



Certified Public Accountants, A.C.

**PRIDE COMMUNITY SERVICES, INC.
LOGAN COUNTY
Single Audit
For the Years Ended December 31, 2018 and 2017**

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PRIDE COMMUNITY SERVICES, INC

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INDEPENDENT AUDITOR'S REPORT

July 12, 2019

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, 2018 and 2017, and the related statements of activities and cash flows for the years then ended, the related statement of functional expenses for the year ended December 31, 2018 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, 2018 and 2017, 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.

Emphasis of Matter

As discussed in Note 1 of the financial statements, in 2018, PRIDE adopted new accounting guidance for FASB ASU 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. Our opinion is not modified with respect to this matter.

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 16-27 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 12, 2019, 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, 2018 AND 2017

ASSETS

	<u>2018</u>	<u>2017</u>
CURRENT ASSETS:		
Cash and Cash Equivalents	\$ 460,186	\$ 72,639
Grants Receivable	574,771	671,789
Prepaid Expenses	23,683	26,720
Total Current Assets	<u>1,058,640</u>	<u>771,148</u>
 PROPERTY AND EQUIPMENT:		
HOME program housing inventory	258,710	258,710
Property and Equipment, Net of Accumulated Depreciation	<u>1,351,646</u>	<u>1,424,835</u>
Total Property and Equipment	<u>1,610,356</u>	<u>1,683,545</u>
 TOTAL ASSETS	 <u><u>\$ 2,668,996</u></u>	 <u><u>\$ 2,454,693</u></u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:

Accounts Payable	\$ 31,873	\$ 79,823
Accrued Salaries and Benefits	161,592	184,702
Deferred Revenue	<u>411,211</u>	<u>213,461</u>
Total Current Liabilities	<u>604,676</u>	<u>477,986</u>

LONG TERM LIABILITIES:

Net OPEB Liability	861,958	-
Other Post Employment Benefits (OPEB)	<u>-</u>	<u>1,467,338</u>
Total Long Term Liabilities	<u>861,958</u>	<u>1,467,338</u>

TOTAL LIABILITIES

<u>1,466,634</u>	<u>1,945,324</u>
------------------	------------------

NET ASSETS:

Net Assets Without Donor Restriction	<u>1,202,362</u>	<u>509,369</u>
Total Net Assets	<u>1,202,362</u>	<u>509,369</u>

TOTAL LIABILITIES AND NET ASSETS

<u><u>\$ 2,668,996</u></u>	<u><u>\$ 2,454,693</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, 2018 AND 2017

	2018	2017
NET ASSETS WITHOUT DONOR RESTRICTION		
SUPPORT AND REVENUES:		
Grant Revenue	\$ 4,305,984	\$ 3,719,766
In-Kind Matching Contributions	570,816	507,173
Food Reimbursements	41,755	58,028
Program Income	15,256	16,740
Client Service Revenue	436,688	681,792
Other Income	419,229	278,836
	5,789,728	5,262,335
EXPENSES:		
Salaries and Wages	2,122,090	1,796,075
Fringe Benefits	644,232	643,151
In-Kind Labor and Expenses	570,816	507,173
Consumable Supplies	374,453	266,927
Travel	9,661	5,000
Training	75,813	79,879
Repairs and Maintenance	141,418	153,902
Contractual and Consultants	672,776	260,140
Telephone and Utilities	124,709	107,289
Operating Expenses	63,601	43,490
Insurance	132,245	115,749
Occupancy	1,585	-
Transportation	43,877	37,848
Meal Costs	285,030	318,910
Indirect Costs	-	460,516
Depreciation Expense	189,089	157,354
Emergency Services	82,975	80,816
Other Expenses	74,237	52,739
	5,608,607	5,086,958
CHANGE IN NET ASSETS	181,121	127,869
NET ASSETS AT BEGINNING OF YEAR - BEFORE RESTATEMENT	509,369	381,500
PRIOR PERIOD RESTATEMENT - SEE NOTE 11	511,872	-
NET ASSETS AT BEGINNING OF YEAR - RESTATED	1,021,241	381,500
NET ASSETS AT END OF YEAR	\$ 1,202,362	\$ 509,369

