



Certified Public Accountants, A.C.

**PRIDE COMMUNITY SERVICES, INC.
LOGAN COUNTY
Single Audit
For the Years Ended December 31, 2017 and 2016**

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PRIDE COMMUNITY SERVICES, INC

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INDEPENDENT AUDITOR'S REPORT

July 20, 2018

Pride Community Services, Inc.
699 Stratton Street, PO Box 1346
Logan, WV 25601

To the Board of Directors:

Report on the Financial Statements

We have audited the accompanying financial statements of **Pride Community Services, Inc.** (a nonprofit organization) (PRIDE), which comprise the statements of financial position as of December 31, 2017 and 2016, and the related statements of activities 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 PRIDE'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 PRIDE'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.

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of PRIDE as of December 31, 2017 and 2016, 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

Supplementary and Other Information

Our audit was conducted to opine on PRIDE's financial statements taken as a whole. The accompanying supplementary information shown on pages 14-27 is presented for purposes of additional analysis and is not a required part of the financial statements. The Schedule of Expenditures of Federal Awards presents additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and is not a required part of the financial statements.

The statements and schedules are management's responsibility and derive from and relate directly to the underlying accounting and other records used to prepare the financial statements. We subjected these statements and schedules to the auditing procedures applied in the audit of the financial statements. We also applied certain additional procedures, including comparing and reconciling statements and schedules directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, these statements and schedules are fairly stated in all material respects in relation to the financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 20, 2018, on our consideration of PRIDE's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering PRIDE's internal control over financial reporting and compliance.



Perry & Associates
Certified Public Accountants, A.C.
Marietta, Ohio

PRIDE COMMUNITY SERVICES, INC.
STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2017 AND 2016

ASSETS

	<u>2017</u>	<u>2016</u>
CURRENT ASSETS:		
Cash and Cash Equivalents	\$ 72,639	\$ 207,281
Grants Receivable	671,789	397,203
Prepaid Expenses	26,720	42,765
Total Current Assets	<u>771,148</u>	<u>647,249</u>
PROPERTY AND EQUIPMENT:		
HOME program housing inventory	258,710	258,710
Property and Equipment, Net of Accumulated Depreciation	1,424,835	1,296,851
Total Property and Equipment	<u>1,683,545</u>	<u>1,555,561</u>
TOTAL ASSETS	<u>\$ 2,454,693</u>	<u>\$ 2,202,810</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:

Accounts Payable	\$ 79,823	\$ 110,882
Accrued Salaries and Benefits	184,702	187,334
Deferred Revenue	213,461	86,579
Other Liabilities	-	16,685
Total Current Liabilities	<u>477,986</u>	<u>401,480</u>

LONG TERM LIABILITIES:

Other Post Employment Benefits (OPEB)	1,467,338	1,419,830
Total Long Term Liabilities	<u>1,467,338</u>	<u>1,419,830</u>

TOTAL LIABILITIES

1,945,324	<u>1,821,310</u>
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NET ASSETS:

Unrestricted	509,369	381,500
Total Net Assets	<u>509,369</u>	<u>381,500</u>

TOTAL LIABILITIES AND NET ASSETS

\$ 2,454,693	<u>\$ 2,202,810</u>
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The notes to the financial statements are an integral part of this statement.

PRIDE COMMUNITY SERVICES, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	2017			2016		
	Unrestricted Net Assets	Temporarily Restricted Net Assets	Total Net Assets	Unrestricted Net Assets	Temporarily Restricted Net Assets	Total Net Assets
UNRESTRICTED NET ASSETS						
SUPPORT AND REVENUES:						
<i>Support and Revenue</i>						
Grant Revenue	\$ 3,716,208	\$ -	\$ 3,716,208	\$ 3,269,366	\$ -	\$ 3,269,366
In-Kind Matching Contributions	507,173	-	507,173	467,236	-	467,236
Food Reimbursements	58,028	-	58,028	54,524	-	54,524
Program Income	16,740	-	16,740	22,359	-	22,359
Client Service Revenue	681,792	-	681,792	648,463	-	648,463
Other Income	282,394	-	282,394	434,089	-	434,089
Net Assets Released from Restrictions:						
Satisfaction of Purpose Restriction	-	-	-	198,577	(198,577)	-
Total Unrestricted Support and Revenue	5,262,335	-	5,262,335	5,094,614	(198,577)	4,896,037
EXPENSES:						
Salaries and Wages	1,796,075	-	1,796,075	1,712,824	-	1,712,824
Fringe Benefits	643,151	-	643,151	660,255	-	660,255
In-Kind Labor and Expenses	507,173	-	507,173	467,236	-	467,236
Consumable Supplies	266,927	-	266,927	117,933	-	117,933
Travel	5,000	-	5,000	10,985	-	10,985
Training	79,879	-	79,879	50,371	-	50,371
Repairs and Maintenance	153,902	-	153,902	353,533	-	353,533
Contractual and Consultants	260,140	-	260,140	309,217	-	309,217
Telephone and Utilities	107,289	-	107,289	128,567	-	128,567
Operating Expenses	43,490	-	43,490	48,520	-	48,520
Insurance	115,749	-	115,749	96,356	-	96,356
Transportation	37,848	-	37,848	33,099	-	33,099
Meal Costs	318,910	-	318,910	338,783	-	338,783
Indirects Costs	460,516	-	460,516	445,257	-	445,257
Depreciation Expense	157,354	-	157,354	167,439	-	167,439
Emergency Services	80,816	-	80,816	93,419	-	93,419
Other Expenses	52,739	-	52,739	104,627	-	104,627
Total Operating Expenses	5,086,958	-	5,086,958	5,138,421	-	5,138,421
Operating Income (Loss)	175,377	-	175,377	(43,807)	(198,577)	(242,384)
Non-Operating Other Post Employment Benefits (OPEB) Expense	47,508	-	47,508	46,432	-	46,432
CHANGE IN NET ASSETS	127,869	-	127,869	2,625	(198,577)	(195,952)
NET ASSETS AT BEGINNING OF YEAR	381,500	-	381,500	378,875	198,577	577,452
NET ASSETS AT END OF YEAR	\$ 509,369	\$ -	\$ 509,369	\$ 381,500	\$ -	\$ 381,500

The notes to the financial statements are an integral part of this statement.

