

PRIDE COMMUNITY SERVICES, INC.

FINANCIAL STATEMENTS  
WITH SUPPLEMENTAL INFORMATION

YEARS ENDED DECEMBER 31, 2015 AND 2014

AND

INDEPENDENT AUDITOR'S REPORT

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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
PRIDE Community Services, Inc.  
Logan, West Virginia

### **Report on the Financial Statements**

We have audited the accompanying financial statements of PRIDE Community Services, Inc. (PRIDE), which comprise the statements of financial position as of December 31, 2015, and 2014, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of PRIDE as of December 31, 2015, and 2014, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matters******Other Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental Summary Schedule of State Awards, Schedule of Federal, State, and Other Support, Expenditures and Changes in Net Assets, and the Schedules of Grant Support, Revenue and Expenditures Compared to Grant Budget, are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards, 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*, is presented for purposes of additional analysis and is also not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements 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 15, 2016, 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. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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.



Charleston, West Virginia  
July 15, 2016

PRIDE COMMUNITY SERVICES, INC.  
 STATEMENTS OF FINANCIAL POSITION  
 DECEMBER 31, 2015 AND 2014

ASSETS	2015	2014
Current assets		
Cash and cash equivalents	\$ 351,541	\$ 323,039
Restricted cash - HOME program	78,603	-
	430,144	323,039
Grants receivable	286,867	418,293
Other receivables	54,068	49,676
Prepaid expenses	85,959	44,420
Total current assets	857,038	835,428
Noncurrent assets		
HOME program housing inventory	258,710	258,608
Property and equipment, net of accumulated depreciation	1,311,591	1,080,679
	1,311,591	1,080,679
Total assets	\$ 2,427,339	\$ 2,174,715
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	\$ 68,641	\$ 35,479
Accrued salaries and benefits	113,982	195,753
Deferred revenue	144,788	192,975
Refundable advances	10,342	9,677
HOME program loans payable	138,736	299,308
Total current liabilities	476,489	733,192
Noncurrent liabilities		
Other post employment benefits (OPEB)	1,373,398	1,310,449
	1,373,398	1,310,449
Total liabilities	1,849,887	2,043,641
Net assets		
Unrestricted	378,875	131,074
Temporarily restricted - HOME program	198,577	-
Total net assets	577,452	131,074
Total liabilities and net assets	\$ 2,427,339	\$ 2,174,715

The Accompanying Notes Are An Integral  
 Part Of These Financial Statements

PRIDE COMMUNITY SERVICES, INC.  
STATEMENTS OF ACTIVITIES  
YEARS ENDED DECEMBER 31, 2015 AND 2014

	2015			2014
	Unrestricted Net Assets	Temporarily Restricted Net Assets	Total Net Assets	Total Net Assets
Support and revenue				
Grant revenue	\$ 3,289,134	\$ -	\$ 3,289,134	\$ 2,982,017
HOME program	-	278,264	278,264	-
In-kind contributions	452,412	-	452,412	448,760
Food reimbursements	218,861	-	218,861	294,298
Program income	23,548	-	23,548	14,037
Client service revenue	461,841	-	461,841	517,312
Other income	220,794	-	220,794	100,612
Net assets released from restrictions:				
Satisfaction of purpose restriction	79,687	(79,687)	-	-
Total support and revenue	<u>4,746,277</u>	<u>198,577</u>	<u>4,944,854</u>	<u>4,357,036</u>
Expenses				
Salaries and wages	1,496,317	-	1,496,317	1,516,113
Fringe benefits	596,976	-	596,976	614,143
In-kind labor and expenses	452,412	-	452,412	448,760
Consumable supplies	258,728	-	258,728	134,569
Travel	19,339	-	19,339	19,211
Training	47,997	-	47,997	45,123
Repairs and maintenance	86,379	-	86,379	167,104
Contractual and consultants	55,107	-	55,107	57,359
Telephone and utilities	139,776	-	139,776	113,438
Operating expenses	131,023	-	131,023	57,129
Insurance	110,089	-	110,089	134,462
Occupancy	5,703	-	5,703	5,339
Transportation	39,643	-	39,643	55,511
Meal costs	303,996	-	303,996	382,096
Indirect costs	389,645	-	389,645	394,049
Depreciation expense	170,764	-	170,764	154,876
Emergency services	95,232	-	95,232	55,754
Other expenses	36,401	-	36,401	50,082
Total operating expenses	<u>4,435,527</u>	<u>-</u>	<u>4,435,527</u>	<u>4,405,118</u>
Operating income (loss)	310,750	198,577	509,327	(48,082)
Non-operating other post employment benefits (OPEB) expense	62,949	-	62,949	44,079
CHANGE IN NET ASSETS	247,801	198,577	446,378	(92,161)
Net assets beginning of year	<u>131,074</u>	<u>-</u>	<u>131,074</u>	<u>223,235</u>
Net assets, end of year	<u>\$ 378,875</u>	<u>\$ 198,577</u>	<u>\$ 577,452</u>	<u>\$ 131,074</u>