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

**PRIDE COMMUNITY SERVICES, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>Program Services</u>	<u>General & Administrative</u>	<u>Total</u>
EXPENSES:			
Salaries and Wages	\$ 1,858,417	\$ 263,673	\$ 2,122,090
Fringe Benefits	541,395	102,837	644,232
In-Kind Labor and Expenses	570,816	-	570,816
Consumable Supplies	348,520	25,933	374,453
Travel	9,661	-	9,661
Training	75,325	488	75,813
Repairs and Maintenance	126,826	14,592	141,418
Contractual and Consultants	640,948	31,828	672,776
Telephone and Utilities	113,188	11,521	124,709
Operating Expenses	55,029	8,572	63,601
Insurance	119,024	13,221	132,245
Occupancy	1,085	500	1,585
Transportation	39,612	4,265	43,877
Meal Costs	278,356	6,674	285,030
Emergency Services	82,975	-	82,975
Other Expenses	59,003	15,234	74,237
Total Expenses Before Depreciation	<u>4,920,180</u>	<u>499,338</u>	<u>5,419,518</u>
Depreciation Expense	<u>189,089</u>	<u>-</u>	<u>189,089</u>
Total Expenses	<u><u>\$ 5,109,269</u></u>	<u><u>\$ 499,338</u></u>	<u><u>\$ 5,608,607</u></u>

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, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
Cash Flows from Operating Activities:		
Change in Net Assets	\$ 181,121	\$ 127,869
Adjustments to Reconcile Changes in Net Assets to Net Cash Provided by (Used in) Operating Activities		
Gain / (Loss) on Disposal of Capital Assets	(5,664)	14
Restatement of Net OPEB Liability	511,872	-
Depreciation	189,089	157,354
(Increase) Decrease in Operating Assets		
Grants Receivable	97,018	(274,586)
Prepaid Expenses	3,037	16,045
Increase (Decrease) in Operating Liabilities:		
Accounts Payable	(47,950)	(31,059)
Accrued Payroll	(23,110)	(2,632)
Deferred Revenue	197,750	126,882
Net OPEB Liability	861,958	-
Other Post Employment Benefits	(1,467,338)	47,508
Other Liabilities	-	(16,685)
Net Cash Provided by (Used in) Operating Activities	<u>497,783</u>	<u>150,710</u>
Cash Flows from Investing Activities:		
Purchase of Property and Equipment	<u>(110,236)</u>	<u>(285,352)</u>
Net Cash Provided by (Used in) Investing Activities	<u>(110,236)</u>	<u>(285,352)</u>
Net Increase (Decrease in) Cash and Cash Equivalents	387,547	(134,642)
Cash and Cash Equivalents, Beginning of Year	<u>72,639</u>	<u>207,281</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 460,186</u></u>	<u><u>\$ 72,639</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, 2018 AND 2017

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.

NET ASSETS – PRIDE reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restriction and net assets with donor restriction.

Net Assets Without Donor Restriction - Net assets that are not subject to donor-imposed stipulations.

Net Assets With Donor Restriction - Net assets whose use is limited by donor-imposed time and/or purpose restrictions.

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.

PRIDE COMMUNITY SERVICES, INC.
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017
(Continued)

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

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, 2018, management believes that PRIDE has no material uncertain tax positions to be accounted for in the financial statements. As of December 31, 2018, tax years ending on or after December 31, 2015 remain subject to examination.

ACCOUNTING STANDARDS UPDATE (ASU): In 2018, PRIDE adopted ASU NO. 2016-14 – Not-for-Profit Entities: (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities. The main provisions of this update include: presentation of two classes of net assets (reduced from three classes); reporting expenses by both natural and functional classification; reporting investment return net of external and direct internal investment expenses; qualitative information about management of liquidity; quantitative information about financial assets available within one year; and recognition of underwater endowment funds as a reduction in net assets.

As a result of the implementation, what was formerly classified as temporarily restricted net assets and unrestricted net assets are now classified as net assets with donor restriction and net assets without donor restriction, respectively.

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.

FUNCTIONAL ALLOCATION OF EXPENSES – PRIDE tracks revenues and expenses by grant program in its accounting system. An indirect cost rate of 18.5% of salaries, fringe benefits, and other expenses is applied to all grant programs and allocated to an indirect cost code. Utilities are allocated to the indirect cost code based on square footage. General and administrative expenses on the statement of functional expenses are derived from the amounts posted to the indirect cost code.

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 12, 2019, the date the financial statements were issued.