PRIDE COMMUNITY SERVICES, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	2017	2016
Cash Flows from Operating Activities:		
Change in Net Assets	\$ 127,869	\$ (242,759)
Adjustments to Reconcile Changes in Net Assets to Net Cash		
Provided by (Used in) Operating Activities		
Gain / (Loss) on disposal of capital assets	14	(18,076)
Depreciation	157,354	167,439
(Increase) Decrease in operating assets		
Grants Receivable	(274,586)	(110,336)
Accounts Receivable	-	54,068
Prepaid Expenses	16,045	43,194
Increase (Decrease) in Operating Liabilities:		
Accounts Payable	(31,059)	42,241
Accrued Payroll	(2,632)	73,352
Deferred Revenue	126,882	(58,209)
Refundable Advances	-	(10,342)
Other Post Employment Benefits	47,508	46,432
Other Liabilities	(16,685)	16,685
Net Cash Provided by (Used in) Operating Activities	150,710	3,689
Cash Flows from Investing Activities:		
Purchase of Property and Equipment	(285,352)	(226,552)
Net Cash Provided by (Used in) Investing Activities	(285,352)	(226,552)
Net Increase (Decrease in) Cash and Cash Equivalents	(134,642)	(222,863)
Cash and Cash Equivalents, Beginning of Year	207,281	430,144
Cash and Cash Equivalents, End of Year	\$ 72,639	\$ 207,281

The notes to the financial statements are an integral part of this statement.

PRIDE COMMUNITY SERVICES, INC.
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016

NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF OPERATIONS – PRIDE Community Services, Inc. (PRIDE) is a nonprofit community action agency located in Logan, West Virginia created to provide services to low-income individuals, families and the elderly in Logan County, West Virginia. The organization is funded primarily through grants and other agreements with the federal and state government.

UNRESTRICTED NET ASSETS – Unrestricted net assets are comprised of funds whose use is limited only to the extent that the organization's by-laws limit the activities of the organization. Contributions with donor-imposed restrictions that are met in the same year in which the contribution is recognized are reported as changes in unrestricted net assets.

USE OF ESTIMATES – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

REVENUE RECOGNITION – Contributions and grants with donor-imposed conditions are reported as revenue when qualifying expenses have been incurred or other conditions have been met. Cash received but not yet expended for these conditional grants is recorded as refundable advances. Use of this cash is restricted to the purposes of the grant contribution. Unrestricted grants and contributions are recorded as revenue in the period received.

PROPERTY AND EQUIPMENT – Property and equipment with a cost of \$1,000 or more are capitalized at cost and depreciated using the straight-line method over the estimated useful lives of the assets. Useful lives are 30 to 39 years for buildings, 15 years for land improvements, and 4 to 7 years for office equipment and vehicles.

CONTRIBUTED SERVICES AND SPACE – Contributions of services are recognized if the services received create or enhance nonfinancial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributed services and promises to give services that do not meet the above criteria are not recognized. Contributed services that are recognized are valued at the estimated cost that would be incurred by PRIDE to purchase similar services. Donated space is valued at the estimated fair rental value.

CONTRIBUTIONS – Contribution income is recognized in the period in which PRIDE received restricted or unrestricted assets or unconditional promises of future donation. Contribution income shall be classified as increases in unrestricted, temporarily restricted or permanently restricted net assets based on the existence or absence of such restrictions. Unconditional promises to give that are to be collected within one year shall be recorded at fair value, less any reserve for uncollectible promises, as estimated by management. Unconditional promises to give that are collectible in excess of one year are recorded at their discounted net present value.

INCOME TAXES – PRIDE is a nonprofit corporation classified under Section 501(c)(3) of the Internal Revenue Code and is exempt from income taxes derived from its nonprofit activities. For the year ended December 31, 2017, management believes that PRIDE has no material uncertain tax positions to be accounted for in the financial statements. As of December 31, 2017, tax years ending on or after December 31, 2014 remain subject to examination.

PRIDE COMMUNITY SERVICES, INC.
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016
(Continued)

NOTE 1 -- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

CASH AND CASH EQUIVALENTS – For purpose of the statement of cash flows, the organization considers all unrestricted highly liquid investments with an original maturity of three months or less to be cash equivalents.

INVENTORY – Weatherization inventory is considered immaterial and, therefore, is charged to expense in the period during which it is purchased instead of being recognized as an asset and being expensed as it is used. Inventory for the HOME program is recognized as an asset and is expensed as it is used. Inventory cost is calculated using the average cost method. Inventory is valued at the lower of cost or market.

ADVERTISING COSTS – Advertising costs are expensed as incurred.

SUBSEQUENT EVENTS – In preparing these financial statements, PRIDE has evaluated events and transactions for potential recognition or disclosure through July 20, 2018, the date the financial statements were issued.

NOTE 2 -- CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand and deposits with banking institutions in checking accounts. Bank balances are insured by federal deposit insurance by the Federal Deposit Insurance Corporation (FDIC). Balances in these accounts sometimes exceed the federal deposit insurance limits; however, management believes the financial institutions to be creditworthy and believes that credit risk associated with these deposits is minimal. Management also obtains collateral for amounts in excess of FDIC limits. At December 31, 2017, the amount of cash in banks was covered by either FDIC insurance or collateral.

NOTE 3 -- PROPERTY AND EQUIPMENT

A summary of property and equipment at December 31, 2017 and 2016 is as follows:

	2017	2016
Land	\$ 461,765	\$ 461,765
Land Improvements	121,162	121,162
Buildings	626,561	626,561
Vehicles and Equipment	1,815,218	1,577,361
	<u>3,024,706</u>	<u>2,786,849</u>
Less: Accumulated Depreciation	(1,599,871)	(1,489,998)
Property and Equipment	<u>\$ 1,424,835</u>	<u>\$ 1,296,851</u>

NOTE 4 -- DEFERRED REVENUE

Deferred revenue is comprised of funds received for services to be provided pursuant to a collaborative agreement between PRIDE and the Logan County Board of Education. On an annual basis, the Logan County Board of Education calculates an amount to be paid in ten monthly installments. These funds can be used to pay costs to enhance or supplement the Head Start program. Amounts not yet spent to enhance or supplement the Head Start program at December 31, 2017 and 2016 were \$213,461 and \$86,579, respectively.

