842   | 4,416   | -   | 484  |
| -   | 2,138   | 20  | -   | 18   |
| -   | 5,569   | 3,851   | -   | 10,939   |
| -   | -   | -   | -   | -  |
| -   | -   | -   | -   | -  |
| -   | 1   | 24  | -   | 221  |
| -   | -   | -   | -   | 240,834  |
| -   | 265   | 173   | -   | 461  |
| -   | -   | -   | -   | -  |
| -   | -   | -   | -   | 12,500   |
| 31  | 2,423   | 1,658   | -   | 3,368  |
| -   | -   | -   | -   | -  |
| -   | 1,873   | 3,316   | -   | 1,677  |
| -   | 150,323   | 255,156   | -   | 262,367  |
| -   | -   | -   | -   | -  |
| -   | 1,412   | 742   | -   | 1,492  |
| -   | 2,306   | 1,817   | 379   | 2,706  |
| 37  | 3,089   | 1,702   | -   | 3,565  |
| -   | 2,023   | 1,328   | -   | 1,742  |
| -   | 3,629   | 1,788   | -   | 1,457  |
| -   | 1,004   | 774   | -   | 1,664  |
| -   | 488   | 287   | -   | 823  |
| <b>68</b>   | <b>208,277</b>  | <b>293,912</b>  | <b>379</b>  | <b>581,641</b>   |
| \$ -  | \$ -  | \$ -  | \$ -  | \$ -   |

LAWRENCE COUNTY SOCIAL SERVICES, INC.

STATEMENT OF ACTIVITIES BEFORE CAPITAL ADDITIONS - BY PROGRAM (CONTINUED)

Year Ended June 30, 2012

See Independent Auditors' Report

|   | 2010<br>Homes<br>Investment<br>Partnership<br>Program | Northwest<br>Regional<br>Lead Hazard<br>Control | Northwest<br>Regional<br>Lead Hazard<br>Control 2012 |
|---|---|---|--|
| Revenues:                                       |   |   |  |
| Grants  | \$ 91,299   | \$ 1,423,737                                    | \$ 5,864   |
| Grants released from restrictions               | -   | -   | -  |
| In-kind services                                | -   | 1,900,851                                       | -  |
| Interest income                                 | -   | 6   | -  |
| Other income                                    | -   | -   | -  |
| <b>Total revenues</b>                           | <b>91,299</b>   | <b>3,324,594</b>                                | <b>5,864</b>   |
| Expenditures:                                   |   |   |  |
| Salaries  | 8,880   | 215,363   | 1,803  |
| Advertising                                     | 2,188   | 7,612   | 2,871  |
| Dues and publications                           | 6   | 249   | -  |
| Employee fringe benefits                        | 2,474   | 61,468  | 643  |
| Equipment and note payments                     | -   | -   | -  |
| Field trips                                     | -   | -   | -  |
| Fuel  | 7   | 1,994   | 6  |
| In-kind services                                | -   | 1,900,851                                       | -  |
| Insurance                                       | 106   | 7,279   | 21   |
| Interest  | -   | -   | -  |
| Leasehold repairs and maintenance               | -   | -   | -  |
| Payroll taxes                                   | 841   | 20,971  | 142  |
| Private landlords                               | -   | -   | -  |
| Professional services                           | 492   | 2,138   | -  |
| Purchased services                              | 73,206  | 1,016,700                                       | 1  |
| Real estate taxes                               | -   | -   | -  |
| Rent  | 343   | 7,995   | 58   |
| Repairs and maintenance                         | 138   | 7,034   | 15   |
| Retirement contribution                         | 897   | 22,355  | 181  |
| Supplies  | 240   | 8,235   | 68   |
| Travel and training                             | 1,029   | 29,779  | 9  |
| Utilities                                       | 369   | 9,274   | 46   |
| Miscellaneous                                   | 83  | 5,297   | -  |
| <b>Total expenditures</b>                       | <b>91,299</b>   | <b>3,324,594</b>                                | <b>5,864</b>   |
| <b>Excess of revenues<br/>over expenditures</b> | <b>\$ -</b>   | <b>\$ -</b>                                     | <b>\$ -</b>  |

| Neighborhood Stabilization | Contractual Management | Weatherization Low Income Heating Energy Assistance Program | Weatherization Department of Energy | Weatherization American Recovery & Reinvestment Act |
|----------------------------|------------------------|---|-------------------------------------|---|
| \$ -                       | \$ 14,750              | \$ 273,181  | \$ 27,533                           | \$ 1,294,409  |
| 95,946                     | -                      | -   | -                                   | -   |
| -                          | -                      | -   | 1,000                               | 1,442   |
| 12                         | 9                      | -   | -                                   | -   |
| 104,179                    | 81,916                 | -   | -                                   | -   |
| 200,137                    | 96,675                 | 273,181   | 28,533                              | 1,295,851   |
| 41,600                     | 15,570                 | 64,464  | 9,339                               | 326,944   |
| 309                        | 82                     | 423   | 139                                 | 1,355   |
| 59                         | 1,892                  | 59  | 7                                   | 1,384   |
| 13,487                     | 4,799                  | 20,701  | 3,314                               | 103,980   |
| -                          | -                      | -   | -                                   | -   |
| -                          | -                      | -   | -                                   | -   |
| 2,288                      | 1,948                  | 1,700   | 950                                 | 8,769   |
| -                          | -                      | -   | 1,000                               | 1,442   |
| 2,465                      | 750                    | 1,947   | 587                                 | 5,382   |
| -                          | 10,750                 | -   | -                                   | -   |
| 103,837                    | -                      | -   | -                                   | -   |
| 5,235                      | 1,592                  | 7,736   | 1,181                               | 31,434  |
| -                          | 450                    | -   | -                                   | -   |
| 6,159                      | 24                     | 2,930   | 1,105                               | 2,530   |
| 1,248                      | 19,484                 | 65,109  | 305                                 | 12,548  |
| 6,461                      | -                      | -   | -                                   | -   |
| 854                        | 527                    | 12,182  | 3,784                               | 16,849  |
| 1,501                      | 1,897                  | 1,071   | 801                                 | 20,899  |
| 4,183                      | 1,573                  | 6,534   | 867                                 | 32,027  |
| 2,685                      | 13,686                 | 82,886  | 351                                 | 689,881   |
| 319                        | 7,447                  | 735   | 4,166                               | 22,286  |
| 7,276                      | 683                    | 4,502   | 627                                 | 16,811  |
| 171                        | 1,802                  | 202   | 10                                  | 1,330   |
| 200,137                    | 84,956                 | 273,181   | 28,533                              | 1,295,851   |
| \$ -                       | \$ 11,719              | \$ -  | \$ -                                | \$ -  |