PRIDE COMMUNITY SERVICES, INC.
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017
(Continued)

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, 2018, 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, 2018 and 2017 is as follows:

	2018	2017
Land	\$ 461,765	\$ 461,765
Land Improvements	121,162	121,162
Buildings	626,561	626,561
Vehicles and Equipment	1,655,131	1,815,218
	2,864,619	3,024,706
Less: Accumulated Depreciation	(1,512,973)	(1,599,871)
Property and Equipment	\$ 1,351,646	\$ 1,424,835

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, 2018 and 2017 were \$411,211 and \$213,461, respectively.

NOTE 5 -- 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 6 -- 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.

PRIDE COMMUNITY SERVICES, INC.
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017
(Continued)

NOTE 7 -- 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, 2017 through June 30, 2017, was 12% decreasing to 11% on July 1, 2016. Effective July 1, 2017, PRIDE’s contribution rate decreased to 10%. 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	2018	2017	2016
PERS	\$ 148,548	\$ 154,490	\$ 197,390
RHBT	\$ 85,941	\$ 68,697	\$ 79,299

PRIDE has made 100% of contributions each year.

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.

PRIDE COMMUNITY SERVICES, INC.
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017
(Continued)

NOTE 7 -- RETIREMENT PLANS (Continued)

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, 2018 and 2017.

	2018	2017
Current 'pay as you go' amounts	\$ 85,941	\$ 68,697
Amounts billed for ARC	-	47,508
Total	\$ 85,941	\$ 116,205

At December 31, 2018 and 2017, the liability related to OPEB cost was \$861,958 and \$1,467,338, respectively. As of the year ended December 31, 2018, there were five retirees receiving these benefits.

GASB Statement No. 75 Accounting and Financial Reporting for Postemployment Benefits Other than Pensions, became effective for PRIDE for the year ended December 31, 2018. Although PRIDE does not follow GASB reporting requirements, it is required by GASB to disclose the net OPEB liability because it is considered a PEIA contributing other post-employment benefit ineligible agency. Although PRIDE disagrees with this methodology, the net OPEB liability has been adjusted to the amount presented in the West Virginia Retiree Health Benefit Trust Fund audited schedules of employer other post-employment benefits allocations and other post-employment benefits amounts by employer for the years ended December 31, 2017 and 2016. Other reporting requirements of GASB 75 have not been implemented.

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 2018 and 2017 were \$19,345 and \$4,401, respectively.

PRIDE COMMUNITY SERVICES, INC.
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017
(Continued)

NOTE 8 -- DONATED SERVICES AND OTHER

During 2018 and 2017, 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:

	2018			Total
	Volunteer Labor	Use of Facilities	Other	
Head Start	\$ 193,206	\$ 500	\$ 292,501	\$ 486,207
Title IIIB	-	-	6,985	6,985
Title III-C1	4,286	-	300	4,586
Title III-C2	-	(196)	-	(196)
Title IIID	-	-	645	645
Title IIIE	4,119	-	2,947	7,066
Building Homes Initiative	11,662	16,293	37,568	65,523
Total	\$ 213,273	\$ 16,597	\$ 340,946	\$ 570,816

	2017			Total
	Volunteer Labor	Use of Facilities	Other	
Head Start	\$ 267,556	\$ 2,000	\$ 155,465	\$ 425,021
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
Building Homes Initiative	19,433	4,581	1,417	25,431
Total	\$ 297,585	\$ 41,957	\$ 167,631	\$ 507,173

NOTE 9 -- 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 2018 and 2017 totaled \$0 and \$0, respectively.

PRIDE COMMUNITY SERVICES, INC.
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017
(Continued)

NOTE 9 -- 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, 2018 and 2017.

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	
	2018	2017
Housing Inventory - Initial Houses	\$ -	\$ -
Housing Inventory - Second Houses	258,710	258,710
	\$ 258,710	\$ 258,710

NOTE 10 -- LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES

PRIDE has \$1,034,957 of financial assets available within 1 year of the balance sheet date to meet cash needs for general expenditure consisting of cash of \$460,186 and grants receivable of \$574,771. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date. The grants receivable are subject to implied time restrictions but are expected to be collected within one year.