PRIDE COMMUNITY SERVICES, INC.
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016
(Continued)

NOTE 5 -- FUNCTIONAL EXPENSES

PRIDE incurred expenditures in the conduct of the following programs for the years ended December 31, 2017 and 2016:

	2017	2016
Head Start:		
PRIDE provides comprehensive education activities to eligible Pre-Kindergarten students.	\$ 2,237,190	\$ 2,346,486
Weatherization:		
PRIDE provides services to reduce the energy costs of low-income families, particularly the elderly, people with disabilities, and children by improving the energy efficiency of their homes.	785,193	198,384
Title III:		
This includes programs for older Americans and covers social support activities including case management, transportation, assessments, etc.	417,046	387,017
Child and Adult Care Food Program:		
This program is funded by the Department of Education and the USDA and provides reimbursement for providing meals and care to children.	190,745	245,985
CSBG:		
PRIDE provides emergency assistance to low-income, disabled, or elderly individuals and families and supports other agency programs as needed.	269,213	284,565
Personal Care:		
PRIDE provides an in-home care program, funded by the Medicaid program that make personal assistance available to eligible adults.	666,124	677,215
Other Programs that benefit children, senior citizens, and families	649,445	991,342
	5,214,956	5,130,994
Depreciation expense under GAAP	157,354	167,812
Less: Capitalized Assets	(285,352)	(160,385)
Total Operating Expenses	\$ 5,086,958	\$ 5,138,421

The above amounts include a proportionate allocation of all management and general and indirect costs, which total approximately \$461,000 and \$445,000 for the years ended December 31, 2017 and 2016, respectively.

PRIDE COMMUNITY SERVICES, INC.
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016
(Continued)

NOTE 6 -- CONCENTRATIONS OF CREDIT RISK

PRIDE provides various services to the elderly and low-income individuals on a third-party reimbursement basis. PRIDE bills the various funding sources in accordance with contractual agreements without requiring collateral or any other security. Grants and other receivables have been adjusted for all known uncollectible accounts. An allowance for bad debts has not been set up as the amount is not considered material.

NOTE 7 -- CONTINGENT LIABILITIES

PRIDE's programs are generally funded from federal, state, and local sources, principal of which are programs of the U.S. Department of Health and Human Services and the U.S. Department of Agriculture. Federal and state grants received for specific purposes are subject to audit and review by grantor agencies. Such audits and reviews could result in requests for reimbursement to grantor agencies for expenditures disallowed under the terms of the grants. The amount, if any, or expenditures which may be disallowed by grantor agencies cannot be determined at this time.

NOTE 8 -- RETIREMENT PLANS

West Virginia Public Employees Retirement Systems – PRIDE is a participating employer in the West Virginia Public Employees Retirement System (PERS). This is a cost sharing, multi-employer public employee retirement systems which covers employees of the state of West Virginia and various other governmental and non-profit entities. Under this plan, all full-time employees hired prior to July 1, 2015, contribute 4.5% of their salary, and effective July 1, 2015, new hires contribute 6% of their salary. PRIDE's contribution for the period January 1, 2016 through June 30, 2016, was 13.5% decreasing to 12% on July 1, 2016. Effective July 1, 2016, PRIDE's contribution rate decreased to 11%. Trend information showing the progress of the system in accumulating sufficient assets to pay benefits when due is presented in their annual financial report. Copies can be obtained from the State.

West Virginia Retiree Health Benefits Trust Fund – PRIDE Community Services, Inc. participates in the West Virginia Retiree Health Benefits Trust Fund (RHBT) to provide certain other post-employment benefits (OPEB). RHBT is a cost-sharing, multiple-employer defined benefits post-employment healthcare plan administered by the West Virginia Public Employees Insurance Agency (PEIA). RHBT provides medical benefits to eligible retired employees of participating employers. Eligibility is primarily established through participation in certain defined benefit plans. RHBT issues a publicly available financial report that includes financials statements and required supplementary information. That report may be obtained by writing to: West Virginia Retiree Health Benefits Trust (RHBT), 601 57th Street, SE, Suite 2, Charleston, WV 25301-2345 or <http://www.wvpeia.com>.

	Contributions of PRIDE		
Pension Fund	2017	2016	2015
PERS	\$ 154,490	\$ 197,390	\$ 172,517
RHBT	\$ 68,697	\$ 79,299	\$ 67,030

PRIDE has made 100% of contributions each year.

PRIDE COMMUNITY SERVICES, INC.
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016
(Continued)

NOTE 8 -- RETIREMENT PLANS (Continued)

RHBT / OPEB LIABILITY – All retired employees are eligible to obtain health insurance coverage through PEIA with the retired employee’s premium contribution established by the Finance Board. The Finance Board has allowed retirees to obtain health insurance coverage at essentially the same premium rate as active employees with the difference between the retirees’ premium contributions and the cost of providing health care to retirees subsidized by the State. It is this subsidy that has created the major portion of the OPEB actuarial liability.

Total OPEB expense consists of amounts currently due to fund the “pay as you go” retiree subsidy and additional amounts billed to participating employers for their portion of the overall plan’s Annual Required Contribution (ARC). The “pay as you go” amounts are included with fringe benefits in the accompanying Statements of Activities. The amounts billed from the RHBT for the ARC are not required to be paid by the participating employers. OPEB costs are accrued based upon invoices received from PEIA based upon actuarially determined amounts. In accordance with professional standards, such amounts billed but unpaid are recorded as expenses with a liability for the cumulative amounts billed but unpaid. The annual amount of such ARC billings are identified separately in the Statements of Activities as a non-operating expense. Following is a summary of OPEB expense for the years ended December 31, 2017 and 2016.

	2017	2016
Current 'pay as you go' amounts	\$ 68,697	\$ 79,299
Amounts billed for ARC	47,508	46,432
Total	\$ 116,205	\$ 125,731

At December 31, 2017 and 2016, the liability related to OPEB cost was \$1,467,338 and \$1,419,830. As of the year ended December 31, 2017, there were five retirees receiving these benefits.

The West Virginia Legislature passed legislation to provide alternate funding sources for the RHBT OPEB unfunded liability. In addition, the PEIA Finance Board imposed limits on the retiree subsidy currently provided for PEIA premiums for retirees. Future increases in the subsidy will be limited to no more than 3% per year. These actions are expected to have a material impact on the amounts billed by the RHBT to PRIDE in the future, resulting in credits being issued to reduce the recorded OPEB liability.

