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1310 Market Street, Suite 300
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Certified Public Accountants, A.C.

**PRIDE COMMUNITY SERVICES, INC.
LOGAN COUNTY
Single Audit**

For the Years Ended December 31, 2016 and 2015

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Tax – Accounting – Audit – Review – Compilation – Agreed Upon Procedure – Consultation – Bookkeeping – Payroll
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PRIDE COMMUNITY SERVICES, INC

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INDEPENDENT AUDITOR'S REPORT

August 25, 2017

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, 2016, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our 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, 2016, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

The financial statements of PRIDE for the year ended December 31, 2015, were audited by another auditor who expressed an unmodified opinion on those statements on July 15, 2016.

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 15-27 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 August 25, 2017, 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, 2016 AND 2015

ASSETS

	<u>2016</u>	<u>2015</u>
CURRENT ASSETS:		
Cash and Cash Equivalents	\$ 207,281	\$ 351,541
Restricted Cash - HOME program	-	78,603
Grants Receivable	397,203	286,867
Other Receivables	-	54,068
Prepaid Expenses	42,765	85,959
Total Current Assets	<u>647,249</u>	<u>857,038</u>
PROPERTY AND EQUIPMENT:		
HOME program housing inventory	258,710	258,710
Property and Equipment, Net of Accumulated Depreciation	1,296,851	1,311,591
Total Property and Equipment	<u>1,555,561</u>	<u>1,570,301</u>
TOTAL ASSETS	<u><u>\$ 2,202,810</u></u>	<u><u>\$ 2,427,339</u></u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:

Accounts Payable	\$ 110,882	\$ 68,641
Accrued Salaries and Benefits	187,334	113,982
Deferred Revenue	86,579	144,788
Refundable Advances	-	10,342
HOME program loans payable	-	138,736
Other Liabilities	16,685	-
Total Current Liabilities	<u>401,480</u>	<u>476,489</u>

LONG TERM LIABILITIES:

Other Post Employment Benefits (OPEB)	1,419,830	1,373,398
Total Long Term Liabilities	<u>1,419,830</u>	<u>1,373,398</u>

TOTAL LIABILITIES

<u>1,821,310</u>	<u>1,849,887</u>
------------------	------------------

NET ASSETS:

Unrestricted	381,500	378,875
Temporarily Restricted - HOME Program	-	198,577
Total Net Assets	<u>381,500</u>	<u>577,452</u>

TOTAL LIABILITIES AND NET ASSETS

<u><u>\$ 2,202,810</u></u>	<u><u>\$ 2,427,339</u></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, 2016 AND 2015

	2016			2015		
	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	\$ 3,269,366	\$ -	\$ 3,269,366	\$ 3,289,134	\$ -	\$ 3,289,134
HOME Program	-	-	-	-	278,264	278,264
In-Kind Matching Contributions	467,236	-	467,236	452,412	-	452,412
Food Reimbursements	54,524	-	54,524	218,861	-	218,861
Program Income	22,359	-	22,359	23,548	-	23,548
Client Service Revenue	648,463	-	648,463	461,841	-	461,841
Other Income	434,089	-	434,089	220,794	-	220,794
Net Assets Released from Restrictions:						
Satisfaction of Purpose Restriction	198,577	(198,577)	-	79,687	(79,687)	-
Total Unrestricted Support and Revenue	5,094,614	(198,577)	4,896,037	4,746,277	198,577	4,944,854
EXPENSES:						
Salaries and Wages	1,712,824	-	1,712,824	1,496,317	-	1,496,317
Fringe Benefits	660,255	-	660,255	596,976	-	596,976
In-Kind Labor and Expenses	467,236	-	467,236	452,412	-	452,412
Consumable Supplies	117,933	-	117,933	258,728	-	258,728
Travel	10,985	-	10,985	19,339	-	19,339
Training	50,371	-	50,371	47,997	-	47,997
Repairs and Maintenance	353,533	-	353,533	86,379	-	86,379
Contractual and Consultants	309,217	-	309,217	55,107	-	55,107
Telephone and Utilities	128,567	-	128,567	139,776	-	139,776
Operating Expenses	48,520	-	48,520	131,023	-	131,023
Insurance	96,356	-	96,356	110,089	-	110,089
Occupancy	-	-	-	5,703	-	5,703
Transportation	33,099	-	33,099	39,643	-	39,643
Meal Costs	338,783	-	338,783	303,996	-	303,996
Indirects Costs	445,257	-	445,257	389,645	-	389,645
Depreciation Expense	167,439	-	167,439	170,764	-	170,764
Emergency Services	93,419	-	93,419	95,232	-	95,232
Other Expenses	104,627	-	104,627	36,401	-	36,401
Total Operating Expenses	5,138,421	-	5,138,421	4,435,527	-	4,435,527
Operating Income (Loss)	(43,807)	(198,577)	(242,384)	310,750	198,577	509,327
Non-Operating Other Post Employment Benefits (OPEB) Expense	46,432	-	46,432	62,949	-	62,949
CHANGE IN NET ASSETS	2,625	(198,577)	(195,952)	247,801	198,577	446,378
NET ASSETS AT BEGINNING OF YEAR	378,875	198,577	577,452	131,074	-	131,074
NET ASSETS AT END OF YEAR	\$ 381,500	\$ -	\$ 381,500	\$ 378,875	\$ 198,577	\$ 577,452