PRIDE has a goal to maintain financial assets, which consist of cash and receivables, on hand to meet 60 days of normal operating expenses. PRIDE has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

PRIDE COMMUNITY SERVICES, INC.
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017
(Continued)

NOTE 11 -- PRIOR PERIOD RESTATEMENT

Because PRIDE contributes to the West Virginia Retiree Health Benefits Trust Fund OPEB plan, it is required to report a Net OPEB Liability in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. However, PRIDE has reported only the Net OPEB Liability and will not implement the other requirements of the standards because it does not report its financial statements and note disclosures in accordance with governmental GAAP. The Net OPEB Liability has been restated by \$511,872 as of December 31, 2017. Beginning net assets increased from \$509,369 to \$1,021,241 for the year ended December 31, 2018.

We have not restated the 2017 financial statements as the information to do so is not available.

Supplementary Information

PRIDE COMMUNITY SERVICES, INC.
SUMMARY SCHEDULE OF STATE AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2018

Grantor Name/Program Title	Grant/Fund Account Number	Award Amount	Receivable (Refundable) 12/31/17	Receipts	Expenditures	Receivable (Refundable) 12/31/18
WVSC Metro Area Agency on Aging						
Title IIIB Senior Services	21836	\$ 31,890	\$ -	\$ 31,890	\$ 31,890	-
Title IIIB Senior Services	21936	31,890	-	20,759	20,759	-
Title IIIC-1 Nutrition Services - Congregate Meals	21836	20,804	-	20,804	20,804	-
Title IIIC-1 Nutrition Services - Congregate Meals	21936	30,240	-	21,832	21,832	-
Title IIIC-2 Nutrition Services - Home Delivered Meals	21836	71,674	-	71,674	71,674	-
Title IIIC-2 Nutrition Services - Home Delivered Meals	21936	57,769	-	35,862	35,862	-
Title IIID Health Services	21836	221	-	221	221	-
Title IIID Health Services	21936	221	-	-	-	-
Legislative Initiatives for the Elderly - LIFE	21803	183,240	3,541	73,593	70,052	-
Legislative Initiatives for the Elderly - LIFE	21903	183,240	-	87,221	87,221	-
				-		
WV Bureau of Senior Services						
In Home Service Funds	IH1821	212,550	-	104,594	104,594	-
In Home Service Funds	IH1921	181,000	-	84,140	88,583	4,443

PRIDE COMMUNITY SERVICES, INC.
 SCHEDULE OF FEDERAL, STATE, AND OTHER SUPPORT, EXPENDITURES, AND CHANGES IN NET ASSETS
 YEAR ENDED DECEMBER 31, 2018

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	Appalachian Regional Commission
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	BuildJobs Initiative
<u>Support and revenue</u>										
Grant revenue	\$ 1,571,469	\$ 76,862	\$ 76,515	\$ 129,845	\$ 7,072	\$ 20,212	\$ 272,423	\$ 1,309,043	\$ 181,740	\$ 171,280
In-kind contributions	486,207	6,985	4,586	(196)	645	7,066	-	-	-	65,523
Food reimbursements	41,755	-	-	-	-	-	-	-	-	-
Program income	-	-	4,807	1,322	-	-	-	-	-	-
Client service revenue	-	-	-	-	-	-	-	-	-	-
Other income	206,355	-	-	-	-	-	-	55,000	3,118	-
Total support and revenue	<u>2,305,786</u>	<u>83,847</u>	<u>85,908</u>	<u>130,971</u>	<u>7,717</u>	<u>27,278</u>	<u>272,423</u>	<u>1,364,043</u>	<u>184,858</u>	<u>236,803</u>
<u>Expenditures</u>										
Salaries and wages	862,430	37,395	29,189	34,709	2,374	12,693	84,897	234,936	25,436	70,069
Fringe benefits	308,233	9,195	11,726	8,728	506	4,348	50,904	116,896	5,808	20,473
In-kind labor and expenses	486,207	6,985	4,586	(196)	645	7,066	-	-	-	65,523
Consumable supplies and equipment	69,338	-	7,852	10,697	-	-	48,642	275,276	3,796	18,572
Travel	2,988	-	-	-	-	-	-	100	1,054	4,922
Training	48,696	-	-	-	-	-	1,388	485	42	19,094
Repairs and maintenance	59,351	1,826	76	-	-	-	8,950	40,141	63	-
Contractual and consultants	10,142	-	-	-	-	-	1,922	565,084	-	7,626
Telephone and utilities	60,147	-	309	580	-	-	17,037	12,363	3,127	1,600
Operating expenses	28,452	-	7	11	(117)	-	7,745	2,589	1,248	10,713
Insurance	56,852	9,088	-	-	-	-	12,729	8,355	5,466	-
Occupancy	-	-	575	-	-	-	-	510	-	-
Transportation	16,610	10,783	-	-	-	-	72	10,537	(1,182)	(350)
Meal Costs	49,306	-	27,801	47,274	-	-	3,453	1,312	128,367	39
Emergency services	-	-	-	-	-	-	4,606	-	-	-
Other expenses	32,042	-	-	-	3,777	-	2,021	7,723	146	1,778
Subtotal	<u>2,090,794</u>	<u>75,272</u>	<u>82,121</u>	<u>101,803</u>	<u>7,185</u>	<u>24,107</u>	<u>244,366</u>	<u>1,276,307</u>	<u>173,371</u>	<u>220,059</u>
Allocation of indirect costs	<u>214,992</u>	<u>8,575</u>	<u>7,578</u>	<u>8,020</u>	<u>532</u>	<u>3,171</u>	<u>25,123</u>	<u>66,192</u>	<u>5,765</u>	<u>16,744</u>
Total expenditures	<u>2,305,786</u>	<u>83,847</u>	<u>89,699</u>	<u>109,823</u>	<u>7,717</u>	<u>27,278</u>	<u>269,489</u>	<u>1,342,499</u>	<u>179,136</u>	<u>236,803</u>
Total support and revenue over expenditures	-	-	(3,791)	21,148	-	-	2,934	21,544	5,722	-
Transfer in/(out)	-	-	3,791	(21,148)	-	-	(2,934)	(21,544)	(5,722)	-
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>	<u>\$ -</u>

