

# LAWRENCE COUNTY SOCIAL SERVICES, INC.

**Financial and Compliance Report  
June 30, 2014**



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## INDEPENDENT AUDITOR'S 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, 2014 and 2013, 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.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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, 2014 and 2013, 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.

## 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 25, 2015, 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.

*Arnett Carbis Toothman LLP*

New Castle, Pennsylvania  
February 25, 2015

**LAWRENCE COUNTY SOCIAL SERVICES, INC.**

**STATEMENTS OF FINANCIAL POSITION**

June 30, 2014 and 2013

	2014		
	Unrestricted	Temporarily Restricted	Total
<b>ASSETS</b>			
Cash	\$ 348,458	\$ 50,599	\$ 399,057
Accounts receivable, net of allowance for doubtful accounts 2014 and 2013 \$81,095	1,516,216	-	1,516,216
Accounts receivable, related parties	215,317	-	215,317
Prepaid expenses	39,173	-	39,173
Inventory	20,880	-	20,880
Loan costs, net	12,522	-	12,522
Land and land improvements, net of accumulated depreciation 2014 \$84,442; 2013 \$67,073	124,888	107,756	232,644
Furniture, fixtures, equipment, and leasehold improvements, net of accumulated depreciation 2014 \$976,408; 2013 \$885,586	-	324,035	324,035
Building, net of accumulated depreciation 2014 \$37,535; 2013 \$30,670	241,239	373,828	615,067
Building improvements, net of accumulated depreciation 2014 \$329,237; 2013 \$253,678	1,446,509	471,997	1,918,506
Construction in progress	-	-	-
Note receivable, related party	122,953	-	122,953
<b>Total assets</b>	<b>\$ 4,088,155</b>	<b>\$ 1,328,215</b>	<b>\$ 5,416,370</b>
<b>LIABILITIES AND NET ASSETS</b>			
<b>LIABILITIES</b>			
Line of credit	\$ 575,151	\$ -	\$ 575,151
Accounts payable	347,438	-	347,438
Accounts payable, related parties	55,299	-	55,299
Accrued interest	4,970	-	4,970
Accrued wages	215,223	-	215,223
Accrued payroll taxes	102,751	-	102,751
Accrued leave costs	4,026	-	4,026
Accrued pension	359,044	-	359,044
Deferred revenue	2,070	-	2,070
Interest rate swap	102,128	-	102,128
Other accrued liabilities	69,920	-	69,920
Note payable, related party	37,216	-	37,216
Long-term debt	1,234,773	-	1,234,773
<b>Total liabilities</b>	<b>3,110,009</b>	<b>-</b>	<b>3,110,009</b>
<b>NET ASSETS</b>			
Unrestricted	978,146	-	978,146
Temporarily restricted	-	1,328,215	1,328,215
<b>Total net assets</b>	<b>978,146</b>	<b>1,328,215</b>	<b>2,306,361</b>
<b>Total liabilities and net assets</b>	<b>\$ 4,088,155</b>	<b>\$ 1,328,215</b>	<b>\$ 5,416,370</b>

See Notes to Financial Statements.

2013

Unrestricted	Temporarily Restricted	Total
\$ 285,673	\$ 122,062	\$ 407,735
1,225,101	-	1,225,101
221,058	-	221,058
38,912	-	38,912
14,549	-	14,549
15,789	-	15,789
113,871	114,669	228,540
-	293,956	293,956
228,531	368,446	596,977
1,483,464	223,002	1,706,466
-	39,835	39,835
128,964	-	128,964
<u>\$ 3,755,912</u>	<u>\$ 1,161,970</u>	<u>\$ 4,917,882</u>

\$ 462,070	\$ -	\$ 462,070
381,127	-	381,127
94,672	-	94,672
5,217	-	5,217
50,250	-	50,250
74,872	-	74,872
5,780	-	5,780
305,795	-	305,795
2,098	-	2,098
124,597	-	124,597
62,855	-	62,855
-	-	-
1,296,068	-	1,296,068
2,865,401	-	2,865,401
890,511	-	890,511
-	1,161,970	1,161,970
890,511	1,161,970	2,052,481
<u>\$ 3,755,912</u>	<u>\$ 1,161,970</u>	<u>\$ 4,917,882</u>

**LAWRENCE COUNTY SOCIAL SERVICES, INC.**

**STATEMENTS OF ACTIVITIES**

**Years Ended June 30, 2014 and 2013**

	2014		
	Unrestricted	Temporarily Restricted	Total
Change in net assets:			
Revenues:			
Grants	\$ 11,574,107	\$ 430,833	\$ 12,004,940
In-kind services	1,356,993	-	1,356,993
Interest income	95	-	95
Other income	409,778	-	409,778
Net assets released from restrictions	264,588	(264,588)	-
<b>Total revenues</b>	<b>13,605,561</b>	<b>166,245</b>	<b>13,771,806</b>
Functional expenses:			
Program services	12,365,927	-	12,365,927
Support activities	1,174,468	-	1,174,468
<b>Total functional expenses</b>	<b>13,540,395</b>	<b>-</b>	<b>13,540,395</b>
<b>Excess (deficiency) of revenues over expenses</b>	<b>65,166</b>	<b>166,245</b>	<b>231,411</b>
Other changes in net assets:			
Change in value of interest rate swap agreement	22,469	-	22,469
Gain on disposal of equipment	-	-	-
<b>Change in net assets</b>	<b>87,635</b>	<b>166,245</b>	<b>253,880</b>
Net assets, beginning	890,511	1,161,970	2,052,481
Net assets, ending	<b>\$ 978,146</b>	<b>\$ 1,328,215</b>	<b>\$ 2,306,361</b>

See Notes to Financial Statements.



2013		
Unrestricted	Temporarily Restricted	Total
\$ 10,250,193	\$ 215,590	\$ 10,465,783
912,063	-	912,063
239	-	239
184,944	3,056	188,000
290,506	(290,506)	-
11,637,945	(71,860)	11,566,085
10,412,967	-	10,412,967
1,101,200	-	1,101,200
11,514,167	-	11,514,167
123,778	(71,860)	51,918
45,535	-	45,535
30,000	-	30,000
199,313	(71,860)	127,453
691,198	1,233,830	1,925,028
\$ 890,511	\$ 1,161,970	\$ 2,052,481

**LAWRENCE COUNTY SOCIAL SERVICES, INC.**

**STATEMENTS OF FUNCTIONAL EXPENSES**  
**Years Ended June 30, 2014 and 2013**

	2014		
	Program Services	Support Activities	Total
Salaries	\$ 3,953,329	\$ 674,670	\$ 4,627,999
Amortization	3,267	-	3,267
Depreciation expense	219,892	-	219,892
Dues and publications	10,233	5,390	15,623
Employee fringe benefits	720,353	101,391	821,744
Equipment	22,273	4,303	26,576
Equipment rental	27,264	2	27,266
Field trips	2,455	436	2,891
Fuel	60,351	-	60,351
In-kind services	1,356,993	-	1,356,993
Insurance	72,507	6,593	79,100
Interest	65,927	345	66,272
Payroll taxes	472,154	63,022	535,176
Private landlords	690,126	-	690,126
Professional services	29,062	67,784	96,846
Purchased services	2,637,732	36,191	2,673,923
Real estate taxes	2,219	4,147	6,366
Recruitment/outreach	14,828	2,634	17,462
Rent	137,893	24,810	162,703
Repairs and maintenance	267,829	39,465	307,294
Retirement contribution	314,710	63,401	378,111
Supplies	898,616	21,838	920,454
Travel and training	154,264	33,684	187,948
Utilities	199,975	21,452	221,427
Miscellaneous	31,675	2,910	34,585
<b>Total functional expenses</b>	<b>\$ 12,365,927</b>	<b>\$ 1,174,468</b>	<b>\$ 13,540,395</b>

See Notes to Financial Statements.