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, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
Cash Flows from Operating Activities:		
Change in Net Assets	\$ (242,759)	\$ 446,378
Adjustments to Reconcile Changes in Net Assets to Net Cash		
Provided by (Used in) Operating Activities		
Gain / (Loss) on disposal of capital assets	(18,076)	2,666
Noncash HOME Program Transactions	-	(220,752)
Depreciation	167,439	170,764
(Increase) Decrease in operating assets		
Grants Receivable	(110,336)	131,426
Accounts Receivable	54,068	(4,392)
Prepaid Expenses	43,194	(41,539)
Increase (Decrease) in Operating Liabilities:		
Accounts Payable	42,241	33,162
Accrued Payroll	73,352	(81,771)
Deferred Revenue	(58,209)	(48,187)
Refundable Advances	(10,342)	665
Other Post Employment Benefits	46,432	62,949
Other Liabilities	16,685	-
Net Cash Provided by (Used in) Operating Activities	<u>3,689</u>	<u>451,369</u>
Cash Flows from Investing Activities:		
Cash Paid for Construction of HOME Program Houses	-	(236,666)
Proceeds from sales of HOME Program Houses	-	220,752
Purchase of Property and Equipment	(226,552)	(407,857)
Proceeds from disposition of equipment	-	3,515
Net Cash Provided by (Used in) Investing Activities	<u>(226,552)</u>	<u>(420,256)</u>
Cash Flows from Financing Activities:		
Borrowings for HOME Program	-	75,992
Net Cash Provided by (Used in) Financing Activities	<u>-</u>	<u>75,992</u>
Net Increase (Decrease in) Cash and Cash Equivalents	(222,863)	107,105
Cash and Cash Equivalents, Beginning of Year	<u>430,144</u>	<u>323,039</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 207,281</u></u>	<u><u>\$ 430,144</u></u>

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, 2016 AND 2015

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 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, 2016, management believes that PRIDE has no material uncertain tax positions to be accounted for in the financial statements. As of December 31, 2016, tax years ending on or after December 31, 2013 remain subject to examination.

PRIDE COMMUNITY SERVICES, INC.
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015
(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 August 25, 2017, 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, 2016, 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, 2016 and 2015 is as follows:

	2016	2015
Land	\$ 461,765	\$ 378,614
Land Improvements	121,162	121,162
Buildings	626,561	626,561
Vehicles and Equipment	1,577,361	1,565,304
	<u>2,786,849</u>	<u>2,691,641</u>
Less: Accumulated Depreciation	(1,489,998)	(1,380,050)
Property and Equipment	<u>\$ 1,296,851</u>	<u>\$ 1,311,591</u>

PRIDE COMMUNITY SERVICES, INC.
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015
(Continued)

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, 2016 and 2015 were \$86,579 and \$144,788, respectively.