PRIDE COMMUNITY SERVICES, INC.
SCHEDULE OF FEDERAL, STATE, AND OTHER SUPPORT, EXPENDITURES, AND CHANGES IN NET ASSETS (CONTINUED)
YEAR ENDED DECEMBER 31, 2018

Federal Grantor	State Assistance				Department of Veteran Affairs	Other	
	WVSC Metro Area Agency on Aging		WV BOSS	WV Housing Development Fund	WV Community Action Partnerships		
Pass-Thru Grantor	Personal Care	LIFE	In-Home	Housing	SSVF	Other	Totals
Program Title							
<u>Support and revenue</u>							
Grant revenue	\$ -	\$ 158,187	\$ 188,734	\$ -	\$ 113,500	\$ 29,102	\$ 4,305,984
In-kind contributions	-	-	-	-	-	-	570,816
Food reimbursements	-	-	-	-	-	-	41,755
Program income	-	-	7,546	-	-	1,581	15,256
Client service revenue	436,688	-	-	-	-	-	436,688
Other income	-	-	-	24,184	-	130,572	419,229
Total support and revenue	<u>436,688</u>	<u>158,187</u>	<u>196,280</u>	<u>24,184</u>	<u>113,500</u>	<u>161,255</u>	<u>5,789,728</u>
<u>Expenditures</u>							
Salaries and wages	274,978	28,835	104,143	-	25,500	42,071	1,869,655
Fringe benefits	51,242	11,863	17,699	-	15,185	(90,442)	542,364
In-kind labor and expenses	-	-	-	-	-	-	570,816
Consumable supplies and equipment	995	19,267	296	-	3,456	14,669	472,856
Travel	597	-	-	-	-	-	9,661
Training	514	2,586	-	-	2,521	241	75,567
Repairs and maintenance	192	14,824	44	-	1,358	1,785	128,610
Contractual and consultants	55,974	-	201	-	-	(1)	640,948
Telephone and utilities	1,518	13,772	-	-	2,736	(1)	113,188
Operating expenses	682	3,382	46	-	272	2,084	57,114
Insurance	2,536	20,030	-	-	3,966	2	119,024
Occupancy	-	-	-	-	-	-	1,085
Transportation	22	2,363	-	-	755	3,956	43,566
Meal Costs	1,158	24,383	(6,821)	-	32	5,848	282,152
Emergency services	-	-	-	-	51,339	27,030	82,975
Other expenses	1,493	9,354	(1,596)	-	36	659	57,433
Subtotal	<u>391,901</u>	<u>150,659</u>	<u>114,012</u>	<u>-</u>	<u>107,156</u>	<u>7,901</u>	<u>5,067,014</u>
Allocation of Indirect costs	63,300	7,528	23,395	-	6,344	5,481	462,740
Total expenditures	<u>455,201</u>	<u>158,187</u>	<u>137,407</u>	<u>-</u>	<u>113,500</u>	<u>13,382</u>	<u>5,529,754</u>
Total support and revenue over expenditures	(18,513)	-	58,873	24,184	-	147,873	259,974
Depreciation expense under GAAP	-	-	-	-	-	(189,089)	(189,089)
Capitalized Assets	-	-	-	-	-	110,236	110,236
Transfer in/(out)	18,513	-	(58,873)	(24,184)	-	112,101	-
CHANGE IN NET ASSETS	-	-	-	-	-	181,121	181,121
Beginning net assets - restated	25,012	-	9,990	214,489	-	771,998	1,021,241
Ending net assets	<u>\$ 25,012</u>	<u>\$ -</u>	<u>\$ 9,990</u>	<u>\$ 214,489</u>	<u>\$ -</u>	<u>\$ 953,119</u>	<u>\$ 1,202,362</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-D14
 GRANT PERIOD MARCH 1, 2018 - JUNE 30, 2018