PRIDE COMMUNITY SERVICES, INC.  
STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
Cash flows from operating activities		
Change in net assets	\$ 446,378	\$ (92,161)
Adjustments to reconcile changes in net assets to net cash provided (used) by operating activities		
(Gain) / Loss on disposal of capital assets	2,666	(6,163)
Noncash HOME Program transactions	(220,752)	-
Depreciation	170,764	154,876
(Increase) decrease in operating assets		
Grants receivable	131,426	(6,078)
Other receivables	(4,392)	14,440
Prepaid expenses	(41,539)	5,659
HOME program housing inventory	-	(235,813)
Increase (decrease) in operating liabilities		
Accounts payable	33,162	(37,387)
Accrued salaries and benefits	(81,771)	18,730
Deferred revenue	(48,187)	88,025
Refundable advances	665	7,447
Other post retirement benefits	62,949	44,079
	<u>451,369</u>	<u>(44,346)</u>
Net cash provided (used) by operating activities		
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	(407,857)	(102,469)
Proceeds from disposition of equipment	3,515	12,500
	<u>(420,256)</u>	<u>(89,969)</u>
Net cash provided (used) by investing activities		
Cash flows from financing activities		
Borrowings for HOME Program	<u>75,992</u>	<u>276,513</u>
	<u>75,992</u>	<u>276,513</u>
Net cash provided (used) by financing activities		
Net increase (decrease) in cash and cash equivalents	107,105	142,198
Cash and cash equivalents, beginning of year	<u>323,039</u>	<u>180,841</u>
Cash and cash equivalents, end of year	<u>\$ 430,144</u>	<u>\$ 323,039</u>

The Accompanying Notes Are An Integral  
Part Of These Financial Statements

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.



PRIDE COMMUNITY SERVICES, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014

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

**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, 2015, management believes that PRIDE has no material uncertain tax positions to be accounted for in the financial statements. As of December 31, 2015, tax years ending on or after December 31, 2012 remain subject to examination.

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

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

**ADVERTISING COSTS** - Advertising costs are expensed as incurred.

**SUBSEQUENT EVENTS** - In preparing these financial statements, PRIDE has evaluated events and transactions for potential recognition or disclosure through July 15, 2016, the date the financial statements were issued.

PRIDE COMMUNITY SERVICES, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2015 AND 2014

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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, 2015, 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, 2015 and 2014 is as follows:

	<u>2015</u>	<u>2014</u>
Land	\$ 378,614	\$ 338,500
Land Improvements	121,162	-
Buildings	626,561	559,185
Vehicles and equipment	<u>1,565,304</u>	<u>1,630,604</u>
	2,691,641	2,528,289
Less: Accumulated depreciation	<u>1,380,050</u>	<u>1,447,610</u>
Property and equipment	<u>\$ 1,311,591</u>	<u>\$ 1,080,679</u>

NOTE 4 -- DEFERRED REVENUE

Deferred revenue is comprised of funds received for services to be provided pursuant to a collaborative agreement between PRIDE and the Logan County Board of Education. On an annual basis, the Logan County Board of Education calculates an amount to be paid in ten monthly installments. These funds can be used to pay costs to enhance or supplement the Head Start program. Amounts not yet spent to enhance or supplement the Head Start program at December 31, 2015 and 2014 were \$144,788 and \$192,975, respectively.