## 2013

Program Services	Support Activities	Total
\$ 3,521,743	\$ 604,200	\$ 4,125,943
3,267	-	3,267
203,694	-	203,694
9,889	2,500	12,389
701,271	109,282	810,553
23,590	-	23,590
-	-	-
1,621	-	1,621
64,530	907	65,437
912,063	-	912,063
78,225	10,251	88,476
68,326	1	68,327
412,672	56,103	468,775
317,099	-	317,099
19,058	50,887	69,945
2,050,230	28,433	2,078,663
3,468	-	3,468
32,902	6,794	39,696
117,545	30,494	148,039
311,729	48,239	359,968
290,744	60,680	351,424
934,363	36,966	971,329
132,056	23,249	155,305
174,772	29,554	204,326
28,110	2,660	30,770
<u>\$ 10,412,967</u>	<u>\$ 1,101,200</u>	<u>\$ 11,514,167</u>

**LAWRENCE COUNTY SOCIAL SERVICES, INC.**

**STATEMENTS OF CASH FLOWS**  
**Years Ended June 30, 2014 and 2013**

	2014	2013
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 253,880	\$ 127,453
Adjustment to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	219,892	203,694
Amortization	3,267	3,267
Decrease in interest rate swap liability	(22,469)	(45,535)
Gain on disposal of equipment	-	(30,000)
(Increase) decrease in assets:		
Accounts receivable	(291,115)	(93,288)
Accounts receivable, related parties	5,741	700
Prepaid expenses	(261)	25,449
Inventory	(6,331)	7,406
Increase (decrease) in liabilities:		
Accounts payable	(33,689)	(20,810)
Accounts payable, related parties	(39,373)	11,790
Accrued interest	(247)	(235)
Accrued wages	164,973	9,372
Accrued payroll taxes	27,879	8,705
Accrued leave costs	(1,754)	148
Accrued pension	53,249	(87,141)
Deferred revenue	(28)	(144)
Other accrued liabilities	7,065	14,365
	<b>340,679</b>	<b>135,196</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Decrease in restricted cash	71,463	31,678
Cash received on repayment of loan to related party	6,011	5,709
Purchase of leasehold improvements	(150,178)	(39,486)
Purchase of buildings	(46,428)	-
Purchase of building improvements	(287,599)	(25,053)
(Increase) decrease in construction in progress	39,835	(39,835)
Proceeds from sale of equipment	-	30,000
	<b>(366,896)</b>	<b>(36,987)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net borrowings (payments) on line of credit	113,081	(557)
Loan proceeds	37,216	-
Principal payments on long-term debt	(61,295)	(58,410)
	<b>89,002</b>	<b>(58,967)</b>

See Notes to Financial Statements.

	<b>2014</b>	2013
<b>Net increase in cash</b>	<b>\$ 62,785</b>	\$ 39,242
Cash:		
Beginning	<u>285,673</u>	246,431
Ending	<u><b>\$ 348,458</b></u>	<u>\$ 285,673</u>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Interest paid	<u><b>\$ 66,519</b></u>	<u>\$ 68,562</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, 2014:

<u>Grant</u>	<u>Funding Source</u>
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 Solutions	Department of Community and Economic Development, Commonwealth of Pennsylvania
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

**LAWRENCE COUNTY SOCIAL SERVICES, INC.**

**NOTES TO FINANCIAL STATEMENTS**

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
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
Supportive Services for Veterans	U.S. Department of Veterans Affairs
Lead and Healthy Homes Program	Department of Health and Human Services

## LAWRENCE COUNTY SOCIAL SERVICES, INC.

### NOTES TO FINANCIAL STATEMENTS

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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 \$1,277,616 and \$1,039,908 as of June 30, 2014 and 2013, 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 stipulations.

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 diminshments 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 diminshments subject to the same kinds of stipulations, 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.



## LAWRENCE COUNTY SOCIAL SERVICES, INC.

### NOTES TO FINANCIAL STATEMENTS

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**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:

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, 2014 and 2013, amounted to \$1,356,993 and \$912,063, respectively.

**Recruitment/outreach:** LCSS, Inc. follows the policy of charging the cost of recruitment/outreach to expense as incurred. The amount of recruitment/outreach expense totaled \$17,462 and \$39,696 for the years ended June 30, 2014 and 2013, 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 as described in Section 501(c)(3) of the Internal Revenue Code (Code) and has been recognized as tax exempt under Section 501(a) of the 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, 2011, 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.

## LAWRENCE COUNTY SOCIAL SERVICES, INC.

### NOTES TO FINANCIAL STATEMENTS

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**Subsequent events:** In preparing these financial statements, LCSS, Inc. evaluated events that occurred through February 25, 2015, the date the financial statements were available to be issued, for potential recognition or disclosure.

**Recent accounting pronouncements:** In April 2013, the Financial Accounting Standards Board (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.

In May 2014, the FASB issued guidance related to recognition of revenue from contracts with customers. This guidance requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers and requires certain qualitative and quantitative disclosures regarding revenue arising from contracts with customers. This Accounting Standards Update will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective. The guidance permits the use of either a retrospective or modified retrospective (cumulative effect) transition method. This guidance is effective for public entities with annual reporting periods beginning after December 15, 2016, including interim periods within that reporting period. Early application is not permitted for public entities. For all other entities (nonpublic entities), the amendments in this ASU will be effective for annual reporting periods beginning after December 15, 2017, and interim periods within annual periods beginning after December 15, 2018. A nonpublic entity may elect to apply this guidance earlier, subject to certain limitations. LCSS, Inc. is currently evaluating the impact, if any, that adoption will have on its financial statements. Management has not yet selected a transition method nor has the effect of this guidance on LCSS, Inc.'s ongoing financial reporting been determined.

**LAWRENCE COUNTY SOCIAL SERVICES, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**Note 2. Accounts Receivable**

Accounts receivable consist of the following as of June 30:

	2014	2013
Account receivable:		
Commonwealth of Pennsylvania	\$ 519,561	\$ 735,307
Federal government	339,179	350,301
Pass-through entities	42,010	47,754
County of Lawrence	354,235	15,260
Allied Development Corporation, temporarily restricted	81,095	81,095
Other	261,231	76,479
	<u>1,597,311</u>	<u>1,306,196</u>
Less allowance for doubtful accounts	81,095	81,095
<b>Total accounts receivable</b>	<u><b>1,516,216</b></u>	<u>1,225,101</u>
Accounts receivable, related parties (Note 4):		
Allied Coordinated Transportation Services, Inc.	197,467	207,994
United Community Services of Lawrence County, Inc.	17,850	13,064
<b>Total accounts receivable, related parties</b>	<u><b>215,317</b></u>	<u>221,058</u>
<b>Total</b>	<u><b>\$ 1,731,533</b></u>	<u>\$ 1,446,159</u>

**Note 3. Loan Costs**

Loan costs as of June 30 consist of the following:

	2014	2013
Loan costs, amortizable over 120 months	\$ 32,668	\$ 32,668
Less accumulated amortization	20,146	16,879
<b>Total</b>	<u><b>\$ 12,522</b></u>	<u>\$ 15,789</u>

Amortization expense recognized on loan costs totaled \$3,267 for each of the years ended June 30, 2014 and 2013.