NOTE 5 -- REFUNDABLE ADVANCES

Refundable advances, which consists of grant funds received by PRIDE but not yet expended for qualifying expenses, is comprised of the following at December 31, 2016 and 2015:

Description	2016	2015
Ministerial Association	\$ -	\$ 5,250
Other	-	5,092
Total	\$ -	\$ 10,342

PRIDE COMMUNITY SERVICES, INC.
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015
(Continued)

NOTE 6 -- FUNCTIONAL EXPENSES

PRIDE incurred expenditures in the conduct of the follow programs for the years ended December 31, 2016 and 2015:

	2016	2015
Head Start:		
PRIDE provides comprehensive education activities to eligible Pre-Kindergarten students.	\$ 2,346,486	\$ 2,255,392
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.	198,384	405,647
Title III:		
This includes programs for older Americans and covers social support activities including case management, transportation, assessments, etc.	387,017	353,910
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.	245,985	211,717
CSBG:		
PRIDE provides emergency assistance to low-income, disabled, or elderly individuals and families and supports other agency programs as needed.	284,565	316,535
Personal Care:		
PRIDE provides an in-home care program, funded by the Medicaid program that make personal assistance available to eligible adults.	677,215	433,252
Other Programs that benefit children, senior citizens, and families	991,717	696,167
	5,131,369	4,672,620
Depreciation expense under GAAP	167,812	170,764
Less: Capitalized Assets	(160,385)	(407,857)
Total Operating Expenses	\$ 5,138,796	\$ 4,435,527

The above amounts include a proportionate allocation of all management and general and indirect costs, which total approximately \$445,000 and \$394,000 for the years ended December 31, 2016 and 2015, respectively.

PRIDE COMMUNITY SERVICES, INC.
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015
(Continued)

NOTE 7 -- 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 8 -- 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 9 -- 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 contribute 4.5% of their salary and the organization contributes 14% of the employee's salary through June 30, 2015. Effective July 1, 2015 PRIDE's contribution decreased to 13.5%. 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>.

Funded Status of plans – The funded status of each plan as of the most recent actuarial valuation date, is as follows (total plan assets and accumulated benefit obligation dollar amounts in thousands):

Pension Fund	Contributions of PRIDE		
	2016	2015	2014
PERS	\$ 197,390	\$ 172,517	\$ 166,589
RHBT	\$ 79,299	\$ 67,030	\$ 71,000

PRIDE COMMUNITY SERVICES, INC.
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015
(Continued)

NOTE 9 -- 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, 2016 and 2015.

	2016	2015
Current 'pay as you go' amounts	\$ 79,299	\$ 67,030
Amounts billed for ARC	46,432	62,949
Total	\$ 125,731	\$ 129,979

At December 31, 2016 and 2015, the liability related to OPEB cost was \$1,419,830 and \$1,373,398. As of the year ended December 31, 2016, there were four 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 2016 and 2015 were \$5,448 and \$6,346.

PRIDE COMMUNITY SERVICES, INC.
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015
(Continued)

NOTE 10 -- DONATED SERVICES AND OTHER

During 2016 and 2015, 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:

	2016			
	Volunteer	Use of	Other	Total
	Labor	Facilities		
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

	2015			
	Volunteer	Use of	Other	Total
	Labor	Facilities		
Head Start	\$ 162,050	\$ 65,600	\$ 189,972	\$ 417,622
Title IIIB	3,636	-	5,082	8,718
Title III-C1	3,340	-	221	3,561
Title III-C2	1,289	-	13,459	14,748
Title IIID	-	-	614	614
Title IIIE	144	-	7,005	7,149
Total	\$ 170,459	\$ 65,600	\$ 216,353	\$ 452,412

NOTE 11 -- 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 2015 totaled \$138,736.

PRIDE COMMUNITY SERVICES, INC.
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015
(Continued)

NOTE 11 -- 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, 2016 and 2015.