	<u>Budget</u>	<u>Actual</u>	<u>(Over) Under Budget</u>
Support and revenue			
Federal revenue	\$ 15,000	\$ 15,000	\$ -
Total support and revenue	<u>15,000</u>	<u>15,000</u>	<u>-</u>
Expenses			
Consumable supplies	15,000	15,000	-
Total expenses	<u>15,000</u>	<u>15,000</u>	<u>-</u>
Increase (decrease) in net assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Transfers in (out)		-	
Net assets, December 31, 2018		<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 18CSBG-F13
GRANT PERIOD JANUARY 1, 2018 - DECEMBER 31, 2018

	<u>Budget</u>	<u>Actual</u>	(Over) Under <u>Budget</u>
Support and revenue			
Federal revenue	\$ 254,489	\$ 254,489	\$ -
Total support and revenue	<u>254,489</u>	<u>254,489</u>	<u>-</u>
Expenses			
Salaries and wages	84,897	84,897	-
Fringe benefits	50,904	50,904	-
Insurance	12,729	12,729	-
Contractual	1,922	1,922	-
Training	1,388	1,388	-
Repairs and maintenance	8,950	8,950	-
Transportation	73	73	-
Operating expenses	7,745	7,745	-
Consumable supplies	33,642	33,642	-
Telephone and utilities	17,037	17,037	-
Net assets, December 31, 2018	4,605	4,605	-
Other expenses	2,022	2,022	-
Meals	3,453	3,453	-
Indirect costs	25,122	25,122	-
Total expenses	<u>254,489</u>	<u>254,489</u>	<u>-</u>
Increase (decrease) in net assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Transfers in (out)		<u>-</u>	
Net assets, December 31, 2018		<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 DHHRWX1711
GRANT PERIOD OCTOBER 1, 2017 - SEPTEMBER 30, 2018

	<u>Budget</u>	<u>Actual</u>	<u>(Over) Under Budget</u>
Support and revenue			
Federal revenue	\$ 559,857	\$ 559,857	\$ -
Total support and revenue	<u>559,857</u>	<u>559,857</u>	<u>-</u>
Expenses			
Salaries and wages	161,604	142,131	19,473
Fringe benefits	59,579	73,453	(13,874)
Insurance	15,785	5,787	9,998
Contractual	122,638	117,560	5,078
Travel	500	(434)	934
Training	2,000	215	1,785
Repairs and maintenance	27,500	33,687	(6,187)
Transportation	8,884	8,789	95
Operating expenses	2,152	2,129	23
Occupancy	-	510	(510)
Consumable supplies	98,637	119,731	(21,094)
Telephone and utilities	7,740	7,923	(183)
Other expenses	9,000	7,425	1,575
Meals	1,000	972	28
Indirect costs	42,838	39,979	2,859
Total expenses	<u>559,857</u>	<u>559,857</u>	<u>-</u>
Increase (decrease) in net assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Transfers in (out)		<u>20,939</u>	
Net assets, December 31, 2018		<u>\$ 20,939</u>	