PRIDE COMMUNITY SERVICES, INC.  
 NOTES TO THE FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2015 AND 2014

NOTE 5 -- REFUNDABLE ADVANCES

Refundable advances, which consist of grant funds received by PRIDE but not yet expended for qualifying expenses, is comprised of the following at December 31, 2015 and 2014:

<u>Description</u>	<u>2015</u>	<u>2014</u>
Ministerial Association	\$ 5,250	\$ -
Other	<u>5,092</u>	<u>9,677</u>
Total	<u>\$ 10,342</u>	<u>\$ 9,677</u>

NOTE 6 -- FUNCTIONAL EXPENSES

PRIDE incurred expenditures in the conduct of the following programs for the years ended December 31, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Head Start Program: PRIDE provides comprehensive education activities to eligible Pre-Kindergarten students.	\$ 2,255,392	\$ 2,169,648
Weatherization Program: 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.	405,647	213,323
Title III Programs: This includes programs for older Americans and covers social support activities including case management, transportation, assessments, etc.	353,910	314,865
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.	211,717	328,023

PRIDE COMMUNITY SERVICES, INC.  
 NOTES TO THE FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2015 AND 2014

NOTE 6 -- FUNCTIONAL EXPENSES (Continued)

CSBG program: PRIDE provides emergency assistance to low-income, disabled, or elderly individuals and families and supports other agency programs as needed.	316,535	273,916
Personal Care programs: PRIDE provides an in-home care program, funded by the Medicaid program that makes personal assistance available to eligible adults.	433,252	484,314
Other programs that benefit children, senior citizens and families:	<u>696,167</u>	<u>574,122</u>
	4,672,620	4,358,211
Depreciation expense under GAAP	170,764	154,876
Less: Capitalized assets	<u>(407,857)</u>	<u>(107,969)</u>
Total operating expenses	<u>\$ 4,435,527</u>	<u>\$ 4,405,118</u>

The above amounts include a proportionate allocation of all management and general and indirect costs, which total approximately \$390,000 and \$394,000 for the years ended December 31, 2015 and 2014, respectively.

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.

PRIDE COMMUNITY SERVICES, INC.  
 NOTES TO THE FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2015 AND 2014

NOTE 9 -- RETIREMENT PLANS

West Virginia Public Employees Retirement System - PRIDE is a participating employer in the West Virginia Public Employees Retirement System (PERS). This is a cost sharing, multi-employer public employee retirement system 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 financial statements and required supplementary information. That report may be obtained by writing to: West Virginia Retiree Health Benefits Trust (RHBT), 601 57<sup>th</sup> Street, SE, Suite 2, Charleston, WV 25304-2345 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	Total Plan Assets (in thousands)	Accumulated Benefit Obligation (in thousands)	Percentage Funded	Contributions of PRIDE		
				2015	2014	2013
PERS	\$ 5,208,828	\$ 6,271,827	> 80%	\$ 172,517	\$ 166,589	\$ 166,683
RHBT	\$ 590,230	\$ 3,262,553	< 65%	\$ 67,030	\$ 71,000	\$ 86,227

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, 2015 AND 2014

NOTE 9 -- 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, 2015 and 2014.

	<u>2015</u>	<u>2014</u>
Current “pay as you go” amounts	\$ 67,030	\$ 71,000
Amounts billed for the ARC	<u>62,949</u>	<u>44,079</u>
	<u>\$ 129,979</u>	<u>\$ 115,079</u>

At December 31, 2015 and 2014, the liability related to OPEB cost was \$1,373,398 and \$1,310,449. As of the year ended December 31, 2015, 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 2015 and 2014 were \$6,346 and \$6,335.