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	
	2016	2015
Housing Inventory - Initial Houses	\$ -	\$ 145,794
Housing Inventory - Second Houses	-	112,916
	\$ -	\$ 258,710

Supplementary Information

PRIDE COMMUNITY SERVICES, INC.
SUMMARY SCHEDULE OF STATE AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2016

<u>Grantor Name/Program Title</u>	<u>Grant/Fund Account Number</u>	<u>Award Amount</u>	<u>Receivable (Refundable) 12/31/15</u>	<u>Receipts</u>	<u>Expenditures</u>	<u>Receivable (Refundable) 12/31/16</u>
WVSC Metro Area Agency on Aging						
Title IIIB Senior Services	21637	\$ 31,890	\$ 4,057	\$ 6,556	\$ 22,165	\$ 15,609
Title IIIB Senior Services	21636	31,890	-	19,672	15,615	-
Title IIID Health Services	21736	221	-	221	221	-
Legislative Initiatives for the Elderly - LIFE	21703	183,240	-	126,303	155,068	29,038
Legislative Initiatives for the Elderly - LIFE	21603	183,240	29,436	82,033	52,597	-
WV Bureau of Senior Services						
In Home Service Funds	IH1721	216,000	-	80,962	97,977	17,015
In Home Service Funds	IH1621	205,000	14,487	102,681	88,194	-

PRIDE COMMUNITY SERVICES, INC.
SCHEDULE OF FEDERAL, STATE, AND OTHER SUPPORT, EXPENDITURES, AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2016

Federal Grantor	Federal Financial Assistance Department of Health and Human Services						DHHS/Energy		Education
	WVSC Metro Area Agency on Aging						Office of Economic Opportunity		Bureau for Children and Families
Pass-Thru Grantor	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	Weatherization	CACFP
Program Title									
<u>Support and revenue</u>									
Grant revenue	\$ 1,761,295	\$ 84,010	\$ 54,285	\$ 132,945	\$ 4,026	\$ 27,013	\$ 284,565	\$ 184,106	\$ 240,839
In-kind contributions	425,020	7,107	11,214	16,193	645	7,057	-	-	-
Food reimbursements	54,524	-	-	-	-	-	-	-	-
Program income	-	-	1,924	3,638	-	-	-	-	-
Client service revenue	-	-	-	-	-	-	-	-	-
Other income	105,647	-	-	-	-	-	-	12,736	-
Total support and revenue	<u>2,346,486</u>	<u>91,117</u>	<u>67,423</u>	<u>152,776</u>	<u>4,671</u>	<u>34,070</u>	<u>284,565</u>	<u>196,842</u>	<u>240,839</u>
<u>Expenditures</u>									
Salaries and wages	801,418	35,395	32,391	45,776	2,549	17,829	94,628	57,597	40,716
Fringe benefits	312,191	18,519	14,094	15,269	871	4,930	37,678	52,789	10,469
In-kind labor and expenses	425,021	7,107	11,214	16,193	645	7,057	-	-	-
Consumable supplies and equipment	80,433	3,733	1,986	5,265	-	-	22,887	42,850	2,460
Travel	3,108	-	-	-	-	-	1,933	-	692
Training	35,035	-	-	-	-	-	2,254	1,699	1,654
Repairs and maintenance	234,706	1,550	25	40	-	-	12,866	4,490	929
Contractual and consultants	15,650	-	-	-	-	-	27,379	28	11
Telephone and utilities	78,647	(23)	19	(9)	-	-	18,858	8,294	3,916
Operating expenses	16,236	-	-	-	-	-	12,220	1,853	2,339
Insurance	38,818	7,574	-	-	-	-	17,588	1,307	4,885
Occupancy	-	-	-	-	-	-	220	-	-
Transportation	14,573	7,168	-	-	-	-	1,083	3,003	459
Meal Costs	56,243	-	37,386	56,531	-	-	5,611	185	167,332
Emergency services	-	-	-	-	-	-	783	-	-
Other expenses	29,548	2	-	93	(41)	-	2,906	3,010	264
Subtotal	<u>2,141,627</u>	<u>81,025</u>	<u>97,115</u>	<u>139,158</u>	<u>4,024</u>	<u>29,816</u>	<u>258,894</u>	<u>177,105</u>	<u>236,126</u>
Allocation of Indirect costs	204,859	10,092	9,046	11,840	647	4,254	25,671	21,279	9,859
Total expenditures	<u>2,346,486</u>	<u>91,117</u>	<u>106,161</u>	<u>150,998</u>	<u>4,671</u>	<u>34,070</u>	<u>284,565</u>	<u>198,384</u>	<u>245,985</u>
Total support and revenue over expenditures	-	-	(38,738)	1,778	-	-	-	(1,542)	(5,146)
Transfer in/(out)	-	-	38,738	(1,778)	-	-	-	1,542	5,146
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, 2016