**LAWRENCE COUNTY SOCIAL SERVICES, INC.**

**STATEMENT OF ACTIVITIES BEFORE CAPITAL ADDITIONS - BY PROGRAM (CONTINUED)**

Year Ended June 30, 2012

See Independent Auditors' Report

|   | Head Start       | Head<br>Start State<br>Supplemental<br>Assistance | Head Start<br>Body Start |
|---|------------------|---|--------------------------|
| <b>Revenues:</b>                                |                  |   |                          |
| Grants  | \$ 3,342,555     | \$ 637,307  | \$ 4,821                 |
| Grants released from restrictions               | -                | -   | -                        |
| In-kind services                                | 257,234          | -   | -                        |
| Interest income                                 | 10               | -   | -                        |
| Other income                                    | 8,430            | -   | -                        |
| <b>Total revenues</b>                           | <b>3,608,229</b> | <b>637,307</b>                                    | <b>4,821</b>             |
| <b>Expenditures:</b>                            |                  |   |                          |
| Salaries  | 1,527,215        | 330,916   | -                        |
| Advertising                                     | 2,012            | 363   | -                        |
| Dues and publications                           | 2,474            | 657   | -                        |
| Employee fringe benefits                        | 255,873          | 58,253  | -                        |
| Equipment and note payments                     | 5,665            | -   | -                        |
| Field trips                                     | 127              | 30  | -                        |
| Fuel  | 41,101           | 10,030  | -                        |
| In-kind services                                | 257,234          | -   | -                        |
| Insurance                                       | 56,414           | 9,388   | -                        |
| Interest  | 2,122            | 1,559   | -                        |
| Leasehold repairs and maintenance               | -                | -   | -                        |
| Payroll taxes                                   | 193,572          | 43,063  | -                        |
| Private landlords                               | -                | -   | -                        |
| Professional services                           | 17,004           | 4,076   | -                        |
| Purchased services                              | 69,232           | 9,305   | -                        |
| Real estate taxes                               | -                | -   | -                        |
| Rent  | 235,797          | 33,766  | -                        |
| Repairs and maintenance                         | 205,576          | 39,142  | -                        |
| Retirement contribution                         | 140,579          | 30,315  | -                        |
| Supplies  | 406,409          | 36,782  | 4,821                    |
| Travel and training                             | 27,213           | 7,439   | -                        |
| Utilities                                       | 157,590          | 21,143  | -                        |
| Miscellaneous                                   | 5,020            | 1,080   | -                        |
| <b>Total expenditures</b>                       | <b>3,608,229</b> | <b>637,307</b>                                    | <b>4,821</b>             |
| <b>Excess of revenues<br/>over expenditures</b> | <b>\$ -</b>      | <b>\$ -</b>                                       | <b>\$ -</b>              |



| Head Start<br>PBS |       | Pre-K<br>Counts |         | Miscellaneous<br>Grants |        | Totals |            |
|-------------------|-------|-----------------|---------|-------------------------|--------|--------|------------|
| \$                | 6,836 | \$              | 622,999 | \$                      | 14,839 | \$     | 12,430,482 |
|                   | -     |                 | -       |                         | 1,163  |        | 150,683    |
|                   | -     |                 | 14,983  |                         | -      |        | 2,522,846  |
|                   | -     |                 | -       |                         | -      |        | 257        |
|                   | -     |                 | -       |                         | 239    |        | 235,938    |
| <hr/>             |       | <hr/>           |         | <hr/>                   |        | <hr/>  |            |
|                   | 6,836 |                 | 637,982 |                         | 16,241 |        | 15,340,206 |
| <hr/>             |       | <hr/>           |         | <hr/>                   |        | <hr/>  |            |
|                   | 3,836 |                 | 333,701 |                         | 1,387  |        | 4,576,038  |
|                   | -     |                 | 339     |                         | 475    |        | 33,892     |
|                   | -     |                 | 115     |                         | -      |        | 17,124     |
|                   | 907   |                 | 86,528  |                         | 565    |        | 896,432    |
|                   | -     |                 | -       |                         | -      |        | 41,515     |
|                   | -     |                 | -       |                         | -      |        | 454        |
|                   | -     |                 | 251     |                         | 1      |        | 69,617     |
|                   | -     |                 | 14,983  |                         | -      |        | 2,522,846  |
|                   | -     |                 | 4,065   |                         | 2      |        | 100,690    |
|                   | -     |                 | 124     |                         | -      |        | 14,555     |
|                   | -     |                 | -       |                         | -      |        | 116,337    |
|                   | 698   |                 | 37,656  |                         | 243    |        | 501,243    |
|                   | -     |                 | -       |                         | -      |        | 315,504    |
|                   | -     |                 | 3,267   |                         | 1      |        | 68,982     |
|                   | 1,006 |                 | 9,140   |                         | 5,472  |        | 2,992,234  |
|                   | -     |                 | -       |                         | -      |        | 6,461      |
|                   | -     |                 | 13,015  |                         | 5      |        | 410,972    |
|                   | -     |                 | 8,140   |                         | 4      |        | 345,667    |
|                   | 389   |                 | 31,806  |                         | 140    |        | 382,632    |
|                   | -     |                 | 75,652  |                         | 5,812  |        | 1,422,890  |
|                   | -     |                 | 6,747   |                         | 614    |        | 154,435    |
|                   | -     |                 | 11,727  |                         | 3      |        | 276,370    |
|                   | -     |                 | 726     |                         | 1      |        | 28,416     |
| <hr/>             |       | <hr/>           |         | <hr/>                   |        | <hr/>  |            |
|                   | 6,836 |                 | 637,982 |                         | 14,725 |        | 15,295,306 |
| <hr/>             |       | <hr/>           |         | <hr/>                   |        | <hr/>  |            |
| \$                | -     | \$              | -       | \$                      | 1,516  | \$     | 44,900     |