Aggregate annual amortization expenses for these loan costs as of June 30, 2014, are as follows:

**Years Ending June 30:**

2015	\$ 3,267
2016	3,267
2017	3,267
2018	2,721

## LAWRENCE COUNTY SOCIAL SERVICES, INC.

### NOTES TO FINANCIAL STATEMENTS

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#### 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 \$23,746 and \$32,053 of Community Service Block Grant monies, and \$8,275 and \$8,511 of Child and Adult Care Food Program funds to UCS, Inc. during the years ended June 30, 2014 and 2013, 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, 2014 and 2013, was \$125,000. 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 \$122,953 and \$128,964 as of June 30, 2014 and 2013, respectively.

Aggregate annual maturities required on the note receivable, related party as of June 30, 2014, are as follows:

#### **Years Ending June 30:**

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2015	\$	6,326
2016		6,660
2017		7,012
2018		102,955

**Note payable, related party:** In November 2013, LCSS, Inc. entered into an agreement with UCS, Inc. to borrow \$47,560 to finance the purchase of property. The note calls for monthly installments of a fixed principal amount of \$1,293, plus interest of 3.25%, with the final payment due October 1, 2016. The amount payable to UCS, Inc. amounted to \$37,216 and \$0 as of June 30, 2014 and 2013, respectively.

Aggregate annual maturities required on the note payable, related party as of June 30, 2014, are as follows:

#### **Years Ending June 30:**

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2015	\$	15,516
2016		15,516
2017		6,184

**LAWRENCE COUNTY SOCIAL SERVICES, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**Note 5. Accounts Payable**

Accounts payable as of June 30 consist of the following:

	2014	2013
Accounts payable	\$ 347,438	\$ 381,127
Accounts payable, related parties (Note 4):		
Allied Coordinated Transportation Services, Inc.	39,503	68,600
United Community Services of Lawrence County, Inc.	15,796	26,072
	<u>55,299</u>	<u>94,672</u>
<b>Total accounts payable</b>	<b>\$ 402,737</b>	<b>\$ 475,799</b>

**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 \$4,026 and \$5,780 as of June 30, 2014 and 2013, respectively. The change in leave costs increased (decreased) employee fringe benefits on the statements of functional expenses by \$(1,754) and \$148 for the years ended June 30, 2014 and 2013, 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% (3.40150% as of June 30, 2014), 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, 2014, amounted to \$174,849.

**Note 8. Long-Term Debt**

The Lawrence County Industrial Development Authority issued a Mortgage Revenue Note, Series A of 2008, in the principal amount of \$1,556,004. The proceeds of the note were loaned to LCSS, Inc. The purpose of the note is to provide funding: 1) to pay certain costs of issuing the note; 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:

	2014	2013
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	\$ 1,234,773	\$ 1,296,068

Aggregate annual maturities required on long-term debt as of June 30, 2014, are as follows:

**Years Ending June 30:**

2015	\$ 64,322
2016	67,498
2017	70,831
2018	1,032,122

Total interest expense for the years ended June 30, 2014 and 2013, amounted to \$66,272 and \$68,327, respectively.

**LAWRENCE COUNTY SOCIAL SERVICES, INC.**

**NOTES TO FINANCIAL STATEMENTS**

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**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 \$37,998 in 2014 and increased by \$39,293 in 2013. LCSS, Inc. does not utilize interest rate swap agreements or other financial instruments for trading or other speculative purposes.

As of June 30, 2014, 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 \$102,128 and \$124,597 as of June 30, 2014 and 2013, 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 \$22,469 and \$45,535 was charged to net assets for the years ended June 30, 2014 and 2013, 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, 2014 and 2013, amounted to \$402,048 and \$374,975, which include \$23,937 and \$23,551, 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.

**LAWRENCE COUNTY SOCIAL SERVICES, INC.**

**NOTES TO FINANCIAL STATEMENTS**

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**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 \$3,095. 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 \$7,150, 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. LCSS, Inc. leases office and training space under a cancelable lease agreement with ACTS, Inc. at a monthly cost of \$1,350. In addition, LCSS, Inc. leases storage space at 619 N. Jefferson Street under a cancelable lease agreement with ACTS, Inc. at a monthly cost of \$1,160.

The total minimum rental commitment on the noncancelable license agreement as of June 30, 2014, is due as follows:

**Years Ending June 30:**

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2015	\$	85,800
2016		85,800
2017		85,800
2018		85,800
2019		21,450
<b>Total</b>	<b>\$</b>	<b>364,650</b>

Total rent expense for the years ended June 30, 2014 and 2013, amounted to \$162,703 and \$148,039, 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.

**LAWRENCE COUNTY SOCIAL SERVICES, INC.**

**NOTES TO FINANCIAL STATEMENTS**

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**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:

	<b>2014</b>	<b>2013</b>
Head Start	\$ 68,710	\$ 45,188
Medical Assistance Transportation Program	65,352	124,802
Weatherization	22,873	22,873
ACCESS Match	20,495	6,442
Community Services Block Grant ARRA	18,145	18,145
Head Start State Supplemental Assistance	11,963	23,621
Neighborhood Stabilization Program	10,185	5,382
Community Services Block Grant	10,091	11,868
Summer Food Program	8,324	1,943
Jason Altmire	5,968	5,968
Lead Hazard Control Grant	4,857	4,857
New Castle Weatherization Settlement	3,780	-
Senior Citizen Shopping	3,346	2,461
NWR Housing Client Fees	2,606	-
Pre-K Counts	2,581	2,581
Supported Work	2,405	2,405
TEAM	2,169	2,169
CDBG Municipal Projects	450	-
Fit 4 Life	288	-
Family Savings Account	-	2,519
ACCESS - Almira Foundation	-	589
Northwest Regional Housing Alliance	-	2,027
Child and Adult Care Food Program	-	2,630
National Global Youth Service Day	-	2,036
	<b>\$ 264,588</b>	<b>\$ 290,506</b>

**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.



**LAWRENCE COUNTY SOCIAL SERVICES, INC.**

**NOTES TO FINANCIAL STATEMENTS**

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, 2014:

	Total	Level I	Level II	Level III
Interest rate swap	\$ 102,128	\$ -	\$ 102,128	\$ -

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 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.