Federal Grantor	State Assistance				Department of Veteran Affairs	Other	Totals
	WVSC Metro Area Agency on Aging		WV BOSS	WV Housing Development Fund	WV Community Action Partnerships		
	Personal Care	LIFE	In-Home	Housing	SSVF	Other	
<u>Support and revenue</u>							
Grant revenue	\$ -	\$ 190,809	\$ 190,306	\$ -	\$ 114,901	\$ 266	\$ 3,269,366
HOME program	-	-	-	-	-	-	-
In-kind contributions	-	-	-	-	-	-	467,236
Food reimbursements	-	-	-	-	-	-	54,524
Program income	-	-	16,797	-	-	-	22,359
Client service revenue	648,463	-	-	-	-	-	648,463
Other income	-	-	-	215,287	-	100,419	434,089
Total support and revenue	<u>648,463</u>	<u>190,809</u>	<u>207,103</u>	<u>215,287</u>	<u>114,901</u>	<u>100,685</u>	<u>4,896,037</u>
<u>Expenditures</u>							
Salaries and wages	351,252	47,644	129,051	26,334	25,152	5,092	1,712,824
Fringe benefits	117,885	18,061	35,390	5,724	14,174	2,212	660,256
In-kind labor and expenses	-	-	-	-	-	-	467,237
Consumable supplies and equipment	(1,102)	19,884	1,706	-	3,516	94,700	278,693
Travel	3,120	889	-	-	1,243	-	10,985
Training	(689)	7,003	307	-	820	2,288	50,371
Repairs and maintenance	4,179	22,885	472	-	698	70,693	353,533
Contractual and consultants	112,983	91	-	152,889	126	60	309,217
Telephone and utilities	(618)	16,389	-	(12)	2,331	776	128,568
Operating expenses	(1,263)	5,063	837	(3,187)	2,769	11,653	48,520
Insurance	3,518	18,364	-	-	4,302	-	96,356
Occupancy	(220)	-	-	-	-	-	-
Transportation	-	2,235	-	-	354	4,224	33,099
Meal Costs	1,386	9,611	69	-	22	4,407	338,783
Emergency services	-	-	-	-	52,384	40,252	93,419
Other expenses	77	8,970	403	3,000	5	56,390	104,627
Subtotal	<u>590,508</u>	<u>177,089</u>	<u>168,235</u>	<u>184,748</u>	<u>107,896</u>	<u>292,747</u>	<u>4,686,113</u>
Allocation of Indirect costs	86,707	14,194	33,123	6,107	7,005	573	445,256
Total expenditures	<u>677,215</u>	<u>191,283</u>	<u>201,358</u>	<u>190,855</u>	<u>114,901</u>	<u>293,320</u>	<u>5,131,369</u>
Total support and revenue over expenditures	(28,752)	(474)	5,745	24,432	-	(192,635)	(235,332)
Depreciation expense under GAAP	-	-	-	-	-	(167,812)	(167,812)
Capitalized Assets	-	-	-	-	-	160,385	160,385
Other post retirement benefits (OPEB)	-	-	-	-	-	46,432	46,432
Transfer in/(out)	28,752	474	(5,745)	(24,432)	-	(42,697)	-
CHANGE IN NET ASSETS	-	-	-	-	-	(196,327)	(196,327)
Beginning net assets	25,012	-	9,990	214,489	-	328,209	577,452
Ending net assets	<u>\$ 25,012</u>	<u>\$ -</u>	<u>\$ 9,990</u>	<u>\$ 214,489</u>	<u>\$ -</u>	<u>\$ 131,882</u>	<u>\$ 381,125</u>

PRIDE COMMUNITY SERVICES, INC.
SCHEDULE OF GRANT SUPPORT, REVENUE, AND EXPENDITURES
COMPARED TO GRANT BUDGETS (NON-GAAP BASIS)
COMMUNITY SERVICES BLOCK GRANT - GRANT NUMBERS 15CSBG-D07 AND 16CSBG-D03
GRANT PERIOD FEBRUARY 1, 2016 - MARCH 31, 2017