**LAWRENCE COUNTY SOCIAL SERVICES, INC.**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

Year Ended June 30, 2013

See Independent Auditors' Report

| <b>Federal Grantor /<br/>Pass-Through Grantor<br/>Program Title</b>           | <b>Federal<br/>CFDA<br/>Number</b> |
|---|------------------------------------|
| <b><u>U.S. Department of Health and Human Services</u></b>                    |                                    |
| Medical Assistance Program:   |                                    |
| Passed through County of Lawrence, Pennsylvania:                              |                                    |
| Medical Assistance Program  | 93.778                             |
| Medical Assistance Program  | 93.778                             |
| <b>Total Medical Assistance Program</b>                                       |                                    |
| Temporary Assistance for Needy Families:                                      |                                    |
| Passed through West Central Job Partnership:                                  |                                    |
| Temporary Assistance for Needy Families                                       | 93.558                             |
| Temporary Assistance for Needy Families                                       | 93.558                             |
| Passed through Pennsylvania Department of Public Welfare:                     |                                    |
| Temporary Assistance for Needy Families                                       | 93.558                             |
| Temporary Assistance for Needy Families                                       | 93.558                             |
| <b>Total Temporary Assistance for Needy Families</b>                          |                                    |
| Community Services Block Grant:   |                                    |
| Passed through Pennsylvania Department of Community and Economic Development: |                                    |
| Community Services Block Grant - Workforce                                    | 93.569                             |
| Community Services Block Grant - Diversity Initiative                         | 93.569                             |
| Community Services Block Grant  | 93.569                             |
| <b>Total Community Services Block Grant</b>                                   |                                    |
| Assets for Independence Demonstration Program:                                |                                    |
| Passed through Pennsylvania Department of Community and Economic Development: |                                    |
| Assets for Independence Demonstration Program                                 | 93.602                             |
| <b>Total Assets for Independence Demonstration Program</b>                    |                                    |

See Note to Schedule of Expenditures of Federal Awards.

| <b>Contract<br/>Pass-Through<br/>Grantors<br/>Number</b> | <b>Receipts</b>     | <b>Expenditures</b>  | <b>Grant Balance<br/>June 30, 2013</b> |
|--|---------------------|----------------------|--|
| R-2012-102   | \$ 417,986<br>4,883 | \$ 446,184<br>19,641 | \$ -<br>-                              |
|  | <u>422,869</u>      | <u>465,825</u>       | <u>-</u>                               |
| 4340-C101  | 13,707              | -                    | -                                      |
| 4340-C201  | 34,237              | 40,000               | 5,763                                  |
| 4100057909   | 121,591             | 63,389               | -                                      |
| 4100064843   | 101,034             | 165,527              | 94,096                                 |
|  | <u>270,569</u>      | <u>268,916</u>       | <u>99,859</u>                          |
| C000052920   | 10,741              | 32,931               | 39,259                                 |
| C000051661   | 34,409              | 19,158               | -                                      |
| C000052447   | 254,672             | 270,697              | 276,822                                |
|  | <u>299,822</u>      | <u>322,786</u>       | <u>316,081</u>                         |
| C000026726   | -                   | 2,519                | -                                      |
|  | <u>-</u>            | <u>2,519</u>         | <u>-</u>                               |

LAWRENCE COUNTY SOCIAL SERVICES, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)