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

	2014		2013	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Cash	\$ 399,057	\$ 399,057	\$ 407,735	\$ 407,735
Interest rate swap	102,128	102,128	124,597	124,597
Line of credit	575,151	575,151	462,070	462,070
Long-term debt	1,234,773	1,234,773	1,296,068	1,296,068

**LAWRENCE COUNTY SOCIAL SERVICES, INC.**

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

Year Ended June 30, 2014

See Independent Auditor's Report

	2013 Community Services Block Grant	2014 Community Services Block Grant	Community Services Block Grant Workforce Initiatives
<b>Revenues:</b>			
Grants	\$ 139,042	\$ 161,471	\$ 16,465
Grants released from restrictions	-	-	-
In-kind services	2,977	14,950	-
Interest income	6	-	-
Other income	450	245	-
<b>Total revenues</b>	<b>142,475</b>	<b>176,666</b>	<b>16,465</b>
<b>Expenditures:</b>			
Salaries	54,298	57,841	8,336
Dues and publications	1,885	2,307	-
Employee fringe benefits	8,548	7,817	2,011
Equipment and note payments	10,442	4,393	474
Equipment rental	-	-	-
Field trips	644	274	-
Fuel	219	-	4
In-kind services	2,977	14,950	-
Insurance	1,043	1,037	76
Interest	-	-	-
Payroll taxes	3,951	7,968	899
Private landlords	-	-	-
Professional services	21	5,388	502
Purchased services	18,852	28,156	72
Real estate taxes	-	-	-
Recruitment/outreach	102	1,268	2
Rent	4,979	6,002	225
Repairs and maintenance	3,538	7,534	165
Retirement contribution	5,437	4,619	489
Supplies	11,908	9,928	2,881
Travel and training	7,712	11,856	1
Utilities	5,133	4,341	273
Miscellaneous	786	987	55
<b>Total expenditures</b>	<b>142,475</b>	<b>176,666</b>	<b>16,465</b>
<b>Excess of revenues 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>Supportive Engagement</b>
\$ 114,423	\$ 871,392	\$ -	\$ 160,454	\$ 228,512
-	65,352	3,346	-	-
-	-	-	-	-
-	74	-	-	-
-	-	-	-	-
114,423	936,818	3,346	160,454	228,512
48,922	228,282	9	84,139	131,488
4,134	153	-	30	123
6,907	44,238	1	22,374	24,167
-	-	-	-	-
-	-	-	-	-
-	-	-	377	95
15	147	-	35	23
-	-	-	-	-
439	2,028	-	749	1,445
-	-	-	-	-
6,376	23,075	1	9,627	16,253
-	-	-	-	-
186	7,392	-	2,318	1,124
34,128	568,798	3,332	1,712	4,145
-	-	-	-	-
479	112	-	582	163
1,876	11,186	1	3,052	10,146
1,808	9,969	1	3,038	7,795
4,304	21,243	1	7,476	10,132
1,472	7,888	-	18,148	11,971
774	1,583	-	2,907	3,042
1,575	7,992	-	2,874	5,891
1,028	2,732	-	1,016	509
114,423	936,818	3,346	160,454	228,512
\$ -	\$ -	\$ -	\$ -	\$ -

LAWRENCE COUNTY SOCIAL SERVICES, INC.

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

Year Ended June 30, 2014

See Independent Auditor's Report

	Fit 4 Life	Gen Y Transit	Child and Adult Care Food Program
Revenues:			
Grants	\$ 226,403	\$ 122,162	\$ 8,275
Grants released from restrictions	-	-	-
In-kind services	135,303	-	-
Interest income	-	-	-
Other income	-	-	-
<b>Total revenues</b>	<b>361,706</b>	<b>122,162</b>	<b>8,275</b>
Expenditures:			
Salaries	99,640	66,012	-
Dues and publications	-	33	-
Employee fringe benefits	22,472	11,163	-
Equipment and note payments	5,760	-	-
Equipment rental	-	-	-
Field trips	-	1,163	-
Fuel	-	26	-
In-kind services	135,303	-	-
Insurance	-	474	-
Interest	-	-	-
Payroll taxes	10,817	7,209	-
Private landlords	-	-	-
Professional services	1,800	1,075	-
Purchased services	13,500	1,514	8,275
Real estate taxes	-	-	-
Recruitment/outreach	-	17	-
Rent	-	13,754	-
Repairs and maintenance	-	3,211	-
Retirement contribution	8,030	5,205	-
Supplies	51,165	7,474	-
Travel and training	12,864	1,821	-
Utilities	-	1,907	-
Miscellaneous	355	104	-
<b>Total expenditures</b>	<b>361,706</b>	<b>122,162</b>	<b>8,275</b>
<b>Excess of revenues over expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

Summer Food Service Program	Senior Employment Program	Housing Assistance Program	HUD Counseling	SAFE Supportive Housing Program
\$ 63,789	\$ 511,642	\$ 120,502	\$ 26,012	\$ 43,840
8,324	-	-	-	-
964	73,349	-	-	-
-	2	-	-	-
7,219	-	-	-	-
80,296	584,993	120,502	26,012	43,840
2,102	441,953	34,863	17,012	26,346
1	50	367	-	21
53	12,114	7,314	3,811	5,529
-	-	2,825	-	-
-	-	-	-	-
-	-	-	-	-
300	11	47	-	16
964	73,349	-	-	-
6	948	414	-	288
-	-	-	-	-
324	34,750	4,068	1,445	3,153
-	-	50,000	-	-
1	940	501	-	221
1,634	2,145	1,889	7	943
-	-	-	-	-
50	10	57	-	56
24	1,137	2,354	939	1,402
202	1,958	3,036	525	1,209
147	2,879	2,918	1,560	1,963
73,662	3,206	4,050	-	1,345
804	4,876	3,113	-	355
13	3,407	1,547	687	954
9	1,260	1,139	26	39
80,296	584,993	120,502	26,012	43,840
\$ -	\$ -	\$ -	\$ -	\$ -

**LAWRENCE COUNTY SOCIAL SERVICES, INC.**

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

Year Ended June 30, 2014

See Independent Auditor's Report

	<b>TEAM</b>	<b>New Options</b>	<b>Emergency Food and Shelter Program</b>
<b>Revenues:</b>			
Grants	\$ 77,065	\$ 28,085	\$ 9,880
Grants released from restrictions	-	-	-
In-kind services	-	-	-
Interest income	-	-	-
Other income	3,481	1,420	-
	<hr/>	<hr/>	<hr/>
<b>Total revenues</b>	<b>80,546</b>	<b>29,505</b>	<b>9,880</b>
<b>Expenditures:</b>			
Salaries	26,027	13,574	-
Dues and publications	32	11	-
Employee fringe benefits	5,010	3,278	-
Equipment and note payments	-	-	-
Equipment rental	-	-	-
Field trips	-	-	-
Fuel	22	13	-
In-kind services	-	-	-
Insurance	269	128	-
Interest	-	-	-
Payroll taxes	3,200	1,167	-
Private landlords	36,283	7,474	9,880
Professional services	317	10	-
Purchased services	1,745	313	-
Real estate taxes	-	-	-
Recruitment/outreach	23	-	-
Rent	1,539	875	-
Repairs and maintenance	1,507	370	-
Retirement contribution	2,344	1,281	-
Supplies	830	260	-
Travel and training	271	12	-
Utilities	1,092	693	-
Miscellaneous	35	46	-
	<hr/>	<hr/>	<hr/>
<b>Total expenditures</b>	<b>80,546</b>	<b>29,505</b>	<b>9,880</b>
<b>Excess of revenues over expenditures</b>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	\$ -	\$ -	\$ -