PRIDE COMMUNITY SERVICES, INC.  
 NOTES TO THE FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2015 AND 2014

NOTE 10 -- DONATED SERVICES AND OTHER

During 2015 and 2014, 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:

	2015			
	Volunteer Labor	Use of Facilities	Other	Total
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	<u>144</u>	<u>-</u>	<u>7,005</u>	<u>7,149</u>
Total	<u>\$ 170,459</u>	<u>\$ 65,600</u>	<u>\$ 216,353</u>	<u>\$ 452,412</u>

	2014			
	Volunteer Labor	Use of Facilities	Other	Total
Head Start	\$ 79,969	\$ 56,019	\$ 281,630	\$ 417,618
Title IIIB	1,942	3,015	540	5,497
Title III-C1	3,549	-	1,981	5,530
Title III-C2	-	-	15,930	15,930
Title IIID	-	615	-	615
Title IIIE	<u>-</u>	<u>3,570</u>	<u>-</u>	<u>3,570</u>
Total	<u>\$ 85,460</u>	<u>\$ 63,219</u>	<u>\$ 300,081</u>	<u>\$ 448,760</u>

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 at December 31, 2015 and 2014 totaled \$138,736 and \$299,308, respectively. The December 31, 2014 amount includes \$40,700 placed in escrow that PRIDE received upon completion of the first homes, and which is recorded in the caption grants receivable in the statement of financial position.

PRIDE COMMUNITY SERVICES, INC.  
 NOTES TO THE FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2015 AND 2014

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 second 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, 2015 and 2014.

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,	
	2015	2014
Housing Inventory - Initial Houses	\$ 145,794	\$ 258,608
Housing Inventory - Second Houses	112,916	-
<b>TOTAL</b>	<b>\$ 258,710</b>	<b>\$ 258,608</b>



## SUPPLEMENTAL INFORMATION

PRIDE COMMUNITY SERVICES, INC.  
SUMMARY SCHEDULE OF STATE AWARDS  
YEAR ENDED DECEMBER 31, 2015

Grantor Name/Program Title	Grant/ Fund Account Number	Award Amount	Receivable (Refundable) 12/31/14	Receipts	Expenditures	Receivable (Refundable) 12/31/15
<b>WVSC Metro Area Agency on Aging</b>						
Title IIIB Senior Services	21636	\$ 31,890	\$ -	\$ -	\$ 4,057	\$ 4,057
Title IIIB Senior Services	21536	31,890	4,699	31,890	27,191	-
Title IIID Health Services	21636	221	-	221	221	-
Legislative Initiatives for the Elderly - LIFE	21603	183,240	-	98,036	127,472	29,436
Legislative Initiatives for the Elderly - LIFE	21503	183,055	54,741	121,948	67,207	-
<b>WV Bureau of Senior Services</b>						
In Home Service Funds	1H1621	205,000	-	99,053	113,540	14,487
In Home Service Funds	1H1521	190,902	25,437	128,265	102,828	-
Community Partnership	SC21029A	8,000	-	8,000	8,000	-
Community Partnership	SC21522	15,000	-	15,000	15,000	-

PRIDE COMMUNITY SERVICES, INC.  
SCHEDULE OF FEDERAL, STATE, AND OTHER SUPPORT, EXPENDITURES, AND CHANGES IN NET ASSETS  
YEAR ENDED DECEMBER 31, 2015