Year Ended June 30, 2013

See Independent Auditors' Report

| Federal Grantor /<br>Pass-Through Grantor<br>Program Title                        | Federal<br>CFDA<br>Number |
|---|---------------------------|
| Child Care and Development Block Grant:   |                           |
| Passed through Pennsylvania Department of Public Welfare                          |                           |
| Passed through Northwest Institute of Research:                                   |                           |
| Child Care and Development Block Grant  | 93.575                    |
| <b>Total Child Care and Development Block Grant</b>                               |                           |
| Head Start:   |                           |
| Head Start  | 93.600                    |
| Head Start  | 93.600                    |
| Head Start - Body Start   | 93.600                    |
| <b>Total Head Start</b>   |                           |
| Weatherization:   |                           |
| Passed through Pennsylvania Department of Community and<br>Economic Development : |                           |
| Low Income Home Energy Assistance Program   | 93.568                    |
| <b>Total Weatherization Program</b>   |                           |
| <b>Total U.S. Department of Health and Human Services</b>                         |                           |
| <b><u>U.S. Department of Homeland Security</u></b>                                |                           |
| Emergency Food and Shelter National Board Program                                 | 97.024                    |
| <b>Total U.S. Department of Homeland Security</b>                                 |                           |
| <b><u>U.S. Department of Agriculture</u></b>                                      |                           |
| Child and Adult Care Food Program:  |                           |
| Passed through Pennsylvania Department of Education:                              |                           |
| Child and Adult Care Food Program   | 10.558                    |
| <b>Total Child and Adult Care Food Program</b>                                    |                           |

See Note to Schedule of Expenditures of Federal Awards.

| <b>Pass-Through<br/>Grantors<br/>Number</b> | <b>Receipts</b> | <b>Expenditures</b> | <b>Grant Balance<br/>June 30, 2013</b> |
|---|-----------------|---------------------|--|
| N/A   | \$ 908          | \$ 908              | \$ -                                   |
|   | 908             | 908                 | -                                      |
| 03CH3326-11                                 | 2,505,308       | 2,356,702           | -                                      |
| 03CH3326-12                                 | 152,918         | 367,501             | 2,413,438                              |
| D204  | -               | -                   | -                                      |
|   | 2,658,226       | 2,724,203           | 2,413,438                              |
| C000050577                                  | 508,153         | 718,544             | 418,027                                |
|   | 508,153         | 718,544             | 418,027                                |
|   | 4,160,547       | 4,503,701           | 3,247,405                              |
| 7272-00                                     | 10,000          | 10,000              | -                                      |
|   | 10,000          | 10,000              | -                                      |
| 300-37-000-6                                | 201,385         | 226,715             | N/A                                    |
|   | 201,385         | 226,715             | -                                      |

**LAWRENCE COUNTY SOCIAL SERVICES, INC.**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)**

Year Ended June 30, 2013

See Independent Auditors' Report

| Federal Grantor /<br>Pass-Through Grantor<br>Program Title                   | Federal<br>CFDA<br>Number |
|--|---------------------------|
| Summer Food Service Program for Children                                     | 10.559                    |
| <b>Total Summer Food Service Program for Children</b>                        |                           |
| <b>Total U.S. Department of Agriculture</b>                                  |                           |
| <b><u>U.S. Department of Housing and Urban Development</u></b>               |                           |
| Community Development Block Grant:   |                           |
| Passed through Pennsylvania Department of Community and Economic Development |                           |
| Passed through County of Lawrence, Pennsylvania:                             |                           |
| Community Development Block Grant 2010                                       | 14.228                    |
| Community Development Block Grant 2011                                       | 14.228                    |
| <b>Total Community Development Block Grant</b>                               |                           |
| Neighborhood Stabilization Program   | 14.228                    |
| <b>Total Neighborhood Stabilization Program</b>                              |                           |
| Northwest Regional Lead Hazard Control Grant:                                |                           |
| Passed through County of Lawrence, Pennsylvania:                             |                           |
| PA Regional Lead Hazard Control  | 14.900                    |
| PA Regional Lead Hazard Control - 2012                                       | 14.900                    |
| <b>Total Northwest Regional Lead Hazard Control Grant</b>                    |                           |
| Emergency Shelter:   |                           |
| Passed through County of Lawrence, Pennsylvania:                             |                           |
| Emergency Shelter  | 14.231                    |
| <b>Total Emergency Shelter</b>   |                           |

See Note to Schedule of Expenditures of Federal Awards.

| <b>Pass-Through<br/>Grantors<br/>Number</b> | <b>Receipts</b> | <b>Expenditures</b> | <b>Grant Balance<br/>June 30, 2013</b> |
|---|-----------------|---------------------|--|
| 314-37-037-8                                | \$ 54,433       | \$ 45,446           | \$ N/A                                 |
|   | 54,433          | 45,446              | -                                      |
|   | 255,818         | 272,161             | -                                      |
| C000050002                                  | 153,717         | 133,667             | 31,858                                 |
| C000052213                                  | 159,332         | 195,684             | 112,823                                |
|   | 313,049         | 329,351             | 144,681                                |
| C000045729                                  | 137,185         | 84,653              | -                                      |
|   | 137,185         | 84,653              | -                                      |
| PALHB0453-09                                | 992,099         | 769,782             | -                                      |
| PALHB0522-12                                | 325,766         | 372,088             | 2,154,234                              |
|   | 1,317,865       | 1,141,870           | 2,154,234                              |
| C000049488                                  | 16,624          | 13,991              | -                                      |
|   | 16,624          | 13,991              | -                                      |