	<u>Budget</u>	<u>Actual</u>	<u>(Over) Under Budget</u>
Support and revenue			
Federal revenue	\$ 38,500	\$ 31,229	\$ 7,271
Total support and revenue	<u>38,500</u>	<u>31,229</u>	<u>7,271</u>
Expenses			
Contractual	22,000	20,513	1,487
Travel	4,000	1,707	2,293
Training	(6,700)	1,473	(8,173)
Consumable supplies	6,500	2,730	3,770
Activities	2,300	1,593	707
Operating expenses	<u>10,400</u>	<u>3,213</u>	<u>7,187</u>
Total expenses	<u>38,500</u>	<u>31,229</u>	<u>7,271</u>
Increase (decrease) in net assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Transfers in (out)		<u>-</u>	
Net assets, December 31, 2016		<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 16CSBG-F13
GRANT PERIOD JANUARY 1, 2016 - DECEMBER 31, 2016

	<u>Budget</u>	<u>Actual</u>	<u>(Over) Under Budget</u>
Support and revenue			
Federal revenue	\$ 253,336	\$ 253,336	\$ -
Total support and revenue	<u>253,336</u>	<u>253,336</u>	<u>-</u>
Expenses			
Salaries and wages	96,572	94,628	1,944
Fringe benefits	40,560	37,678	2,882
Insurance	14,000	17,588	(3,588)
Contractual	200	1,667	(1,467)
Travel	2,500	225	2,275
Training	5,000	781	4,219
Repairs and maintenance	7,500	12,866	(5,366)
Transportation	-	2,250	(2,250)
Operating expenses	25,037	14,049	10,988
Occupancy	-	221	(221)
Consumable supplies	14,000	15,778	(1,778)
Telephone and utilities	11,497	18,858	(7,361)
Emergency services	5,000	783	4,217
Other expenses	100	4,682	(4,582)
Meals	6,000	5,611	389
Indirect costs	25,370	25,671	(301)
Total expenses	<u>253,336</u>	<u>253,336</u>	<u>-</u>
Increase (decrease) in net assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Transfers in (out)		<u>-</u>	
Net assets, December 31, 2016		<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 DHHRWX1511
GRANT PERIOD OCTOBER 1, 2015 - SEPTEMBER 30, 2016

	<u>Budget</u>	<u>Actual</u>	<u>(Over) Under Budget</u>
Support and revenue			
Federal revenue	\$ 90,839	\$ 90,839	\$ -
Total support and revenue	<u>90,839</u>	<u>90,839</u>	<u>-</u>
Expenses			
Salaries and wages	33,311	30,970	2,341
Fringe benefits	12,412	22,002	(9,590)
Insurance	1,390	1,390	-
Contractual	518	27	491
Travel	-	2,558	(2,558)
Repairs and maintenance	2,000	3,001	(1,001)
Transportation	2,000	1,792	208
Operating expenses	2,000	1,203	797
Consumable supplies	29,208	21,350	7,858
Telephone and utilities	1,000	4,710	(3,710)
Other expenses	-	206	(206)
Meals	-	12	(12)
Indirect costs	7,000	10,080	(3,080)
Total expenses	<u>90,839</u>	<u>99,301</u>	<u>(8,462)</u>
Increase (decrease) in net assets	<u>\$ -</u>	<u>\$ (8,462)</u>	<u>\$ 8,462</u>
Transfers in (out)		<u>8,462</u>	
Net assets, December 31, 2016		<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, 2015 - JUNE 30, 2016