Federal Grantor	Federal Financial Assistance										Education									
	Department of Health and Human Services					DHHS/Energy														
Program Title	Head Start/ USDA	WVSC Metro Area Agency on Aging																		
		Title III B Senior Citizens	Title III C-1 Nutrition Services	Title III C-2 Nutrition Services	Title III D Preventative Health	Title III E Caregiver	Office of Economic Opportunity		Weatherization		CACFP									
<u>Support and revenue</u>																				
Grant revenue	\$ 1,667,512	\$ 76,243	\$ 59,396	\$ 159,084	\$ 3,612	\$ 18,528	\$ 314,052	\$ 375,065	\$ 58,516											
HOME program	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
In-kind contributions	417,622	8,718	3,561	14,748	614	7,149	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Food reimbursements	52,291	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Program income	2,513	-	5,040	4,283	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	166,570
Client service revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other income	172,676	-	-	(1,000)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total revenue and support	2,312,614	84,961	67,997	177,115	4,226	25,677	314,052	403,023	225,086											
<u>Expenditures</u>																				
Salaries and wages	722,501	33,139	38,624	48,303	1,431	11,056	78,387	106,965	27,645											
Fringe benefits	284,139	18,162	13,479	15,377	567	3,638	39,111	66,375	9,330											
In-kind labor and expenses	417,622	8,718	3,561	14,748	614	7,149	-	-	-											
Consumable supplies and equipment	169,542	-	2,481	1,906	563	94	63,546	113,594	2,971											
Travel	6,429	400	-	-	-	-	238	-	-											
Training	23,715	-	-	-	650	-	11,077	6,506	30											
Repairs and maintenance	176,218	(513)	36	59	-	-	8,084	11,164	168											
Contractual and consultants	14,036	8	13	13	-	21	8,958	24,594	196											
Telephone and utilities	82,900	23	397	761	-	-	14,649	10,314	4,853											
Operating expenses	60,451	-	-	-	-	-	32,861	13,167	1,340											
Insurance	46,967	10,015	-	-	-	-	18,926	9,439	3,729											
Occupancy	-	-	-	-	-	-	1,040	379	316											
Transportation	16,165	6,719	-	-	-	-	6,791	7,171	562											
Meal costs	50,414	-	27,607	50,077	-	-	6,904	387	153,149											
Emergency Services	-	-	-	-	-	-	4,305	-	-											
Other expenses	4,163	101	52	1	41	-	63	4,419	-											
Subtotal	2,075,262	76,772	86,250	131,245	3,866	21,958	294,940	374,474	204,289											
Allocation of indirect costs	180,130	9,295	9,669	11,851	360	2,644	21,595	31,173	7,428											
Total expenditures	2,255,392	86,067	95,919	143,096	4,226	24,602	316,535	405,647	211,717											
Total support and revenue over expenditures	57,222	(1,106)	(27,922)	34,019	-	1,075	(2,483)	(2,624)	13,369											
Depreciation expense under GAAP	-	-	-	-	-	-	-	-	-											
Capitalized Assets	-	-	-	-	-	-	-	-	-											
Other post retirement benefits (OPEB)	-	-	-	-	-	-	-	-	-											
Transfer in/(out)	(57,222)	1,106	27,922	(34,019)	-	-	2,483	2,624	-											
CHANGE IN NET ASSETS	-	-	-	-	-	1,075	-	-	13,369											
Beginning net assets	(14,692)	-	-	-	-	-	-	-	-											
Ending net assets	(14,692)	\$ -	\$ -	\$ -	\$ -	\$ 1,075	\$ -	\$ -	\$ 13,369											

PRIDE COMMUNITY SERVICES, INC.  
 SCHEDULE OF FEDERAL, STATE, AND OTHER SUPPORT, EXPENDITURES, AND CHANGES IN NET ASSETS (Continued)  
 YEAR ENDED DECEMBER 31, 2015