**LAWRENCE COUNTY SOCIAL SERVICES, INC.**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)**

Year Ended June 30, 2013

See Independent Auditors' Report

| Federal Grantor /<br>Pass-Through Grantor<br>Program Title        | Federal<br>CFDA<br>Number |
|---|---------------------------|
| Emergency Solutions:  |                           |
| Passed through County of Lawrence, Pennsylvania:                  |                           |
| Emergency Solutions Grant Program                                 | 14.231                    |
| Emergency Solutions Grant Program                                 | 14.231                    |
| <b>Total Emergency Solutions</b>                                  |                           |
| Home Investment Partnership Program:                              |                           |
| Passed through County of Lawrence, Pennsylvania:                  |                           |
| Home Investment Partnership Program                               | 14.239                    |
| Home Investment Partnership Program                               | 14.239                    |
| Passed through City of Farrell, Pennsylvania:                     |                           |
| Home Investment Partnership Program                               | 14.239                    |
| <b>Total Home Investment Partnership Program</b>                  |                           |
| Housing Counseling Assistance Program                             | 14.169                    |
| <b>Total Housing Counseling Assistance Program</b>                |                           |
| Supportive Housing Program:                                       |                           |
| Supportive Housing Program - SAFE                                 | 14.235                    |
| Supportive Housing Program - SAFE                                 | 14.235                    |
| Supportive Housing Program - TEAM                                 | 14.235                    |
| Supportive Housing Program - TEAM                                 | 14.235                    |
| Supportive Housing Program - New Options                          | 14.235                    |
| Supportive Housing Program - New Options                          | 14.235                    |
| Supportive Housing Program - Turning Point                        | 14.235                    |
| Supportive Housing Program - Turning Point                        | 14.235                    |
| Supportive Housing Program - NWR Housing Alliance                 | 14.235                    |
| Supportive Housing Program - NWR Housing Alliance                 | 14.235                    |
| Supportive Housing Program - NWR Housing Alliance Expansion Grant | 14.235                    |
| <b>Total Supportive Housing Program</b>                           |                           |

See Note to Schedule of Expenditures of Federal Awards.



| <b>Pass-Through<br/>Grantors<br/>Number</b> | <b>Receipts</b> | <b>Expenditures</b> | <b>Grant Balance<br/>June 30, 2013</b> |
|---|-----------------|---------------------|--|
| C000052869                                  | \$ -            | \$ 42,509           | \$ 340,000                             |
| C000053465                                  | -               | 20,383              | 213,776                                |
|   | -               | 62,892              | 553,776                                |
| C000048948                                  | 81,894          | 73,466              | -                                      |
| C000051581                                  | 204,598         | 191,914             | 242,300                                |
| C000052497                                  | 5,501           | 9,120               | 294,499                                |
|   | 291,993         | 274,500             | 536,799                                |
| HC100321170                                 | -               | 9,316               | 7,713                                  |
|   | -               | 9,316               | 7,713                                  |
| PA0314B3E021104                             | 31,604          | 37,237              | 10,989                                 |
| PA0314B3E021003                             | 10,918          | 8,720               | -                                      |
| PA0314B3E021002                             | 62,475          | 76,650              | 14,175                                 |
| PA0497B3E021001                             | 13,562          | -                   | -                                      |
| PA0498B3E021102                             | 84,951          | 98,851              | 42,485                                 |
| PA0498B3E021001                             | 37,049          | 32,747              | -                                      |
| PA0425B3E021103                             | 58,006          | 71,685              | 30,922                                 |
| PA0425B3E021002                             | 16,720          | 21,774              | -                                      |
| PA0304B3E020801                             | 15,313          | 17,340              | -                                      |
| PA0304B3E021101                             | 45,206          | 47,674              | 25,610                                 |
| PA0304B3E021100                             | 15,809          | 22,597              | 186,734                                |
|   | 391,613         | 435,275             | 310,915                                |

**LAWRENCE COUNTY SOCIAL SERVICES, INC.**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)**

Year Ended June 30, 2013

See Independent Auditors' Report

| Federal Grantor /<br>Pass-Through Grantor<br>Program Title  | Federal<br>CFDA<br>Number |
|---|---------------------------|
| Passed through County of Lawrence, Pennsylvania<br>Homelessness Prevention and Rapid Re-Housing Program - ARRA                              | 14.257                    |
| <b>Total Homelessness Prevention and Rapid Re-Housing Program</b>   |                           |
| <b>Total U.S. Department of Housing and<br/>Urban Development</b>   |                           |
| <b><u>U.S. Department of Education</u></b>  |                           |
| Carolyn M. White Physical Education Program   | 84.215                    |
| Passed through Pennsylvania Department of Public Welfare<br>Passed through Northwest Institute of Research:<br>PDO Training                 | 84.010                    |
| <b>Total U.S. Department of Education</b>   |                           |
| <b><u>U.S. Department of Energy</u></b>   |                           |
| Passed through Pennsylvania Department of Community and<br>Economic Development:<br>Weatherization Assistance for Low Income Persons - ARRA | 81.042                    |
| Weatherization Assistance for Low Income Persons  | 81.042                    |
| <b>Total U.S. Department of Energy</b>  |                           |
| <b><u>U.S. Department of Labor</u></b>  |                           |
| Passed through Senior Service America:<br>Senior Community Service Employment Program - 2012  | 17.235                    |
| Passed through West Central Job Partnership:<br>WIA Youth Activities  | 17.259                    |
| WIA Youth Activities  | 17.259                    |
| <b>Total U.S. Department of Labor</b>   |                           |
| <b><u>U.S. Department of Transportation</u></b>   |                           |
| Gen Y Workforce Connection  | 20.514                    |
| <b>Total U.S. Department of Transportation</b>  |                           |
| <b>Total awards</b>   |                           |

See Note to Schedule of Expenditures of Federal Awards.