Other – The organization also sponsors a defined contribution pension plan for those employees who are not eligible to participate in the West Virginia Public Employees Retirement System. Contributions to the plan for 2017 and 2016 were \$4,401 and \$5,448, respectively.

PRIDE COMMUNITY SERVICES, INC.
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016
(Continued)

NOTE 9 -- DONATED SERVICES AND OTHER

During 2017 and 2016, PRIDE received donated services from unpaid volunteers, the use of facilities without charge and other donated items. Such amounts have been recorded as revenue and expenses by the following programs in the accompanying financial statements:

	2017			
	Volunteer Labor	Use of Facilities	Other	Total
Head Start	\$ 267,556	\$ 2,000	\$ 155,464	\$ 425,020
Title IIIB	-	-	7,107	7,107
Title III-C1	6,271	4,401	265	10,937
Title III-C2	-	30,975	-	30,975
Title IIID	-	-	645	645
Title IIIE	4,325	-	2,732	7,057
BuildJobs Initiative	19,433	4,581	1,418	25,432
Total	\$ 297,585	\$ 41,957	\$ 167,631	\$ 507,173

	2016			
	Volunteer Labor	Use of Facilities	Other	Total
Head Start	\$ 96,028	\$ 1,500	\$ 327,492	\$ 425,020
Title IIIB	-	-	7,107	7,107
Title III-C1	1,378	-	9,836	11,214
Title III-C2	-	-	16,193	16,193
Title IIID	-	-	645	645
Title IIIE	2,310	-	4,747	7,057
Total	\$ 99,716	\$ 1,500	\$ 366,020	\$ 467,236

NOTE 10 -- HOME PROGRAM

PRIDE has been certified as a Community Housing Development Organization (CHDO) by the West Virginia Housing Development Fund (WVHDF) under the state HOME Investment Partnerships Program (HOME Program). PRIDE has entered into a HOME Program agreement with the WVHDF that provides funds to PRIDE in the form of deferred payment loans to be used for the construction of homes. The loans are secured by a deed of trust and a lien on the constructed homes. Loans only have to be repaid if PRIDE fails to provide affordable housing to low-income families in accordance with the HOME Program regulations. Loans payable to WVHDF in 2017 and 2016 totaled \$0 and \$0, respectively.

PRIDE COMMUNITY SERVICES, INC.
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2017 AND 2016
(Continued)

NOTE 10 -- HOME PROGRAM (Continued)

Upon completion of constructed homes, PRIDE must sell the homes to qualified low-income buyers. The buyers borrow a portion of the home purchase price from a third-party lender, and PRIDE makes a loan for the remaining portion. Under the provisions of PRIDE's loan to the homeowner, if the new homeowner maintains the unit as his or her residence for a predetermined period of time (10 to 15 years), none of the loan proceeds will be required to be paid back to PRIDE. However, if the home is sold prior to the end of that predetermined period of time, PRIDE will receive from the sales proceeds a prorated portion of the original loan amount. PRIDE has a seconded deed of trust, which grants a security interest in the residences sold. These loans are accounted for as program subsidy expense by PRIDE at the time the loan is made. Since the full loan is immediately expensed or will be paid back to PRIDE from sales proceeds, no receivable or allowance for uncollectible loans is recorded. If any amounts are subsequently collected from these loans, they would be accounted for as additions to temporarily restricted net assets at that time.

Upon sale of the homes to qualified buyers, revenue is recognized for the full amount of the WVHDF loan relieved. Cash proceeds received by PRIDE from initial home sales are recorded as additions to temporarily restricted net assets. According to the terms of the HOME Program, PRIDE must use the sales proceeds from a house constructed using the original program funds to construct another house that must be sold to a qualified buyer under the loan program described above. The sale of this second house satisfies the temporary restriction, and the sales proceeds become unrestricted revenue to PRIDE. No second houses were sold during the years ended December 31, 2017 and 2016.

HOME Program housing inventory represents partially or fully completed houses that will be sold to qualified buyers under the program. Initial houses are constructed using original program funds from WVHDF. Second houses are constructed using sales proceeds from initial houses. Housing inventory is comprised of the following:

	December 31	
	2017	2016
Housing Inventory - Initial Houses	\$ -	\$ -
Housing Inventory - Second Houses	258,710	258,710
	\$ 258,710	\$ 258,710

Supplementary Information

PRIDE COMMUNITY SERVICES, INC.
SUMMARY SCHEDULE OF STATE AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2017

<u>Grantor Name/Program Title</u>	<u>Grant/Fund Account Number</u>	<u>Award Amount</u>	<u>Receivable (Refundable) 12/31/16</u>	<u>Receipts</u>	<u>Expenditures</u>	<u>Receivable (Refundable) 12/31/17</u>
WVSC Metro Area Agency on Aging						
Title IIIB Senior Services	21638	\$ 31,890	\$ -	\$ -	\$ -	\$ -
Title IIIB Senior Services	21637	31,890	15,609	25,334	9,725	-
Title IIID Health Services	21737	221	-	221	221	-
Legislative Initiatives for the Elderly - LIFE	21803	183,240	-	109,645	113,186	3,541
Legislative Initiatives for the Elderly - LIFE	21703	183,240	29,038	57,210	28,172	-
				-		
WV Bureau of Senior Services						
In Home Service Funds	IH1821	220,000	-	131,221	88,194	-
In Home Service Funds	IH1721	216,000	17,015	135,038	118,023	-

PRIDE COMMUNITY SERVICES, INC.
SCHEDULE OF FEDERAL, STATE, AND OTHER SUPPORT, EXPENDITURES, AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2017