Federal Grantor	State Assistance				Department of Veterans Affairs		Totals
	Personal Care	LIFE	In-Home	CHDO	SSVF	Other	
<b>Pass-Thru Grantor</b>	<b>WVSC Metro Area Agency on Aging</b>	<b>WV BOSS</b>	<b>WV Housing Development Fund</b>	<b>WV Community Action Partnerships</b>			
<b>Program Title</b>	<b>Personal Care</b>	<b>LIFE</b>	<b>In-Home</b>	<b>CHDO</b>	<b>SSVF</b>	<b>Other</b>	<b>Totals</b>
<u>Support and revenue</u>							
Grant revenue	\$ -	\$ 194,678	\$ 216,193	\$ -	\$ 129,317	\$ 16,938	\$ 3,289,134
HOME program	-	-	-	278,264	-	-	278,264
In-kind contributions	-	-	-	-	-	-	452,412
Food reimbursements	-	-	-	-	-	-	218,861
Program income	-	-	11,712	-	-	-	23,548
Client service revenue	467,277	-	(7,386)	-	-	1,950	461,841
Other income	-	-	-	-	-	21,160	220,794
Total revenue and support	467,277	194,678	220,519	278,264	129,317	40,048	4,944,854
<u>Expenditures</u>							
Salaries and wages	267,469	52,442	128,947	-	23,736	7,930	1,548,575
Fringe benefits	73,835	27,251	32,070	-	11,032	2,610	596,976
In-kind labor and expenses	-	-	-	-	-	-	452,412
Consumable supplies and equipment	3,582	22,247	1,126	-	8,838	46,131	436,527
Travel	7,580	3,528	636	-	434	-	19,339
Training	1,020	3,899	140	-	960	-	47,997
Repairs and maintenance	727	17,950	274	-	808	49,204	264,179
Contractual and consultants	4,430	374	21	-	335	2,108	55,107
Telephone and utilities	3,454	19,729	-	-	2,556	140	139,776
Operating expenses	2,446	5,026	698	-	11,812	3,222	131,023
Insurance	1,370	15,110	-	-	4,533	-	110,089
Occupancy	379	2,171	-	-	221	1,197	5,703
Transportation	-	109	-	-	1,160	966	39,643
Meal costs	230	8,362	-	-	-	6,866	303,996
Emergency Services	-	-	-	-	56,944	33,983	95,232
Other expenses	1,855	2,949	329	-	65	22,363	36,401
Subtotal	368,377	181,147	164,241	-	123,434	176,720	4,282,975
Allocation of indirect costs	64,875	13,531	28,831	-	6,366	1,897	389,645
Total expenditures	433,252	194,678	193,072	-	129,800	178,617	4,672,620
Total support and revenue over expenditures	34,025	-	27,447	278,264	(483)	(138,569)	272,234
Depreciation expense under GAAP	-	-	-	-	-	(170,764)	(170,764)
Capitalized Assets	-	-	-	-	-	407,857	407,857
Other post retirement benefits (OPEB)	-	-	-	-	-	(62,949)	(62,949)
Transfer in/(out)	(18,135)	-	(17,457)	(63,775)	483	155,990	-
CHANGE IN NET ASSETS	15,890	-	9,990	214,489	-	191,565	446,378
Beginning net assets	9,122	-	-	-	-	136,644	131,074
Ending net assets	\$ 25,012	\$ -	\$ 9,990	\$ 214,489	\$ -	\$ 328,209	\$ 577,452

## PRIDE COMMUNITY SERVICES, INC.

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SCHEDULE OF GRANT SUPPORT, REVENUE AND EXPENDITURES  
 COMPARED TO GRANT BUDGETS (NON-GAAP BASIS)  
 COMMUNITY SERVICES BLOCK GRANT - GRANT NUMBERS 14CSBG-D12/D13 AND 15CSBG-D03  
 GRANT PERIOD JANUARY 1, 2015 TO MARCH 31, 2016

	<u>Budget</u>	<u>Actual</u>	(Over) Under <u>Budget</u>
Support and revenue			
Federal revenue	\$ 63,713	\$ 34,512	\$ 29,201
Unearned revenue	-	29,201	(29,201)
Total support and revenue	<u>63,713</u>	<u>63,713</u>	<u>-</u>
Expenses			
Contractual	3,750	3,713	37
Travel	2,000	-	2,000
Training	3,800	3,882	(82)
Consumable supplies	26,512	37,016	(10,504)
Meals	-	391	(391)
Operating expenses	<u>27,651</u>	<u>18,711</u>	<u>8,940</u>
Total expenses	<u>63,713</u>	<u>63,713</u>	<u>-</u>
Increase (decrease) in net assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Transfers in (out)		<u>-</u>	
Net assets, December 31, 2015		<u>\$ -</u>	