| <b>Pass-Through<br/>Grantors<br/>Number</b> | <b>Receipts</b>     | <b>Expenditures</b> | <b>Grant Balance<br/>June 30, 2013</b> |
|---|---------------------|---------------------|--|
| S09DY420001                                 | \$ 48,015           | \$ 34,929           | \$ -                                   |
|   | <u>48,015</u>       | <u>34,929</u>       | <u>-</u>                               |
|   | <u>2,516,344</u>    | <u>2,386,777</u>    | <u>3,708,118</u>                       |
| Q215F120265                                 | 93,874              | 104,154             | 78,193                                 |
| N/A   | <u>3,600</u>        | <u>3,600</u>        | <u>-</u>                               |
|   | <u>97,474</u>       | <u>107,754</u>      | <u>78,193</u>                          |
| C000046232                                  | 172,591             | 92,759              | -                                      |
| C000050577                                  | <u>83,529</u>       | <u>97,433</u>       | <u>92,672</u>                          |
|   | <u>256,120</u>      | <u>190,192</u>      | <u>92,672</u>                          |
| 296   | 553,075             | 544,084             | 21,870                                 |
| 4340-E101                                   | 41,954              | -                   | -                                      |
| 4340-E201                                   | <u>129,879</u>      | <u>150,000</u>      | <u>20,121</u>                          |
|   | <u>724,908</u>      | <u>694,084</u>      | <u>41,991</u>                          |
| PA-26-7267-00                               | <u>-</u>            | <u>26,856</u>       | <u>187,850</u>                         |
|   | <u>-</u>            | <u>26,856</u>       | <u>187,850</u>                         |
|   | <u>\$ 8,021,211</u> | <u>\$ 8,191,525</u> | <u>\$ 7,356,229</u>                    |

**LAWRENCE COUNTY SOCIAL SERVICES, INC.**

**NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**Year Ended June 30, 2013**

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**Note 1. Basis of Presentation**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Lawrence County Social Services, Inc. and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**INDEPENDENT AUDITORS' 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  
Lawrence County Social Services, Inc.  
New Castle, Pennsylvania

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 Lawrence County Social Services, Inc. (LCSS, Inc.) which comprise the statement of financial position as of June 30, 2013, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 14, 2014.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered LCSS, 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 LCSS, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of LCSS, 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 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 and, therefore, material weaknesses or significant deficiencies may exist that were not identified. 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 LCSS, 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 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Carbis Walker LLP*  
Certified Public Accountants

New Castle, Pennsylvania  
February 14, 2014

## **INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE**

Board of Directors  
Lawrence County Social Services, Inc.  
New Castle, Pennsylvania

### **Report on Compliance for Each Major Federal Program**

We have audited Lawrence County Social Services, Inc.'s (LCSS, Inc.) compliance with the types of compliance requirements described in the Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that could have a direct and material effect on each of LCSS, Inc.'s major federal programs for the year ended June 30, 2013. LCSS, Inc.'s major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

### **Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for LCSS, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about LCSS, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of LCSS, Inc.'s compliance.

### **Opinion on Each Major Federal Program**

In our opinion, Lawrence County Social Services, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

## Report on Internal Control Over Compliance

Management of LCSS, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered LCSS, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of LCSS, Inc.'s internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance 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 compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

  
Certified Public Accountants

New Castle, Pennsylvania  
February 14, 2014



**LAWRENCE COUNTY SOCIAL SERVICES, INC.**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2013**

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I. Summary of Independent Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?  Yes  No  
 Significant deficiency(ies) identified that are not considered to be material weakness(es)?  Yes  None Reported

Noncompliance material to financial statements noted?  Yes  No

Federal Awards

Internal control over major programs:

Material weakness(es) identified?  Yes  No  
 Significant deficiency(ies) identified that are not considered to be material weakness(es)?  Yes  None Reported

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133?  Yes  No

Identification of major programs:

| <u>CFDA Numbers</u> | <u>Name of Federal Program or Cluster</u>                  |
|---------------------|--|
| 14.228              | Community Development Block Grants                         |
| 14.900              | Lead-Based Paint Hazard Control in Privately-Owned Housing |
| 17.259              | WIA Youth Activities                                       |
| 81.042              | Weatherization Assistance for Low-Income Persons – ARRA    |
| 93.569              | Community Services Block Grant                             |
| 93.778              | Medical Assistance Program                                 |

Dollar threshold used to distinguish between type A and type B programs \$ 300,000

Auditee qualified as low-risk auditee?  Yes  No

**LAWRENCE COUNTY SOCIAL SERVICES, INC.**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**

**Year Ended June 30, 2013**

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II. Findings Relating to the Financial Statement Audit as Required to be Reported in Accordance with Generally Accepted Government Auditing Standards

A. Significant Deficiencies in Internal Control

None reported.

B. Compliance Findings

None reported.

III. Findings and Questioned Costs for Federal Awards

None reported.

**LAWRENCE COUNTY SOCIAL SERVICES, INC.**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**Year Ended June 30, 2013**

---

Audit Findings: None

**INDEPENDENT AUDITORS' REPORT  
ON THE SCHEDULE OF DEPARTMENT OF PUBLIC WELFARE  
FINANCIAL ASSISTANCE**

Board of Directors  
Lawrence County Social Services, Inc.  
New Castle, Pennsylvania

The accompanying Schedule of Department of Public Welfare Financial Assistance is presented for the purpose of additional analysis and is 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 audits 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.