Federal Grantor	Federal Financial Assistance						DHHS/Energy	Education		
	Department of Health and Human Services									
Pass-Thru Grantor	WVSC Metro Area Agency on Aging						Office of Economic Opportunity	Bureau for Children and Families		
	Program Title	Head Start/ USDA	Title IIIB Senior Citizens	Title IIIC-1 Nutrition Services	Title IIIC-2 Nutrition Services	Title IIID Preventative Health			Title IIIE Caregiver	CSBG
<u>Support and revenue</u>										
Grant revenue	\$ 1,592,199	\$ 74,046	\$ 97,294	\$ 143,982	\$ 3,583	\$ 16,275	\$ 269,213	\$ 746,928	\$ 190,745	
In-kind contributions	425,020	7,107	10,937	30,975	645	7,057	-	-	-	
Food reimbursements	58,028	-	-	-	-	-	-	-	-	
Program income	-	-	2,489	1,792	-	-	-	-	-	
Other income	161,943	-	-	-	-	-	-	22,338	-	
Total support and revenue	<u>2,237,190</u>	<u>81,153</u>	<u>110,720</u>	<u>176,749</u>	<u>4,228</u>	<u>23,332</u>	<u>269,213</u>	<u>769,266</u>	<u>190,745</u>	
<u>Expenditures</u>										
Salaries and wages	805,622	35,619	35,715	46,120	1,326	10,990	73,589	147,543	24,823	
Fringe benefits	295,473	16,650	13,689	12,211	496	2,093	23,990	101,823	7,009	
In-kind labor and expenses	425,020	7,107	10,937	30,975	645	7,057	-	-	-	
Consumable supplies and equipment	111,887	243	2,957	3,439	-	414	14,931	388,252	2,150	
Travel	2,781	-	-	-	-	-	302	286	-	
Training	51,009	-	-	-	1,379	40	15,610	1,602	133	
Repairs and maintenance	99,437	5,993	15,375	-	-	-	9,984	9,316	542	
Contractual and consultants	5,946	-	-	-	-	-	21,441	59,962	18	
Telephone and utilities	59,868	-	442	538	-	-	17,376	8,380	3,634	
Operating expenses	21,299	-	-	-	117	15	12,335	2,236	1,072	
Insurance	53,677	-	-	-	-	-	37,327	4,567	(592)	
Transportation	16,653	5,878	-	-	-	-	672	3,816	449	
Meal Costs	60,768	-	31,712	48,808	-	-	8,746	821	145,266	
Emergency services	-	-	-	-	-	-	-	-	-	
Other expenses	25,625	127	296	351	-	25	14,858	7,172	87	
Subtotal	<u>2,035,065</u>	<u>71,617</u>	<u>111,123</u>	<u>142,442</u>	<u>3,963</u>	<u>20,634</u>	<u>251,161</u>	<u>735,776</u>	<u>184,591</u>	
Allocation of Indirect costs	202,125	9,536	8,709	11,059	265	2,698	18,052	49,417	6,154	
Total expenditures	<u>2,237,190</u>	<u>81,153</u>	<u>119,832</u>	<u>153,501</u>	<u>4,228</u>	<u>23,332</u>	<u>269,213</u>	<u>785,193</u>	<u>190,745</u>	
Total support and revenue over expenditures	-	-	(9,112)	23,248	-	-	-	(15,927)	-	
Transfer in/(out)	-	-	9,112	(23,248)	-	-	-	15,927	-	
CHANGE IN NET ASSETS	-	-	-	-	-	-	-	-	-	
Beginning net assets	(14,692)	-	-	-	-	1,075	-	-	13,369	
Ending net assets	<u>\$ (14,692)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,075</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,369</u>	

PRIDE COMMUNITY SERVICES, INC.
SCHEDULE OF FEDERAL, STATE, AND OTHER SUPPORT, EXPENDITURES, AND CHANGES IN NET ASSETS (CONTINUED)
YEAR ENDED DECEMBER 31, 2017

Federal Grantor	State Assistance				Department of Veteran Affairs	Other	Totals
	Pass-Thru Grantor	WVSC Metro Area Agency on Aging	WV BOSS	WV Housing Development Fund	WV Community Action Partnerships		
Program Title	Personal Care	LIFE	In-Home	Housing	SSVF	Other	Totals
<u>Support and revenue</u>							
Grant revenue	\$ -	\$ 161,386	\$ 248,766	\$ -	\$ 108,401	\$ 63,390	\$ 3,716,208
In-kind contributions	-	-	-	-	-	25,432	507,173
Food reimbursements	-	-	-	-	-	-	58,028
Program income	-	-	12,459	-	-	-	16,740
Client service revenue	681,792	-	-	-	-	-	681,792
Other income	-	-	-	6,603	-	91,510	282,394
Total support and revenue	<u>681,792</u>	<u>161,386</u>	<u>261,225</u>	<u>6,603</u>	<u>108,401</u>	<u>180,332</u>	<u>5,262,335</u>
<u>Expenditures</u>							
Salaries and wages	340,293	40,205	172,164	-	25,240	36,826	1,796,075
Fringe benefits	77,411	19,340	45,804	-	14,702	12,460	643,151
In-kind labor and expenses	-	-	-	-	-	25,432	507,173
Consumable supplies and equipment	413	13,250	(1,022)	-	1,696	13,669	552,279
Travel	1,331	85	-	-	158	57	5,000
Training	45	1,696	35	-	1,846	6,484	79,879
Repairs and maintenance	(4,216)	9,712	(104)	-	328	7,535	153,902
Contractual and consultants	171,184	30	-	-	9	1,550	260,140
Telephone and utilities	(393)	14,604	-	-	1,964	876	107,289
Operating expenses	380	2,178	(162)	-	754	3,266	43,490
Insurance	(2,331)	17,937	-	-	5,164	-	115,749
Transportation	-	5,878	-	-	394	4,108	37,848
Meal Costs	(421)	23,964	(7,418)	-	32	6,632	318,910
Emergency services	-	-	-	-	49,265	31,551	80,816
Other expenses	(685)	1,320	1,399	-	26	2,138	52,739
Subtotal	<u>583,011</u>	<u>150,199</u>	<u>210,696</u>	<u>-</u>	<u>101,578</u>	<u>152,584</u>	<u>4,754,440</u>
Allocation of Indirect costs	<u>83,113</u>	<u>11,187</u>	<u>42,350</u>	<u>-</u>	<u>6,823</u>	<u>9,028</u>	<u>460,516</u>
Total expenditures	<u>666,124</u>	<u>161,386</u>	<u>253,046</u>	<u>-</u>	<u>108,401</u>	<u>161,612</u>	<u>5,214,956</u>
Total support and revenue over expenditures	15,668	-	8,179	6,603	-	18,720	47,379
Depreciation expense under GAAP	-	-	-	-	-	(157,354)	(157,354)
Capitalized Assets	-	-	-	-	-	285,352	285,352
Other post retirement benefits (OPEB)	-	-	-	-	-	(47,508)	(47,508)
Transfer in/(out)	<u>(15,668)</u>	<u>-</u>	<u>(8,179)</u>	<u>(6,603)</u>	<u>-</u>	<u>28,659</u>	<u>-</u>
CHANGE IN NET ASSETS	-	-	-	-	-	127,869	127,869
Beginning net assets	25,012	-	9,990	214,489	-	132,257	381,500
Ending net assets	<u>\$ 25,012</u>	<u>\$ -</u>	<u>\$ 9,990</u>	<u>\$ 214,489</u>	<u>\$ -</u>	<u>\$ 260,126</u>	<u>\$ 509,369</u>