SCHEDULE OF GRANT SUPPORT, REVENUE AND EXPENDITURES  
 COMPARED TO GRANT BUDGETS (NON-GAAP BASIS)  
 COMMUNITY SERVICES BLOCK GRANT - GRANT NUMBER 15CSBG-F-13  
 GRANT PERIOD JANUARY 1, 2015 TO DECEMBER 31, 2015

	<u>Budget</u>	<u>Actual</u>	(Over) Under <u>Budget</u>
Support and revenue			
Federal revenue	\$ 250,339	\$ 250,339	\$ -
Total support and revenue	<u>250,339</u>	<u>250,339</u>	<u>-</u>
Expenses			
Salaries and wages	77,521	78,387	(866)
Fringe benefits	39,210	39,111	99
Insurance	18,926	18,926	-
Contractual	5,245	5,245	-
Travel	238	238	-
Training	7,100	7,195	(95)
Repairs and maintenance	7,985	8,084	(99)
Transportation	6,750	6,791	(41)
Operating expenses	13,798	14,149	(351)
Occupancy	1,040	1,040	-
Consumable supplies	25,211	26,536	(1,325)
Telephone and utilities	13,922	14,649	(727)
Emergency services	5,000	4,305	695
Other expenses	60	59	1
Meals	6,500	6,512	(12)
Indirect costs	21,833	21,595	238
Total expenses	<u>250,339</u>	<u>252,822</u>	<u>(2,483)</u>
Increase (decrease) in net assets	<u>\$ -</u>	<u>\$ (2,483)</u>	<u>\$ 2,483</u>
Transfers in (out)		<u>2,483</u>	
Net assets, December 31, 2015		<u>\$ -</u>	

SCHEDULE OF GRANT SUPPORT, REVENUE AND EXPENDITURES  
 COMPARED TO GRANT BUDGETS (NON-GAAP BASIS)  
 WEATHERIZATION DHHR GRANT - GRANT NUMBER DHHRWX1411  
 GRANT PERIOD JANUARY 1, 2015 - SEPTEMBER 30, 2015

	<u>Budget</u>	<u>Actual</u>	(Over) Under <u>Budget</u>
Support and revenue			
Federal revenue	\$ 189,501	\$ 189,501	\$ -
Total support and revenue	<u>189,501</u>	<u>189,501</u>	<u>-</u>
Expenses			
Salaries and wages	67,626	59,727	7,899
Fringe benefits	25,667	44,262	(18,595)
Insurance	7,580	7,580	-
Contractual	-	42	(42)
Training	-	3,289	(3,289)
Repairs and maintenance	5,000	6,084	(1,084)
Transportation	5,000	5,543	(543)
Operating expenses	-	2,751	(2,751)
Occupancy	-	315	(315)
Consumable supplies	55,776	55,103	673
Telephone and utilities	3,000	6,096	(3,096)
Other expenses	-	681	(681)
Meals	-	32	(32)
Indirect costs	<u>19,852</u>	<u>18,741</u>	<u>1,111</u>
Total expenses	<u>189,501</u>	<u>210,246</u>	<u>(20,745)</u>
Increase (decrease) in net assets	<u>\$ -</u>	<u>\$ (20,745)</u>	<u>\$ 20,745</u>
Transfers in (out)		<u>20,745</u>	
Net assets, December 31, 2015		<u>\$ -</u>	

SCHEDULE OF GRANT SUPPORT, REVENUE AND EXPENDITURES  
 COMPARED TO GRANT BUDGETS (NON-GAAP BASIS)  
 WEATHERIZATION DOE GRANT - GRANT NUMBERS DOEWX1411 AND DOEWX1411A  
 GRANT PERIOD JULY 1, 2014 - JUNE 30, 2015