<b>2011 Emergency Solutions</b>	<b>Northwest Regional Housing Alliance Expansion</b>	<b>Supportive Services For Veterans</b>	<b>2012 Emergency Solutions</b>	<b>Turning Point</b>
\$ 260,213	\$ 202,942	\$ 518,910	\$ 122,038	\$ 194,267
-	2,606	-	-	-
-	-	-	-	-
-	-	-	-	-
-	24,847	4,602	-	22,319
260,213	230,395	523,512	122,038	216,586
65,494	45,731	239,550	29,901	73,181
38	14	71	19	40
14,261	8,483	53,303	6,199	17,324
-	-	3,958	-	-
-	-	-	-	-
-	-	-	-	-
38	46	57	16	56
-	-	-	-	-
704	363	1,910	336	730
-	-	-	-	-
7,203	4,438	10,223	3,273	8,134
149,770	150,759	108,967	70,722	90,590
368	1,309	7,588	718	1,013
2,027	5,201	21,171	1,176	2,644
-	-	-	-	-
119	40	1,930	100	32
4,218	2,530	11,879	1,817	4,627
3,883	2,532	3,980	1,902	3,851
6,092	4,382	7,309	2,851	6,626
2,009	1,829	26,446	1,155	2,722
866	741	12,875	320	1,845
2,905	1,935	11,447	1,352	3,073
218	62	848	181	98
260,213	230,395	523,512	122,038	216,586
\$ -	\$ -	\$ -	\$ -	\$ -

**LAWRENCE COUNTY SOCIAL SERVICES, INC.**

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

Year Ended June 30, 2014

See Independent Auditor's Report

	<b>MH/DS Rental Assistance</b>	<b>Northwest Regional Housing Alliance</b>	<b>2010 Community Development Block Grant</b>
<b>Revenues:</b>			
Grants	\$ 135,617	\$ 63,238	\$ 6,243
Grants released from restrictions	-	-	-
In-kind services	-	-	-
Interest income	-	-	-
Other income	-	4,551	-
<b>Total revenues</b>	<b>135,617</b>	<b>67,789</b>	<b>6,243</b>
<b>Expenditures:</b>			
Salaries	47,240	7,176	1,700
Dues and publications	21	10	-
Employee fringe benefits	10,687	1,103	326
Equipment and note payments	-	-	-
Equipment rental	-	-	-
Field trips	-	-	-
Fuel	24	3	-
In-kind services	-	-	-
Insurance	475	68	5
Interest	-	-	-
Payroll taxes	5,795	819	132
Private landlords	45,232	53,857	-
Professional services	527	520	1
Purchased services	1,453	1,793	3,452
Real estate taxes	-	-	-
Recruitment/outreach	34	14	-
Rent	2,625	406	110
Repairs and maintenance	2,423	731	64
Retirement contribution	4,060	664	172
Supplies	10,113	282	156
Travel and training	2,949	50	62
Utilities	1,885	283	63
Miscellaneous	74	10	-
<b>Total expenditures</b>	<b>135,617</b>	<b>67,789</b>	<b>6,243</b>
<b>Excess of revenues over expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>



2011 Community Development Block Grant	2012 Community Development Block Grant	Regional Homes Investment Partnership Program	City of Farrell Homes Investment Partnership Program	ACCESS
\$ 200,211	\$ 247,404	\$ 181,029	\$ 215,914	\$ 195,164
450	-	-	-	20,495
-	-	18,750	-	-
-	-	-	1	-
-	3,580	-	5,351	2,000
200,661	250,984	199,779	221,266	217,659
43,219	28,068	12,208	20,849	25,477
481	3	10	16	14
7,258	6,691	2,245	5,142	4,321
-	-	-	-	-
-	-	2	27	69
-	-	-	-	-
116	13	38	63	149
-	-	18,750	-	-
381	91	125	244	356
-	-	-	-	-
4,007	2,279	1,178	1,975	2,742
-	-	-	-	-
1,547	1,088	2,106	2,798	10,897
123,446	200,199	156,187	181,301	164,686
1,915	2,126	-	-	-
1,644	23	378	36	37
1,733	973	549	882	1,130
2,103	877	1,224	2,262	2,407
4,236	2,775	1,187	2,032	2,350
3,083	2,882	1,524	1,217	895
3,535	738	1,229	856	459
1,774	1,926	730	1,204	1,230
183	232	109	362	440
200,661	250,984	199,779	221,266	217,659
\$ -	\$ -	\$ -	\$ -	\$ -

LAWRENCE COUNTY SOCIAL SERVICES, INC.

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

Year Ended June 30, 2014

See Independent Auditor's Report

	Maternal and Child Health Services Block Grant to the States	Northwest Regional Lead Hazard Control 2012	Contractual Management
Revenues:			
Grants	\$ 106,623	\$ 877,807	\$ 25,561
Grants released from restrictions	-	-	3,780
In-kind services	-	775,503	-
Interest income	-	-	11
Other income	-	33,650	170,760
<b>Total revenues</b>	<b>106,623</b>	<b>1,686,960</b>	<b>200,112</b>
Expenditures:			
Salaries	58,610	202,222	20,343
Dues and publications	2	147	1,135
Employee fringe benefits	11,434	47,285	3,114
Equipment and note payments	-	-	-
Equipment rental	-	500	458
Field trips	-	-	-
Fuel	79	1,131	2,584
In-kind services	-	775,503	-
Insurance	533	5,523	2,612
Interest	-	-	11,309
Payroll taxes	7,023	21,833	2,952
Private landlords	-	-	348
Professional services	286	5,929	4,368
Purchased services	848	511,754	24,753
Real estate taxes	-	-	850
Recruitment/outreach	12	674	1,452
Rent	2,659	9,619	577
Repairs and maintenance	8,003	24,820	8,525
Retirement contribution	5,727	18,959	1,730
Supplies	6,046	16,123	23,311
Travel and training	1,262	27,903	16,734
Utilities	3,982	11,732	2,413
Miscellaneous	117	5,303	5,082
<b>Total expenditures</b>	<b>106,623</b>	<b>1,686,960</b>	<b>134,650</b>
<b>Excess of revenues over expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 65,462</b>

<b>Weatherization Low Income Heating Energy Assistance Program</b>	<b>Weatherization Department of Energy</b>	<b>Head Start</b>	<b>Head Start State Supplemental Assistance</b>	<b>Pre-K Counts</b>
\$ 916,568	\$ 196,613	\$ 2,900,439	\$ 967,231	\$ 628,505
-	-	-	-	-
-	-	360,044	-	17,405
-	-	1	-	-
-	-	114,035	-	-
916,568	196,613	3,374,519	967,231	645,910
290,254	87,052	1,329,097	485,496	327,416
423	122	2,758	936	214
80,556	24,481	211,356	72,501	79,654
-	-	103,708	36,959	-
25,825	24	241	80	40
-	-	-	-	-
2,124	722	37,977	13,990	247
-	-	360,044	-	17,405
4,559	1,081	35,477	12,324	3,089
-	-	-	269	347
30,816	8,038	176,292	66,334	35,593
-	-	-	-	-
3,786	595	22,094	6,862	3,864
147,153	1,633	87,088	17,305	6,461
826	15	634	-	-
390	505	6,113	1,839	987
14,564	2,875	116,849	39,031	11,028
23,918	7,860	271,720	89,499	34,532
26,542	8,418	118,897	41,880	30,335
236,966	41,943	366,596	42,455	77,189
6,593	6,253	40,503	11,813	5,032
20,325	4,637	80,087	25,212	11,647
948	359	6,988	2,446	830
916,568	196,613	3,374,519	967,231	645,910
\$ -	\$ -	\$ -	\$ -	\$ -