PRIDE COMMUNITY SERVICES, INC.
SCHEDULE OF GRANT SUPPORT, REVENUE, AND EXPENDITURES
COMPARED TO GRANT BUDGETS (NON-GAAP BASIS)
WEATHERIZATION DOE GRANT - GRANT NUMBER DOEWX1711
GRANT PERIOD JULY 1, 2017 - JUNE 30, 2018

	<u>Budget</u>	<u>Actual</u>	<u>(Over) Under Budget</u>
Support and revenue			
Federal revenue	\$ 187,506	\$ 187,506	\$ -
Total support and revenue	<u>187,506</u>	<u>187,506</u>	<u>-</u>
Expenses			
Salaries and wages	59,949	49,781	10,168
Fringe benefits	23,807	33,975	(10,168)
Insurance	3,533	2,568	965
Contractual	856	7,476	(6,620)
Travel	-	(75)	75
Training	-	250	(250)
Repairs and maintenance	11,600	10,402	1,198
Transportation	5,115	4,167	948
Operating expenses	1,600	1,232	368
Consumable supplies	49,989	49,037	952
Telephone and utilities	11,200	8,574	2,626
Other expenses	8,235	7,853	382
Meals	1,000	788	212
Indirect costs	10,622	15,206	(4,584)
Total expenses	<u>187,506</u>	<u>191,234</u>	<u>(3,728)</u>
Increase (decrease) in net assets	<u>\$ -</u>	<u>\$ (3,728)</u>	<u>\$ 3,728</u>
Transfers in (out)		<u>3,728</u>	
Net assets, December 31, 2018		<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 18NHEP-F13
GRANT PERIOD JANUARY 1, 2018 - SEPTEMBER 30, 2018

	<u>Budget</u>	<u>Actual</u>	<u>(Over) Under Budget</u>
Support and revenue			
Federal revenue	\$ 593,562	\$ 593,562	\$ -
Total support and revenue	<u>593,562</u>	<u>593,562</u>	<u>-</u>
Expenses			
Salaries and wages	20,154	29,567	(9,413)
Fringe benefits	8,061	10,126	(2,065)
Contractual	434,618	439,810	(5,192)
Travel	-	609	(609)
Consumable supplies	81,667	81,667	-
Indirect costs	49,062	7,343	41,719
Total expenses	<u>593,562</u>	<u>569,122</u>	<u>24,440</u>
Increase (decrease) in net assets	<u>\$ -</u>	<u>\$ 24,440</u>	<u>\$ (24,440)</u>
Transfers in (out)		<u>(24,440)</u>	
Net assets, December 31, 2018		<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, 2018 - DECEMBER 31, 2018

	<u>Budget</u>	<u>Actual</u>	<u>(Over) Under Budget</u>
Support and revenue			
Other income	\$ 55,000	\$ 55,000	\$ -
Total support and revenue	<u>55,000</u>	<u>55,000</u>	<u>-</u>
Expenses			
Salaries and wages	17,900	13,457	4,443
Fringe benefits	7,163	6,349	814
Consumable supplies	25,300	30,697	(5,397)
Indirect costs	4,637	3,664	973
Total expenses	<u>55,000</u>	<u>54,167</u>	<u>833</u>
Increase (decrease) in net assets	<u>\$ -</u>	<u>\$ 833</u>	<u>\$ (833)</u>
Transfers in (out)		<u>(833)</u>	
Net assets, December 31, 2018		<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 21803
GRANT PERIOD JULY 1, 2017 - JUNE 30, 2018

	<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	40,786	33,582	7,204
Fringe benefits	16,396	14,459	1,937
Insurance	26,000	23,175	2,825
Contractual	600	30	570
Travel	1,000	72	928
Training	3,000	2,435	565
Repairs and maintenance	12,500	13,814	(1,314)
Transportation	6,300	3,419	2,881
Operating expenses	1,800	3,848	(2,048)
Consumable supplies	11,600	26,740	(15,140)
Telephone and utilities	16,700	15,125	1,575
Other expenses	6,074	7,540	(1,466)
Meals	29,720	30,113	(393)
Indirect costs	10,764	8,888	1,876
Total expenses	<u>183,240</u>	<u>183,240</u>	<u>-</u>
Increase (decrease) in net assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Transfers in (out)		<u>-</u>	
Net assets, December 31, 2018		<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 21836
GRANT PERIOD OCTOBER 1, 2017 - SEPTEMBER 30, 2018