PRIDE COMMUNITY SERVICES, INC.
SCHEDULE OF GRANT SUPPORT, REVENUE, AND EXPENDITURES
COMPARED TO GRANT BUDGETS (NON-GAAP BASIS)
COMMUNITY SERVICES BLOCK GRANT - GRANT NUMBER 17CSBG-DT13
GRANT PERIOD APRIL 1, 2017 - MARCH 31, 2018

	<u>Budget</u>	<u>Actual</u>	<u>(Over) Under Budget</u>
Support and revenue			
Federal revenue	\$ 10,000	\$ 10,000	\$ -
Total support and revenue	<u>10,000</u>	<u>10,000</u>	<u>-</u>
Expenses			
Contractual	-	-	-
Travel	-	-	-
Training	10,000	10,000	-
Consumable supplies	-	-	-
Activities	-	-	-
Operating expenses	-	-	-
Total expenses	<u>10,000</u>	<u>10,000</u>	<u>-</u>
Increase (decrease) in net assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Transfers in (out)		<u>-</u>	
Net assets, December 31, 2017		<u>\$ -</u>	

PRIDE COMMUNITY SERVICES, INC.
SCHEDULE OF GRANT SUPPORT, REVENUE, AND EXPENDITURES
COMPARED TO GRANT BUDGETS (NON-GAAP BASIS)
COMMUNITY SERVICES BLOCK GRANT - GRANT NUMBER 17CSBG-F13
GRANT PERIOD JANUARY 1, 2017 - DECEMBER 31, 2017

	<u>Budget</u>	<u>Actual</u>	<u>(Over) Under Budget</u>
Support and revenue			
Federal revenue	\$ 251,942	\$ 251,942	\$ -
Total support and revenue	<u>251,942</u>	<u>251,942</u>	<u>-</u>
Expenses			
Salaries and wages	86,732	73,589	13,143
Fringe benefits	36,427	23,990	12,437
Insurance	22,000	37,327	(15,327)
Contractual	14,700	15,816	(1,116)
Travel	800	243	557
Training	5,100	5,610	(510)
Repairs and maintenance	8,000	9,948	(1,948)
Transportation	-	672	(672)
Operating expenses	8,300	12,335	(4,035)
Consumable supplies	15,200	14,930	270
Telephone and utilities	14,601	17,421	(2,820)
Other expenses	10,820	13,263	(2,443)
Meals	5,800	8,746	(2,946)
Indirect costs	23,462	18,052	5,410
Total expenses	<u>251,942</u>	<u>251,942</u>	<u>-</u>
Increase (decrease) in net assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Transfers in (out)		<u>-</u>	
Net assets, December 31, 2017		<u>\$ -</u>	

PRIDE COMMUNITY SERVICES, INC.
SCHEDULE OF GRANT SUPPORT, REVENUE, AND EXPENDITURES
COMPARED TO GRANT BUDGETS (NON-GAAP BASIS)
WEATHERIZATION DHHR GRANT - GRANT NUMBER DHHRWX1611
GRANT PERIOD OCTOBER 1, 2016 - SEPTEMBER 30, 2017

	<u>Budget</u>	<u>Actual</u>	<u>(Over) Under Budget</u>
Support and revenue			
Federal revenue	\$ 639,464	\$ 639,464	\$ -
Total support and revenue	<u>639,464</u>	<u>639,464</u>	<u>-</u>
Expenses			
Salaries and wages	174,357	146,593	27,764
Fringe benefits	70,218	92,737	(22,519)
Insurance	905	4,570	(3,665)
Contractual	12,200	23,912	(11,712)
Travel	-	-	-
Training	5,000	1,345	3,655
Repairs and maintenance	39,134	6,542	32,592
Transportation	1,800	1,007	793
Operating expenses	3,276	1,483	1,793
Consumable supplies	277,208	328,807	(51,599)
Telephone and utilities	9,400	4,960	4,440
Other expenses	1,000	2,267	(1,267)
Meals	-	511	(511)
Indirect costs	44,966	45,669	(703)
Total expenses	<u>639,464</u>	<u>660,403</u>	<u>(20,939)</u>
Increase (decrease) in net assets	<u>\$ -</u>	<u>\$ (20,939)</u>	<u>\$ 20,939</u>
Transfers in (out)		<u>20,939</u>	
Net assets, December 31, 2017		<u>\$ -</u>	

PRIDE COMMUNITY SERVICES, INC.
SCHEDULE OF GRANT SUPPORT, REVENUE, AND EXPENDITURES
COMPARED TO GRANT BUDGETS (NON-GAAP BASIS)
WEATHERIZATION DOE GRANT - GRANT NUMBER DOEWX1511
GRANT PERIOD JULY 1, 2016 - JUNE 30, 2017

	<u>Budget</u>	<u>Actual</u>	<u>(Over) Under Budget</u>
Support and revenue			
Federal revenue	\$ 106,364	\$ 106,364	\$ -
Total support and revenue	<u>106,364</u>	<u>106,364</u>	<u>-</u>
Expenses			
Salaries and wages	44,895	26,669	18,226
Fringe benefits	17,459	35,685	(18,226)
Insurance	843	843	-
Contractual	-	24	(24)
Training	516	748	(232)
Repairs and maintenance	2,500	2,586	(86)
Transportation	2,830	1,781	1,049
Operating expenses	900	915	(15)
Consumable supplies	23,368	23,065	303
Telephone and utilities	3,350	3,753	(403)
Other expenses	100	266	(166)
Meals	40	185	(145)
Indirect costs	9,563	12,033	(2,470)
Total expenses	<u>106,364</u>	<u>108,553</u>	<u>(2,189)</u>
Increase (decrease) in net assets	<u>\$ -</u>	<u>\$ (2,189)</u>	<u>\$ 2,189</u>
Transfers in (out)		<u>2,189</u>	
Net assets, December 31, 2017		<u>\$ -</u>	