*Carbis Walker LLP*  
Certified Public Accountants

New Castle, Pennsylvania  
February 14, 2014

**LAWRENCE COUNTY SOCIAL SERVICES, INC.**

**SCHEDULE OF DEPARTMENT OF PUBLIC WELFARE  
FINANCIAL ASSISTANCE**

**Year Ended June 30, 2013**

**See Independent Auditors' Report on the  
Schedule of Department of Public Welfare  
Financial Assistance**

| <b>Program</b>                            | <b>Combined<br/>Federal/State<br/>Expenditures<br/>Year Ended<br/>June 30, 2013</b> |
|---|---|
| Medical Assistance Transportation Program | \$ 937,261  |
| Human Services Development Fund           | 114,423   |
| Combined Homeless Assistance Program      | 120,502   |
| Community Engagement                      | 1,891   |
| Professional Development Trainings        | <u>3,600</u>  |
| <b>Total</b>                              | <b><u><u>\$ 1,177,677</u></u></b>   |

\* Denotes major Department of Public Welfare program. The amount expended under the major Department of Public Welfare program for the year ended June 30, 2013, totaled \$ 937,261 or 79.6% of total Department of Public Welfare financial assistance.

## INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Board of Directors  
 Lawrence County Social Services, Inc.  
 New Castle, Pennsylvania

We have performed the procedures, enumerated below, which were agreed to by the Commonwealth of Pennsylvania, Department of Public Welfare (DPW), and Lawrence County Social Services, Inc. solely to assist you with respect to the financial schedules and exhibits required by the DPW's Single Audit Supplement. This engagement to apply agreed-upon procedures was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the DPW. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

- a. We have verified by comparison of the amounts and classifications that the supplemental financial schedules listed below, which summarize amounts reported to the DPW for the fiscal year ended June 30, 2013, have been accurately compiled and reflect the audited books and records of Lawrence County Social Services, Inc. We have also verified by comparison to the example schedules that these schedules are presented, at a minimum, at the level of detail and in the format required by the DPW's Single Audit Supplement pertaining to this period.

| Program Name                              | Exhibit Number | Referenced Schedule/Exhibit |
|---|----------------|-----------------------------|
| Medical Assistance Transportation Program | III            | Revenues and Expenditures   |
| Human Services Development Fund           | N/A            | Revenues and Expenditures   |
| Combined Homeless Assistance Program      | N/A            | Revenues and Expenditures   |
| Community Engagement                      | N/A            | Expenditures                |
| Professional Development Trainings        | N/A            | Revenues and Expenditures   |

- b. We have inquired of management regarding adjustments to reported revenues or expenditures which were not reflected on the reports submitted to DPW for the period in question.
- c. The procedures detailed in paragraphs (a) and (b) above did not disclose any adjustments and/or findings which have not been reflected on the corresponding schedules.

We were not engaged to and did not conduct an audit, the objective of which would be the expression of an opinion on the accompanying referenced schedules/exhibits. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Department of Public Welfare and should not be used by those who have not agreed to the procedures, and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.

*Carbis Walker LLP*  
Certified Public Accountants

New Castle, Pennsylvania  
February 14, 2014

LAWRENCE COUNTY SOCIAL SERVICES, INC.  
 MEDICAL ASSISTANCE TRANSPORTATION PROGRAM

EXHIBIT III

SCHEDULE OF REVENUES AND EXPENDITURES

Year Ended June 30, 2013

See Independent Accountants' Report  
 on Applying Agreed-Upon Procedures

|   | Reported          | Actual            |
|---|-------------------|-------------------|
| A. Service Data:                            |                   |                   |
| Expenditures                                |                   |                   |
| Group I clients                             | \$ 871,576        | \$ 871,676        |
| Group II clients                            | 65,904            | 65,904            |
|   | <hr/>             | <hr/>             |
| <b>Total expenditures</b>                   | <b>\$ 937,480</b> | <b>\$ 937,580</b> |
|   | <hr/> <hr/>       | <hr/> <hr/>       |
| B. Allocation Data:                         |                   |                   |
| 1. Revenues                                 |                   |                   |
| Department of Public Welfare                | \$ 937,261        | \$ 937,361        |
| Interest income                             | 219               | 219               |
|   | <hr/>             | <hr/>             |
| <b>Total revenues</b>                       | <b>937,480</b>    | <b>937,580</b>    |
|   | <hr/>             | <hr/>             |
| 2. Funds Expended                           |                   |                   |
| Transportation costs                        | 569,474           | 569,574           |
| Administration costs                        | 368,006           | 368,006           |
|   | <hr/>             | <hr/>             |
| <b>Total expenses</b>                       | <b>937,480</b>    | <b>937,580</b>    |
|   | <hr/>             | <hr/>             |
| <b>Excess of revenues over expenditures</b> | <b>\$ -</b>       | <b>\$ -</b>       |
|   | <hr/> <hr/>       | <hr/> <hr/>       |



**LAWRENCE COUNTY SOCIAL SERVICES, INC.  
HUMAN SERVICES DEVELOPMENT FUND**

**SCHEDULE OF REVENUES AND EXPENDITURES**

**Year Ended June 30, 2013**

**See Independent Accountants' Report  
on Applying Agreed-Upon Procedures**

|                                    | <b>Administration</b> | <b>Adult Services</b> |
|------------------------------------|-----------------------|-----------------------|
| <b>I. TOTAL ALLOCATION</b>         |                       |                       |
| <b>II. TOTAL EXPENDITURES</b>      |                       |                       |
| A. Personnel                       | \$ 5,646              | \$ 592                |
| B. Operating                       | 1,287                 | 145                   |
| C. Purchased Services              | 121                   | 8,800                 |
| Subtotal of Total Expenditures     | <u>7,054</u>          | <u>9,537</u>          |
| <b>III. REVENUES</b>               |                       |                       |
| A. Client Fares                    | -                     | -                     |
| B. Other                           | -                     | -                     |
| Subtotal Revenues                  | <u>-</u>              | <u>-</u>              |
| <b>IV. DPW REIMBURSEMENT</b>       |                       |                       |
| A. Human Services Development Fund | <u>7,054</u>          | <u>9,537</u>          |
| Subtotal DPW Reimbursement         | <u>7,054</u>          | <u>9,537</u>          |
| <b>V. UNSPENT ALLOCATION</b>       | <u>\$ -</u>           | <u>\$ -</u>           |