**LAWRENCE COUNTY SOCIAL SERVICES, INC.**

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

Year Ended June 30, 2014

See Independent Auditor's Report

	<b>Miscellaneous Grants</b>	<b>Totals</b>
<b>Revenues:</b>		
Grants	\$ 2,008	\$ 12,093,959
Grants released from restrictions	-	104,353
In-kind services	-	1,399,245
Interest income	-	95
Other income	11,268	409,778
	<hr/>	<hr/>
<b>Total revenues</b>	13,276	14,007,430
<b>Expenditures:</b>		
Salaries	8,946	4,790,074
Dues and publications	2	15,623
Employee fringe benefits	32	854,563
Equipment and note payments	-	168,519
Equipment rental	-	27,266
Field trips	338	2,891
Fuel	-	60,351
In-kind services	-	1,399,245
Insurance	1	80,331
Interest	-	11,925
Payroll taxes	1,511	536,873
Private landlords	-	773,882
Professional services	1	100,061
Purchased services	19	2,352,910
Real estate taxes	-	6,366
Recruitment/outreach	-	19,280
Rent	5	290,177
Repairs and maintenance	23	543,005
Retirement contribution	915	378,167
Supplies	1,287	1,072,417
Travel and training	193	194,802
Utilities	3	228,224
Miscellaneous	-	35,016
	<hr/>	<hr/>
<b>Total expenditures</b>	13,276	13,941,968
<b>Excess of revenues over expenditures</b>	<hr/> <hr/>	<hr/> <hr/>
	\$ -	\$ 65,462

**LAWRENCE COUNTY SOCIAL SERVICES, INC.**

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

Year Ended June 30, 2013

See Independent Auditor's Report

	<b>2012/2013 Community Services Block Grant</b>	<b>Community Services Block Grant Workforce Initiatives</b>	<b>Community Services Block Grant Diversity 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
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	-	-	-
Recruitment/outreach	1,218	148	80
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 over expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

<b>HSD</b>	<b>Medical Assistance Transportation Program</b>	<b>Senior Shopping Program</b>	<b>Work Initiative Act</b>	<b>Supported 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
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
-	-	-	-	-
972	298	-	657	46
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 Auditor's Report

	Fit 4 Life	Gen Y Transit	Child and Adult Care Food Program
<b>Revenues:</b>			
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>
<b>Expenditures:</b>			
Salaries	35,189	1,572	2,577
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	-	-	-
Recruitment/outreach	780	-	-
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 over expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

<b>Summer Food Service Program</b>	<b>Community Engagement</b>	<b>Senior Employment Program</b>	<b>Housing Assistance Program</b>	<b>HUD Counseling</b>
\$ 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
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	-
-	-	-	-	-
-	-	115	58	-
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 Auditor's Report

	Family Savings Account	SAFE Supportive Housing Program	TEAM
Revenues:			
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>
Expenditures:			
Salaries	279	25,642	26,084
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	-	-	-
Recruitment/outreach	-	3	11
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 over expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

<b>New Options</b>	<b>Emergency Food and Shelter Program</b>	<b>2010 Emergency Shelter</b>	<b>Homeless Prevention &amp; Rapid Re-housing Program</b>	<b>2011 Emergency 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
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
-	-	-	-	-
12	-	-	-	-
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 Auditor's Report

	2012 Emergency Solutions	Turning Point	MH/DS Rental 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
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	-	-	-
Recruitment/outreach	-	11	32
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 over expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

<b>Northwest Regional Housing Alliance</b>	<b>2010 Community Development Block Grant</b>	<b>2011 Community Development Block Grant</b>	<b>2009 Homes Investment Partnership Program</b>	<b>City of Farrell Homes Investment Partnership 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
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
-	-	-	-	-
2	174	4,717	-	2,428
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 Auditor's Report

	<b>ACCESS</b>	<b>2010 Homes Investment Partnership Program</b>	<b>Northwest Regional Lead Hazard Control</b>
<b>Revenues:</b>			
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>
<b>Expenditures:</b>			
Salaries	8,305	15,943	133,786
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	-	-	-
Recruitment/outreach	386	388	-
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 over expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

<b>Northwest Regional Lead Hazard Control 2012</b>	<b>Neighborhood Stabilization</b>	<b>Contractual Management</b>	<b>Weatherization Low Income Heating Energy Assistance Program</b>	<b>Weatherization Department 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
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	-	-
12,204	-	2,866	1,461	18
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 Auditor's Report

	Weatherization American Recovery & Reinvestment Act	Head Start	Head Start State Supplemental 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
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	-	-	-
Recruitment/outreach	-	6,733	1,907
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 over expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

	<b>Pre-K Counts</b>	<b>Miscellaneous 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
	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
	1,067	904	39,696
	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>
\$	-	\$ 9	\$ 50,612



**LAWRENCE COUNTY SOCIAL SERVICES, INC.**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

Year Ended June 30, 2014

See Independent Auditor's Report

<b>Federal Grantor / Pass-Through Grantor Program Title</b>	<b>Federal CFDA 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	93.569
Community Services Block Grant	93.569
<b>Total Community Services Block Grant</b>	
Head Start:	
Head Start	93.600
Head Start	93.600
<b>Total Head Start</b>	

See Notes to Schedule of Expenditures of Federal Awards.

<b>Contract Pass-Through Grantors Number</b>	<b>Receipts</b>	<b>Expenditures</b>	<b>Grant Balance June 30, 2014</b>
R-2013-103	\$ 405,670	\$ 441,206	\$ 4,756
	12,781	7,186	-
	<u>418,451</u>	<u>448,392</u>	<u>4,756</u>
4340-C201	6,717	-	-
4340-C301	34,302	40,000	5,698
4100064843	115,539	51,045	-
4100064843	97,748	177,467	119,063
	<u>254,306</u>	<u>268,512</u>	<u>124,761</u>
C000052920	35,655	16,465	-
C000052447	276,822	139,042	-
C000057129	50,546	161,471	251,575
	<u>363,023</u>	<u>316,978</u>	<u>251,575</u>
03CH3326-11	2,413,438	2,198,855	-
03CH3326-12	333,995	368,560	2,372,991
	<u>2,747,433</u>	<u>2,567,415</u>	<u>2,372,991</u>

**LAWRENCE COUNTY SOCIAL SERVICES, INC.**

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

Year Ended June 30, 2014

See Independent Auditor's Report

Federal Grantor / Pass-Through Grantor Program Title	Federal CFDA Number
Weatherization Program:	
Passed through Pennsylvania Department of Community and Economic Development :	
Low-Income Home Energy Assistance	93.568
Low-Income Home Energy Assistance	93.568
Low-Income Home Energy Assistance	93.568
<b>Total Weatherization Program</b>	
Passed through Pennsylvania Department of Health and Human Services Maternal and Child Health Services Block Grant to the States	93.994
<b>Total Maternal and Child Health Services Block Grant to the States</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>	
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>	

See Notes to Schedule of Expenditures of Federal Awards.