PRIDE COMMUNITY SERVICES, INC.
SCHEDULE OF GRANT SUPPORT, REVENUE, AND EXPENDITURES
COMPARED TO GRANT BUDGETS (NON-GAAP BASIS)
WEATHERIZATION NHEP GRANT - GRANT NUMBER 17NHEP-F13
GRANT PERIOD JANUARY 1, 2017 - SEPTEMBER 30, 2017

	<u>Budget</u>	<u>Actual</u>	<u>(Over) Under Budget</u>
Support and revenue			
Federal revenue	\$ 84,500	\$ 84,500	\$ -
Total support and revenue	<u>84,500</u>	<u>84,500</u>	<u>-</u>
Expenses			
Salaries and wages	6,664	6,664	-
Fringe benefits	1,130	1,130	-
Contractual	29,350	29,564	(214)
Travel	500	286	214
Consumable supplies	42,635	42,635	-
Indirect costs	4,221	4,221	-
Total expenses	<u>84,500</u>	<u>84,500</u>	<u>-</u>
Increase (decrease) in net assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Transfers in (out)		<u>-</u>	
Net assets, December 31, 2017		<u>\$ -</u>	

PRIDE COMMUNITY SERVICES, INC.
SCHEDULE OF GRANT SUPPORT, REVENUE, AND EXPENDITURES
COMPARED TO GRANT BUDGETS (NON-GAAP BASIS)
WEATHERIZATION APCO GRANT
GRANT PERIOD JANUARY 1, 2017 - DECEMBER 31, 2017

	<u>Budget</u>	<u>Actual</u>	<u>(Over) Under Budget</u>
Support and revenue			
Federal revenue	\$ 20,350	\$ 22,338	\$ (1,988)
Total support and revenue	<u>20,350</u>	<u>22,338</u>	<u>(1,988)</u>
Expenses			
Salaries and wages	3,720	5,000	(1,280)
Fringe benefits	1,980	1,098	882
Insurance	-	903	(903)
Consumable supplies	13,565	14,209	(644)
Indirect costs	1,085	1,129	(44)
Total expenses	<u>20,350</u>	<u>22,338</u>	<u>(1,988)</u>
Increase (decrease) in net assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Transfers in (out)		<u>-</u>	
Net assets, December 31, 2017		<u>\$ -</u>	

PRIDE COMMUNITY SERVICES, INC.
SCHEDULE OF GRANT SUPPORT, REVENUE, AND EXPENDITURES
COMPARED TO GRANT BUDGETS (NON-GAAP BASIS)
LEGISLATIVE INITIATIVES FOR THE ELDERLY (LIFE) - GRANT NUMBER 21703
GRANT PERIOD JULY 1, 2016 - JUNE 30, 2017

	<u>Budget</u>	<u>Actual</u>	<u>(Over) Under Budget</u>
Support and revenue			
State revenue	\$ 183,240	\$ 183,240	\$ -
Total support and revenue	<u>183,240</u>	<u>183,240</u>	<u>-</u>
Expenses			
Salaries and wages	55,040	51,665	3,375
Fringe benefits	20,264	23,710	(3,446)
Insurance	17,000	19,474	(2,474)
Contractual	-	25	(25)
Travel	6,996	577	6,419
Training	3,000	2,912	88
Repairs and maintenance	12,000	15,341	(3,341)
Transportation	8,000	3,237	4,763
Operating expenses	318	2,686	(2,368)
Consumable supplies	20,359	19,402	957
Telephone and utilities	18,500	15,806	2,694
Other expenses	500	4,186	(3,686)
Meals	6,728	9,892	(3,165)
Indirect costs	14,536	14,328	208
Total expenses	<u>183,240</u>	<u>183,240</u>	<u>0</u>
Increase (decrease) in net assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Transfers in (out)		<u>-</u>	
Net assets, December 31, 2017		<u>\$ -</u>	

PRIDE COMMUNITY SERVICES, INC.
SCHEDULE OF GRANT SUPPORT, REVENUE, AND EXPENDITURES
COMPARED TO GRANT BUDGETS (NON-GAAP BASIS)
OLDER AMERICANS ACT - TITLE III-B, III-D, AND III-E - GRANT NUMBER 21736
GRANT PERIOD OCTOBER 1, 2016 - SEPTEMBER 30, 2017

	<u>Budget</u>	<u>Actual</u>	<u>(Over) Under Budget</u>
Support and revenue			
Federal revenue	\$ 74,947	\$ 74,947	\$ -
State revenue	32,111	32,111	-
In-kind contributions	14,810	14,810	-
Total support and revenue	<u>121,868</u>	<u>121,868</u>	<u>-</u>
Expenses			
Salaries and wages	52,736	50,749	1,987
Fringe benefits	21,247	24,057	(2,810)
In-kind contributions	14,810	14,810	-
Insurance	5,000	2,482	2,518
Travel	-	-	-
Training	-	1,419	(1,419)
Repairs and maintenance	1,000	7,204	(6,204)
Transportation	5,446	6,413	(967)
Operating expenses	200	15	185
Consumable supplies	7,983	657	7,326
Other expenses	450	51	399
Indirect costs	12,996	14,011	(1,015)
Total expenses	<u>121,868</u>	<u>121,868</u>	<u>-</u>
Increase (decrease) in net assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Transfers in (out)		<u>-</u>	
Net assets, December 31, 2017		<u>\$ -</u>	

PRIDE COMMUNITY SERVICES, INC.
SCHEDULE OF GRANT SUPPORT, REVENUE, AND EXPENDITURES
COMPARED TO GRANT BUDGETS (NON-GAAP BASIS)
OLDER AMERICANS ACT - TITLE III-C
GRANT PERIOD OCTOBER 1, 2016 - SEPTEMBER 30, 2017