	<u>Budget</u>	<u>Actual</u>	<u>(Over) Under Budget</u>
Support and revenue			
Federal revenue	\$ 51,302	\$ 51,302	\$ -
Total support and revenue	<u>51,302</u>	<u>51,302</u>	<u>-</u>
Expenses			
Salaries and wages	10,378	14,444	(4,066)
Fringe benefits	8,125	8,504	(379)
Insurance	2,052	3,883	(1,831)
Contractual	-	28	(28)
Training	-	665	(665)
Repairs and maintenance	-	3,218	(3,218)
Transportation	2,500	1,405	1,095
Operating expenses	2,500	3,071	(571)
Occupancy	-	32	(32)
Consumable supplies	16,091	11,048	5,043
Telephone and utilities	3,500	2,697	803
Other expenses	-	3,993	(3,993)
Indirect costs	6,156	4,202	1,954
Total expenses	<u>51,302</u>	<u>57,190</u>	<u>(5,888)</u>
Increase (decrease) in net assets	<u>\$ -</u>	<u>\$ (5,888)</u>	<u>\$ 5,888</u>
Transfers in (out)		<u>5,888</u>	
Net assets, December 31, 2016		<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, 2016 - DECEMBER 31, 2016

	<u>Budget</u>	<u>Actual</u>	<u>(Over) Under Budget</u>
Support and revenue			
Federal revenue	\$ 22,398	\$ 12,736	\$ 9,662
Total support and revenue	<u>22,398</u>	<u>12,736</u>	<u>9,662</u>
Expenses			
Salaries and wages	6,050	-	6,050
Consumable supplies	14,109	-	14,109
Indirect costs	2,239	-	2,239
Total expenses	<u>22,398</u>	<u>-</u>	<u>22,398</u>
Increase (decrease) in net assets	<u>\$ -</u>	<u>\$ 12,736</u>	<u>\$ (12,736)</u>
Transfers in (out)		<u>(12,736)</u>	
Net assets, December 31, 2016		<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 21603
GRANT PERIOD JULY 1, 2015 - JUNE 30, 2016

	<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	50,281	47,495	2,786
Fringe benefits	18,421	19,094	(673)
Insurance	17,000	17,669	(669)
Contractual	-	140	(140)
Travel	5,171	2,207	2,964
Training	2,000	5,999	(3,999)
Repairs and maintenance	21,645	23,664	(2,019)
Transportation	8,000	5,838	2,162
Operating expenses	6,200	10,516	(4,316)
Occupancy	2,064	1,200	864
Consumable supplies	14,000	7,089	6,911
Telephone and utilities	17,700	17,081	619
Other expenses	1,625	5,602	(3,977)
Meals	6,423	7,801	(1,378)
Indirect costs	12,710	12,319	391
Total expenses	<u>183,240</u>	<u>183,714</u>	<u>(474)</u>
Increase (decrease) in net assets	<u>\$ -</u>	<u>\$ (474)</u>	<u>\$ 474</u>
Transfers in (out)		<u>474</u>	
Net assets, December 31, 2016		<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 21636
GRANT PERIOD OCTOBER 1, 2015 - SEPTEMBER 30, 2016

	<u>Budget</u>	<u>Actual</u>	<u>(Over) Under Budget</u>
Support and revenue			
Federal revenue	\$ 65,130	\$ 65,130	\$ -
State revenue	32,111	32,111	-
In-kind contributions	14,810	14,810	-
Total support and revenue	<u>112,051</u>	<u>112,051</u>	<u>-</u>
Expenses			
Salaries and wages	51,456	49,552	1,904
Fringe benefits	19,646	19,629	17
In-kind contributions	14,810	14,810	-
Insurance	5,000	5,092	(92)
Travel	-	77	(77)
Repairs and maintenance	1,000	339	661
Transportation	5,446	9,637	(4,191)
Operating expenses	300	-	300
Consumable supplies	971	-	971
Other expenses	350	104	246
Indirect costs	13,072	12,812	260
Total expenses	<u>112,051</u>	<u>112,052</u>	<u>(1)</u>
Increase (decrease) in net assets	<u>\$ -</u>	<u>\$ (1)</u>	<u>\$ 1</u>
Transfers in (out)		<u>1</u>	
Net assets, December 31, 2016		<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, 2015 - SEPTEMBER 30, 2016