<b>Pass-Through Grantors Number</b>	<b>Receipts</b>	<b>Expenditures</b>	<b>Grant Balance June 30, 2014</b>
C000050577	\$ 56,503	\$ 41,380	\$ -
C000053035	555,208	348,848	-
C000055924	433,963	526,340	151,220
	<u>1,045,674</u>	<u>916,568</u>	<u>151,220</u>
4100067044	-	106,623	766,666
	-	106,623	766,666
	<u>4,828,887</u>	<u>4,624,488</u>	<u>3,671,969</u>
7272-00	5,000	9,880	4,880
	<u>5,000</u>	<u>9,880</u>	<u>4,880</u>
300-37-000-6	242,289	244,619	N/A
	<u>242,289</u>	<u>244,619</u>	<u>-</u>
314-37-037-8	63,207	72,113	N/A
	<u>63,207</u>	<u>72,113</u>	<u>-</u>
	<u>305,496</u>	<u>316,732</u>	<u>-</u>

**LAWRENCE COUNTY SOCIAL SERVICES, INC.**

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

Year Ended June 30, 2014

See Independent Auditor's Report

<b>Federal Grantor / Pass-Through Grantor Program Title</b>	<b>Federal CFDA Number</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	
Community Development Block Grant 2012	14.228	
<b>Total Community Development Block Grant</b>		
Northwest Regional Lead Hazard Control Grant:		
Passed through County of Lawrence, Pennsylvania:		
PA Regional Lead Hazard Control - 2012	14.900	
<b>Total Northwest Regional Lead Hazard Control Grant</b>		
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	
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>		

See Notes to Schedule of Expenditures of Federal Awards.

<b>Pass-Through Grantors Number</b>	<b>Receipts</b>	<b>Expenditures</b>	<b>Grant Balance June 30, 2014</b>
C000050002	\$ 35,203	\$ 6,243	\$ -
C000052213	217,949	200,211	-
C000053191	181,383	247,404	165,266
	<u>434,535</u>	<u>453,858</u>	<u>165,266</u>
PALHB0522-12	812,068	877,807	1,342,166
	<u>812,068</u>	<u>877,807</u>	<u>1,342,166</u>
C000052869	148,181	260,213	191,819
C000053465	76,135	122,038	137,641
	<u>224,316</u>	<u>382,251</u>	<u>329,460</u>
C000051581	192,445	181,029	49,855
C000052497	212,137	215,914	82,362
	<u>404,582</u>	<u>396,943</u>	<u>132,217</u>
HC100321170	17,059	26,012	20,000
	<u>17,059</u>	<u>26,012</u>	<u>20,000</u>

**LAWRENCE COUNTY SOCIAL SERVICES, INC.**

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

Year Ended June 30, 2014

See Independent Auditor's Report

Federal Grantor / Pass-Through Grantor Program Title	Federal CFDA Number
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 - 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
Supportive Housing Program - NWR Housing Alliance Expansion Grant	14.235
<b>Total Supportive Housing Program</b>	
<b>Total U.S. Department of Housing and 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	
Passed through Northwest Institute of Research:	
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 Economic Development:	
Weatherization Assistance for Low Income Persons	81.042
Weatherization Assistance for Low Income Persons	81.042
<b>Total U.S. Department of Energy</b>	

See Notes to Schedule of Expenditures of Federal Awards.

<b>Pass-Through Grantors Number</b>	<b>Receipts</b>	<b>Expenditures</b>	<b>Grant Balance June 30, 2014</b>
PA0314B3E021104	\$ 10,989	\$ 5,356	\$ -
PA0314L3E021205	34,795	38,484	8,028
PA0314B3E021002	14,175	-	-
PA0497L3E021203	74,954	77,065	2,111
PA0498B3E021102	41,985	28,085	-
PA0425B3E021103	30,922	17,243	-
PA0425B3E021204	160,725	177,024	48,390
PA0304B3E021101	19,908	10,651	-
PA0304L3E021202	43,896	52,587	18,944
PA0304B3E021100	98,635	98,635	81,311
PA0601B3E021201	101,503	104,307	101,040
	<u>632,487</u>	<u>609,437</u>	<u>259,824</u>
	<u>2,525,047</u>	<u>2,746,308</u>	<u>2,248,933</u>
Q215F120265	204,280	226,403	528,926
N/A	<u>4,800</u>	<u>4,800</u>	<u>-</u>
	<u>209,080</u>	<u>231,203</u>	<u>528,926</u>
C000053035	112,152	88,219	-
C000055924	<u>61,744</u>	<u>108,394</u>	<u>-</u>
	<u>173,896</u>	<u>196,613</u>	<u>-</u>



LAWRENCE COUNTY SOCIAL SERVICES, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)

Year Ended June 30, 2014

See Independent Auditor's Report

Federal Grantor / Pass-Through Grantor Program Title	Federal CFDA Number
<b><u>U.S. Department of Labor</u></b>	
Passed through Senior Service America: Senior Community Service Employment Program	17.235
Passed through West Central Job Partnership: 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><u>U.S. Department of Veterans Affairs</u></b>	
VA Supportive Services for Veterans Families Program	64.033
<b>Total U.S. Department of Veterans Affairs</b>	
<b>Total awards</b>	

See Notes to Schedule of Expenditures of Federal Awards.

<b>Pass-Through Grantors Number</b>	<b>Receipts</b>	<b>Expenditures</b>	<b>Grant Balance June 30, 2014</b>
296	\$ 462,584	\$ 511,642	\$ 27,188
4340-E201	19,167	-	-
4340-E301	110,876	120,000	9,124
	<u>592,627</u>	<u>631,642</u>	<u>36,312</u>
PA-26-7267-00	<u>120,435</u>	<u>122,162</u>	<u>67,415</u>
	<u>120,435</u>	<u>122,162</u>	<u>67,415</u>
2014-PA-277-TFA	<u>439,756</u>	<u>518,910</u>	<u>402,244</u>
	<u>439,756</u>	<u>518,910</u>	<u>402,244</u>
	<u>\$ 9,200,224</u>	<u>\$ 9,397,938</u>	<u>\$ 6,960,679</u>

**LAWRENCE COUNTY SOCIAL SERVICES, INC.**

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**Year Ended June 30, 2014**

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**Note 1. Basis of Presentation**

The accompanying schedule of expenditures of federal awards (Schedule) includes all federal grant activity of Lawrence County Social Services, Inc. (LCSS, Inc.) under programs of the federal government for the year ended June 30, 2014. The information in this Schedule is presented in accordance with the requirements of the U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the Schedule presents only a selected portion of the operations of LCSS, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of LCSS, Inc.

**Note 2. Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-122, *Cost Principles for Non-Profit Organizations*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

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

Board of Directors  
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, 2014, 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 25, 2015.

**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. 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.

*Arnett Carbis Toothman LLP*

New Castle, Pennsylvania  
February 25, 2015

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE  
FOR EACH MAJOR FEDERAL PROGRAM AND REPORT  
ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY OMB CIRCULAR A-133**

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 U.S. 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, 2014. LCSS, Inc.'s major federal programs are identified in the summary of independent auditor's 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.