	<u>Budget</u>	<u>Actual</u>	<u>(Over) Under Budget</u>
Support and revenue			
Federal revenue	\$ 210,545	\$ 210,545	\$ -
State revenue	17,764	17,764	-
Program revenue	4,500	3,872	628
In-kind contributions	21,753	21,808	(55)
Total support and revenue	<u>254,562</u>	<u>253,989</u>	<u>573</u>
Expenses			
Salaries and wages	80,637	83,187	(2,550)
Fringe benefits	31,750	27,840	3,910
In-kind contributions	21,753	21,808	(55)
Insurance	2,000	-	2,000
Repairs and maintenance	2,662	15,374	(12,712)
Transportation	2,000	-	2,000
Operating expenses	400	-	400
Consumable supplies	24,988	5,735	19,253
Telephone and utilities	2,400	1,033	1,367
Other expenses	43,457	593	42,864
Meals	87,000	74,932	12,068
Indirect costs	21,162	20,504	658
Total expenses	<u>320,209</u>	<u>251,006</u>	<u>69,203</u>
Increase (decrease) in net assets	<u>\$ (65,647)</u>	<u>\$ 2,983</u>	<u>\$ (68,630)</u>
Transfers in (out)	<u>65,647</u>	<u>(2,983)</u>	
Net assets, December 31, 2017		<u>\$ -</u>	

PRIDE COMMUNITY SERVICES, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2017

FEDERAL GRANTOR/ <i>Pass Through Grantor/</i> Program Title	Federal CFDA Number	Pass Thru Entity Identifying Number	Expenditures
U.S. DEPARTMENT OF AGRICULTURE:			
<i>Passed - Through West Virginia Department of Education:</i>			
Child and Adult Care Food Program	10.558	51217	\$ 190,745
Total U.S. Department of Agriculture			<u>190,745</u>
U.S. DEPARTMENT OF VETERANS AFFAIRS:			
<i>Passed - Through West Virginia Community Action Partnerships, Inc.:</i>			
VA Supportive Services for Veteran Families Program	64.033	14-W-305	108,401
Total U.S. Department of Veterans Affairs			<u>108,401</u>
U.S. DEPARTMENT OF ENERGY:			
<i>Passed - Through West Virginia Office of Economic Opportunity:</i>			
Weatherization Assistance for Low-Income Persons	81.042	DOEWX1611	49,802
Weatherization Assistance for Low-Income Persons	81.042	DOEWX1711	40,283
Total U.S. Department of Energy			<u>90,085</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:			
<i>Passed - Through WVSU Metro Area Agency on Aging:</i>			
Special Programs for Aging - Title VII, Chapter 3 - Programs for Aging Cluster			
Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	21736	74,046
Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045	21736	231,421
Special Programs for the Aging - Title III, Part D - Disease Prevention and Health Promotion Services	93.043	21736	3,583
National Family Caregiver Support, Title III, Part E	93.052	21736	16,275
Total Special Programs for Aging Cluster			<u>325,325</u>
<i>Passed - Through West Virginia Office of Economic Opportunity:</i>			
Community Services Block Grant	93.569	17CSBG-DT13	10,000
Community Services Block Grant	93.569	16CSBG-D03	7,271
Community Services Block Grant	93.569	17CSBG-F13	251,942
Total Community Services Block Grant			<u>269,213</u>
Low-Income Home Energy Assistance	93.568	17NHEP-F13	84,500
Low-Income Home Energy Assistance	93.568	18NHEP-F13	1,236
Low-Income Home Energy Assistance	93.568	DHHRWX1611	609,372
Total Low-Income Home Energy Assistance			<u>695,108</u>
<i>Direct Program:</i>			
Head Start	93.600	03CH3415-03-02	1,592,199
Total U.S. Department of Health and Human Services			<u>2,881,845</u>
Total Expenditures of Federal Awards			<u>\$ 3,271,076</u>

The accompanying notes are an integral part of this schedule.

PRIDE COMMUNITY SERVICES, INC.
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2017

1. BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of **Pride Community Services, Inc.** (PRIDE) under programs of the federal government for the year ended December 31, 2017. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of PRIDE, it is not intended to and does not present the financial position, changes in net position, or cash flows of PRIDE.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement. PRIDE has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.



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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

July 20, 2018

Pride Community Services, Inc.
699 Stratton Street
PO Box 1346
Logan, WV 25601

To the Board of Directors:

We have audited, 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, the financial statements of **Pride Community Services, Inc.** (a nonprofit organization), (PRIDE), which comprise the statement of financial position as of December 31, 2017, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements and have issued our report thereon dated July 20, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered PRIDE'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 PRIDE's internal controls. Accordingly, we do not express an opinion on the effectiveness of PRIDE's internal control.

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

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

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether PRIDE's financial statements are free from 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 PRIDE'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.



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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO THE MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY UNIFORM GUIDANCE**

July 20, 2018

Pride Community Services, Inc.
699 Stratton Street
PO Box 1346
Logan, WV 25601

To the Board of Directors:

Report on Compliance for the Major Federal Program

We have audited the **Pride Community Services, Inc.'s**, (a nonprofit organization), (PRIDE) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on PRIDE's major federal program for the year ended December 31, 2017. PRIDE's major federal program is identified in The *Summary of Auditor's Results* section in the accompanying schedule of audit findings.

Management's Responsibility

PRIDE's management is responsible for compliance with 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 PRIDE's major federal program 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 PRIDE's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

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Opinion on the Major Federal Program

In our opinion, PRIDE complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal program for the year ended December 31, 2017.

Report on Internal Control Over Compliance

PRIDE's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered PRIDE's internal control over compliance with the applicable requirements that could directly and materially affect each major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of PRIDE'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.

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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Perry and Associates
Certified Public Accountants, A.C.
Marietta, Ohio

**PRIDE COMMUNITY SERVICES, INC.
SCHEDULE OF AUDIT FINDINGS
2 CFR § 200.515
FOR THE YEAR ENDED DECEMBER 31, 2017**

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unmodified
<i>(d)(1)(ii)</i>	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material weaknesses in internal control reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Program's Compliance Opinion	Unmodified
<i>(d)(1)(vi)</i>	Are there any reportable findings under 2 CFR § 200.516(a)?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	CFDA #93.600 – Head Start
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A/B Programs	Type A: > \$ 750,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee under 2 CFR § 200.520?	Yes

**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

None

3. FINDINGS FOR FEDERAL AWARDS

None