| Aging | Children and Youth | Generic Services | Interagency Coordination | Specialized Services | Total     |
|-------|--------------------|------------------|--------------------------|----------------------|-----------|
|       |                    |                  |                          |                      | \$ 99,809 |
| \$ -  | \$ -               | \$ 7,391         | \$ 19,493                | \$ 18,602            | \$ 51,724 |
| -     | -                  | 1,809            | 1,371                    | 4,607                | 9,219     |
| -     | -                  | 29,462           | 142                      | 341                  | 38,866    |
| -     | -                  | 38,662           | 21,006                   | 23,550               | 99,809    |
| -     | -                  | -                | -                        | -                    | -         |
| -     | -                  | -                | -                        | -                    | -         |
| -     | -                  | -                | -                        | -                    | -         |
| -     | -                  | 38,662           | 21,006                   | 23,550               | 99,809    |
| -     | -                  | 38,662           | 21,006                   | 23,550               | 99,809    |
| \$ -  | \$ -               | \$ -             | \$ -                     | \$ -                 | \$ -      |

**LAWRENCE COUNTY SOCIAL SERVICES, INC.  
COMBINED HOMELESS ASSISTANCE PROGRAM**

**SCHEDULE OF REVENUES AND EXPENDITURES**

Year Ended June 30, 2013

See Independent Accountants' Report  
on Applying Agreed-Upon Procedures

|                                | Administration | Bridge<br>Housing | Case<br>Management |
|--------------------------------|----------------|-------------------|--------------------|
| I. TOTAL ALLOCATION            |                |                   |                    |
| II. TOTAL EXPENDITURES         |                |                   |                    |
| A. Personnel                   | \$ 8,178       | \$ -              | \$ 66,802          |
| B. Operating                   | 2,582          | -                 | 18,774             |
| C. Purchased Services          | 1,291          | -                 | 1,370              |
| Subtotal of Total Expenditures | 12,051         | -                 | 86,946             |
| III. REVENUES                  |                |                   |                    |
| A. Client Fares                | -              | -                 | -                  |
| B. Other                       | -              | -                 | 14,614             |
| Subtotal Revenues              | -              | -                 | 14,614             |
| IV. DPW REIMBURSEMENT          |                |                   |                    |
| A. State HAP Funding           | 12,051         | -                 | 72,332             |
| B. SSBG                        | -              | -                 | -                  |
| C. SABG                        | -              | -                 | -                  |
| Subtotal DPW Reimbursement     | 12,051         | -                 | 72,332             |
| V. UNSPENT ALLOCATION          | \$ -           | \$ -              | \$ -               |

| Rental Assistance | Emergency Shelter | Other Housing Services | Total      |
|-------------------|-------------------|------------------------|------------|
|                   |                   |                        | \$ 120,502 |
| \$ -              | \$ -              | \$ -                   | \$ 74,980  |
| -                 | -                 | -                      | 21,356     |
| 36,119            | -                 | -                      | 38,780     |
| 36,119            | -                 | -                      | 135,116    |
| -                 | -                 | -                      | -          |
| -                 | -                 | -                      | 14,614     |
| -                 | -                 | -                      | 14,614     |
| 36,119            | -                 | -                      | 120,502    |
| -                 | -                 | -                      | -          |
| -                 | -                 | -                      | -          |
| 36,119            | -                 | -                      | 120,502    |
| \$ -              | \$ -              | \$ -                   | \$ -       |

**LAWRENCE COUNTY SOCIAL SERVICES, INC.  
COMMUNITY ENGAGEMENT**

**SCHEDULE OF EXPENDITURES**

**Year Ended June 30, 2013**

**See Independent Accountants' Report  
on Applying Agreed-Upon Procedures**

|                | <b>Budget</b>          | <b>Actual</b>          |
|----------------|------------------------|------------------------|
| Personnel:     |                        |                        |
| Salaries/wages | \$ 1,265               | \$ 1,265               |
| Benefits       | 626                    | 626                    |
|                | <u>1,891</u>           | <u>1,891</u>           |
| <b>Totals</b>  | <u><u>\$ 1,891</u></u> | <u><u>\$ 1,891</u></u> |

**LAWRENCE COUNTY SOCIAL SERVICES, INC.  
PROFESSIONAL DEVELOPMENT TRAININGS**

**SCHEDULE OF REVENUES AND EXPENDITURES**

**Year Ended June 30, 2013**

**See Independent Accountants' Report  
on Applying Agreed-Upon Procedures**

**July 1, 2012, to June 30, 2013**

**Actual**

|   |                        |
|---|------------------------|
| Source of funding:                      |                        |
| DWP allocation - Northwest Regional Key | \$ 3,600               |
| Program income                          | <u>2,695</u>           |
| <b>Total funding</b>                    | <b><u>\$ 6,295</u></b> |
| Expenses:                               |                        |
| Salaries and benefits                   | \$ 5,886               |
| Supplies                                | 240                    |
| Travel                                  | <u>169</u>             |
| <b>Total expenses</b>                   | <b><u>\$ 6,295</u></b> |