**Auditor's 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, 2014.

## 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.

*Arnett Carbis Toothman LLP*

New Castle, Pennsylvania  
February 25, 2015

**LAWRENCE COUNTY SOCIAL SERVICES, INC.**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2014**

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I. Summary of Independent Auditor's Results

Financial Statements

Type of auditor's 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 auditor's 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>
10.558	Child and Adult Care Food Program
14.231	Emergency Solutions Grant Program
14.235	Supportive Housing Program
64.033	VA Supportive Services for Veteran Families Program
93.568	Low-Income Home Energy Assistance
93.600	Head Start
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, 2014**

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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, 2014**

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Audit Findings: None

**INDEPENDENT AUDITOR'S REPORT  
ON THE SCHEDULE OF DEPARTMENT OF  
HUMAN SERVICES FINANCIAL ASSISTANCE**

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

The accompanying Schedule of Department of Human Services 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.

*Arnett Carbis Toothman LLP*

New Castle, Pennsylvania  
February 25, 2015

**LAWRENCE COUNTY SOCIAL SERVICES, INC.**

**SCHEDULE OF DEPARTMENT OF HUMAN SERVICES  
FINANCIAL ASSISTANCE**

**Year Ended June 30, 2014**

**See Independent Auditor's Report on the  
Schedule of Department of Human Services  
Financial Assistance**

<b>Program</b>	<b>Combined Federal/State Expenditures Year Ended June 30, 2014</b>
Medical Assistance Transportation Program	\$ 936,744 *
Human Services Development Fund	114,423
Combined Homeless Assistance Program	120,502
Professional Development Trainings	<u>4,800</u>
<b>Total</b>	<b><u>\$ 1,176,469</u></b>

\* Denotes major Department of Human Services program. The amount expended under the major Department of Human Services program for the year ended June 30, 2014, totaled \$936,744 or 79.6% of total Department of Human Services financial assistance.

**INDEPENDENT ACCOUNTANT'S 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 Human Services (DHS), and Lawrence County Social Services, Inc. solely to assist you with respect to the financial schedules and exhibits required by the DHS' 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 DHS. 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 DHS for the fiscal year ended June 30, 2014, 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 DHS' 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 DHS 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 Human Services 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.

*Arnett Carbis Toothman LLP*

New Castle, Pennsylvania  
February 25, 2015

LAWRENCE COUNTY SOCIAL SERVICES, INC.  
 MEDICAL ASSISTANCE TRANSPORTATION PROGRAM

EXHIBIT III

SCHEDULE OF REVENUES AND EXPENDITURES

Year Ended June 30, 2014

See Independent Accountant's Report  
 on Applying Agreed-Upon Procedures

	Reported	Actual
A. Service Data:		
Expenditures		
Group I clients	\$ 853,078	\$ 853,078
Group II clients	83,740	83,740
	<hr/>	<hr/>
<b>Total expenditures</b>	<b>\$ 936,818</b>	<b>\$ 936,818</b>
	<hr/>	<hr/>
B. Allocation Data:		
1. Revenues		
Department of Human Services	\$ 936,744	\$ 936,744
Interest income	74	74
	<hr/>	<hr/>
<b>Total revenues</b>	<b>936,818</b>	<b>936,818</b>
	<hr/>	<hr/>
2. Funds Expended		
Transportation costs	556,581	556,581
Administration costs	380,237	380,237
	<hr/>	<hr/>
<b>Total expenses</b>	<b>936,818</b>	<b>936,818</b>
	<hr/>	<hr/>
<b>Excess of revenues over expenditures</b>	<b>\$ -</b>	<b>\$ -</b>
	<hr/>	<hr/>

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

**SCHEDULE OF REVENUES AND EXPENDITURES**

**Year Ended June 30, 2014**

**See Independent Accountant's 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	\$ 6,308	\$ -
B. Operating	4,821	-
C. Purchased Services	169	8,800
Subtotal of Total Expenditures	<u>11,298</u>	<u>8,800</u>
<b>III. REVENUES</b>		
A. Client Fares	-	-
B. Other	-	-
Subtotal Revenues	<u>-</u>	<u>-</u>
<b>IV. DHS REIMBURSEMENT</b>		
A. Human Services Development Fund	<u>11,298</u>	<u>8,800</u>
Subtotal DHS Reimbursement	<u>11,298</u>	<u>8,800</u>
<b>V. UNSPENT ALLOCATION</b>	<u>\$ -</u>	<u>\$ -</u>



Aging	Children and Youth	Generic Services	Interagency Coordination	Specialized Services	Total
					\$ 114,423
\$ -	\$ -	\$ 16,539	\$ 24,908	\$ 18,754	\$ 66,509
-	-	4,635	2,681	1,649	13,786
-	-	24,704	235	220	34,128
-	-	45,878	27,824	20,623	114,423
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	45,878	27,824	20,623	114,423
-	-	45,878	27,824	20,623	114,423
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

**SCHEDULE OF REVENUES AND EXPENDITURES**

Year Ended June 30, 2014

See Independent Accountant's Report  
on Applying Agreed-Upon Procedures

	Administration	Bridge Housing	Case Management
<b>I. TOTAL ALLOCATION</b>			
<b>II. TOTAL EXPENDITURES</b>			
A. Personnel	\$ 9,319	\$ -	\$ 55,451
B. Operating	2,202	-	16,201
C. Purchased Services	529	-	1,800
Subtotal of Total Expenditures	12,050	-	73,452
<b>III. REVENUES</b>			
A. Client Fares	-	-	-
B. Other	-	-	-
Subtotal Revenues	-	-	-
<b>IV. DHS REIMBURSEMENT</b>			
A. State HAP Funding	12,050	-	73,452
B. SSBG	-	-	-
C. SABG	-	-	-
Subtotal DHS Reimbursement	12,050	-	73,452
<b>V. UNSPENT ALLOCATION</b>	\$ -	\$ -	\$ -

Rental Assistance	Emergency Shelter	Other Housing Services	Total
			\$ 120,502
\$ -	\$ -	\$ -	\$ 64,770
-	-	-	18,403
35,000	-	-	37,329
35,000	-	-	120,502
-	-	-	-
-	-	-	-
-	-	-	-
35,000	-	-	120,502
-	-	-	-
-	-	-	-
35,000	-	-	120,502
\$ -	\$ -	\$ -	\$ -

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

**SCHEDULE OF EXPENDITURES**

**Year Ended June 30, 2014**

**See Independent Accountant's Report  
on Applying Agreed-Upon Procedures**

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

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

**SCHEDULE OF REVENUES AND EXPENDITURES**

**Year Ended June 30, 2014**

**See Independent Accountant's Report  
on Applying Agreed-Upon Procedures**

**July 1, 2013, to June 30, 2014**

**Actual**

<hr/>	
Source of funding:	
DHS allocation - Northwest Regional Key	\$ 4,800
Program income	<u>2,155</u>
<b>Total funding</b>	<b><u><u>\$ 6,955</u></u></b>
Expenses:	
Salaries and benefits	\$ 6,859
Supplies	<u>96</u>
<b>Total expenses</b>	<b><u><u>\$ 6,955</u></u></b>