	<u>Budget</u>	<u>Actual</u>	<u>(Over) Under Budget</u>
Support and revenue			
Federal revenue	\$ 64,462	\$ 64,462	\$ -
State revenue	32,111	32,111	-
In-kind contributions	<u>14,696</u>	<u>14,696</u>	<u>-</u>
Total support and revenue	<u>111,269</u>	<u>111,269</u>	<u>-</u>
Expenses			
Salaries and wages	55,293	51,949	3,344
Fringe benefits	5,845	13,512	(7,667)
In-kind contributions	14,695	14,696	(1)
Insurance	1,931	5,280	(3,349)
Repairs and maintenance	400	1,826	(1,426)
Transportation	2,500	10,320	(7,820)
Consumable supplies	1,267	-	1,267
Other expenses	-	1,576	(1,576)
Indirect costs	<u>29,338</u>	<u>12,110</u>	<u>17,228</u>
Total expenses	<u>111,269</u>	<u>111,269</u>	<u>-</u>
Increase (decrease) in net assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Transfers in (out)		<u>-</u>	
Net assets, December 31, 2018		<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, 2017 - SEPTEMBER 30, 2018

	<u>Budget</u>	<u>Actual</u>	<u>(Over) Under Budget</u>
Support and revenue			
Federal revenue	\$ 79,982	\$ 116,825	\$ (36,843)
State revenue	92,478	92,478	-
Program revenue	6,892	7,330	(438)
In-kind contributions	8,139	23,627	(15,488)
Total support and revenue	<u>187,491</u>	<u>240,260</u>	<u>(52,769)</u>
Expenses			
Salaries and wages	58,136	70,657	(12,521)
Fringe benefits	18,950	22,070	(3,120)
In-kind contributions	8,139	23,627	(15,488)
Repairs and maintenance	67	67	-
Operating expenses	17	17	-
Consumable supplies	9,639	10,516	(877)
Telephone and utilities	785	956	(171)
Other expenses	45	147	(102)
Meals	65,291	82,930	(17,639)
Indirect costs	14,303	17,154	(2,851)
Total expenses	<u>175,372</u>	<u>228,141</u>	<u>(52,769)</u>
Increase (decrease) in net assets	<u>\$ 12,119</u>	<u>\$ 12,119</u>	<u>\$ -</u>
Transfers in (out)	<u>(12,119)</u>	<u>(12,119)</u>	
Net assets, December 31, 2018		<u>\$ -</u>	

PRIDE COMMUNITY SERVICES, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2018

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	51215	\$ 179,136
Total U.S. Department of Agriculture			<u>179,136</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	113,500
Total U.S. Department of Veterans Affairs			<u>113,500</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	DOEWX1711	150,951
Weatherization Assistance for Low-Income Persons	81.042	DOEWX1811	2,937
Total U.S. Department of Energy			<u>153,888</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	21836	83,847
Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045	21836	199,522
Special Programs for the Aging - Title III, Part D - Disease Prevention and Health Promotion Services	93.043	21836	7,717
National Family Caregiver Support, Title III, Part E	93.052	21836	27,278
Total Special Programs for Aging Cluster			<u>318,364</u>
<i>Passed - Through West Virginia Office of Economic Opportunity:</i>			
Community Services Block Grant	93.569	17CSBG-D14	15,000
Community Services Block Grant	93.569	18CSBG-F13	254,489
Total Community Services Block Grant			<u>269,489</u>
Low-Income Home Energy Assistance	93.568	18NHEP-F13	567,886
Low-Income Home Energy Assistance	93.568	189HEP-F13	6,700
Low-Income Home Energy Assistance	93.568	DHHRWX1711	614,026
Total Low-Income Home Energy Assistance			<u>1,188,612</u>
<i>Direct Program:</i>			
Head Start	93.600		2,305,786
Total U.S. Department of Health and Human Services			<u>4,082,251</u>
Total Expenditures of Federal Awards			<u>\$ 4,528,775</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, 2018

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, 2018. 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 12, 2019

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, 2018, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements and have issued our report thereon dated July 12, 2019, wherein we noted PRIDE adopted FASB ASU 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*.

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 12, 2019

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, 2018. 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, 2018.

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, 2018**

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 #93.568 – Low-Income Home Energy Assistance
<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