	<u>Budget</u>	<u>Actual</u>	<u>(Over) Under Budget</u>
Support and revenue			
Federal revenue	\$ 190,255	\$ 208,019	\$ (17,764)
State revenue	17,764	-	17,764
Program revenue	4,500	6,083	(1,583)
In-kind contributions	22,190	27,702	(5,512)
Total support and revenue	<u>234,709</u>	<u>241,804</u>	<u>(7,095)</u>
Expenses			
Salaries and wages	79,256	82,313	(3,057)
Fringe benefits	31,980	30,579	1,401
In-kind contributions	22,190	27,702	(5,512)
Insurance	2,000	-	2,000
Repairs and maintenance	2,662	65	2,597
Transportation	2,000	-	2,000
Operating expenses	200	-	200
Consumable supplies	7,000	8,073	(1,073)
Telephone and utilities	2,400	91	2,309
Other expenses	63,257	-	63,257
Meals	87,000	104,016	(17,016)
Indirect costs	20,011	21,506	(1,495)
Total expenses	<u>319,956</u>	<u>274,345</u>	<u>45,611</u>
Increase (decrease) in net assets	<u>\$ (85,247)</u>	<u>\$ (32,541)</u>	<u>\$ (52,706)</u>
Transfers in (out)	<u>85,247</u>	<u>32,541</u>	
Net assets, December 31, 2016		<u>\$ -</u>	

PRIDE COMMUNITY SERVICES, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2016

FEDERAL GRANTOR/ <i>Pass Through Grantor/</i> Program Title	Federal CFDA Number	Pass Thru Entity Identifying Number	Expenditures
<u>U.S. DEPARTMENT OF AGRICULTURE:</u>			
<i>Passed - Through West Virginia Department of Education:</i>			
Child and Adult Care Food Program	10.558	51216	\$ 245,985
Total U.S. Department of Agriculture			<u>245,985</u>
<u>U.S. DEPARTMENT OF VETERANS AFFAIRS:</u>			
<i>Passed - Through West Virginia Community Action Partnerships, Inc.:</i>			
VA Supportive Services for Veteran Families Program	64.033	14-W-305	114,901
Total U.S. Department of Veterans Affairs			<u>114,901</u>
<u>U.S. DEPARTMENT OF ENERGY:</u>			
<i>Passed - Through West Virginia Office of Economic Opportunity:</i>			
Weatherization Assistance for Low-Income Persons	81.042	DOEWX1511	2,343
Weatherization Assistance for Low-Income Persons	81.042	DOEWX1611	58,750
Total U.S. Department of Energy			<u>61,093</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:</u>			
<i>Passed - Through WVSVU 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	21636	91,117
Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045	21636	257,159
Special Programs for the Aging - Title III, Part D - Disease Prevention and Health Promotion Services	93.043	21636	4,671
National Family Caregiver Support, Title III, Part E	93.052	21636	34,070
Total Special Programs for Aging Cluster			<u>387,017</u>
<i>Passed - Through West Virginia Office of Economic Opportunity:</i>			
Community Services Block Grant	93.569	15CSBG-D07	8,500
Community Services Block Grant	93.569	16CSBG-D03	22,729
Community Services Block Grant	93.569	16CSBG-F13	253,336
Total Community Services Block Grant			<u>284,565</u>
Low-Income Home Energy Assistance	93.568	DHHRWX1511	68,737
Low-Income Home Energy Assistance	93.568	DHHRWX1611	68,554
Total Low-Income Home Energy Assistance			<u>137,291</u>
<i>Direct Program:</i>			
Head Start	93.600	03CH3415-03-02	2,346,486
Total U.S. Department of Health and Human Services			<u>3,155,359</u>
Total Expenditures of Federal Awards			<u>\$ 3,577,338</u>

PRIDE COMMUNITY SERVICES, INC.
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2016

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, 2016. 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**

August 25, 2017

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, 2016 and 2015, 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 August 25, 2017.

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 PRIDE'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 PRIDE's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



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



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

August 25, 2017

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

To the Board of Directors:

Report on Compliance for Each 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 each of PRIDE's major federal program for the year ended December 31, 2016. PRIDE's major federal programs are 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 each of PRIDE'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 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 each major federal program. However, our audit does not provide a legal determination of PRIDE's compliance.

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Opinion on Each 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 each of its major federal programs for the year ended December 31, 2016.

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, 2016**

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 CFDA #93.569 – Community Services Block Grant
<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?	No

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

None

3. FINDINGS FOR FEDERAL AWARDS

None