	<u>Budget</u>	<u>Actual</u>	(Over) Under <u>Budget</u>
Support and revenue			
Federal revenue	\$ 74,192	\$ 74,192	\$ -
Total support and revenue	<u>74,192</u>	<u>74,192</u>	<u>-</u>
Expenses			
Salaries and wages	30,900	27,999	2,901
Fringe benefits	11,897	14,798	(2,901)
Insurance	1,821	1,821	-
Repairs and maintenance	400	1,859	(1,459)
Transportation	5,000	157	4,843
Operating expenses	-	2,596	(2,596)
Occupancy	-	32	(32)
Consumable supplies	18,238	17,953	285
Telephone and utilities	200	1,183	(983)
Other expenses	-	96	(96)
Indirect costs	<u>5,736</u>	<u>7,917</u>	<u>(2,181)</u>
Total expenses	<u>74,192</u>	<u>76,411</u>	<u>(2,219)</u>
Increase (decrease) in net assets	<u>\$ -</u>	<u>\$ (2,219)</u>	<u>\$ 2,219</u>
Transfers in (out)		<u>2,219</u>	
Net assets, December 31, 2015		<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, 2015 - DECEMBER 31, 2015

	<u>Budget</u>	<u>Actual</u>	<u>(Over) Under Budget</u>
Support and revenue			
Federal revenue	\$ 28,958	\$ 27,958	\$ 1,000
Total support and revenue	<u>28,958</u>	<u>27,958</u>	<u>1,000</u>
Expenses			
Salaries and wages	7,300	-	7,300
Fringe benefits	3,000	-	3,000
Consumable supplies	15,758	-	15,758
Indirect costs	<u>2,900</u>	<u>-</u>	<u>2,900</u>
Total expenses	<u>28,958</u>	<u>-</u>	<u>28,958</u>
Increase (decrease) in net assets	<u>\$ -</u>	<u>\$ 27,958</u>	<u>\$ (27,958)</u>
Transfers in (out)		<u>(27,958)</u>	
Net assets, December 31, 2015		<u>\$ -</u>	

SCHEDULE OF GRANT SUPPORT, REVENUE AND EXPENDITURES  
 COMPARED TO GRANT BUDGETS (NON-GAAP BASIS)  
 WEATHERIZATION HEALTHY HOME GRANT - GRANT NUMBER DHHRHH11  
 GRANT PERIOD FEBRUARY 1, 2015 - SEPTEMBER 30, 2015

	<u>Budget</u>	<u>Actual</u>	(Over) Under <u>Budget</u>
Support and revenue			
Federal revenue	\$ 70,510	\$ 70,510	\$ -
Total support and revenue	<u>70,510</u>	<u>70,510</u>	<u>-</u>
Expenses			
Salaries and wages	9,265	9,265	-
Fringe benefits	2,827	2,827	-
Contractual	24,480	24,500	(20)
Training	1,940	1,203	737
Operating expenses	4,779	6,937	(2,158)
Consumable supplies	25,180	23,685	1,495
Meals	-	202	(202)
Indirect costs	<u>2,039</u>	<u>2,237</u>	<u>(198)</u>
Total expenses	<u>70,510</u>	<u>70,856</u>	<u>(346)</u>
Increase (decrease) in net assets	<u>\$ -</u>	<u>\$ (346)</u>	<u>\$ 346</u>
Transfers in (out)		<u>346</u>	
Net assets, December 31, 2015		<u>\$ -</u>	

SCHEDULE OF GRANT SUPPORT, REVENUE AND EXPENDITURES  
 COMPARED TO GRANT BUDGETS (NON-GAAP BASIS)  
 LEGISLATIVE INITIATIVES FOR THE ELDERLY (LIFE) - GRANT NUMBER 21503  
 GRANT PERIOD JULY 1, 2014 TO JUNE 30, 2015

	<u>Budget</u>	<u>Actual</u>	(Over) Under <u>Budget</u>
Support and revenue			
State revenue	\$ 183,055	\$ 183,055	\$ -
Total support and revenue	<u>183,055</u>	<u>183,055</u>	<u>-</u>
Expenses			
Salaries and wages	58,778	45,821	12,957
Fringe benefits	23,181	38,593	(15,412)
Insurance	14,000	13,980	20
Contractual	-	428	(428)
Travel	1,500	3,188	(1,688)
Training	3,000	3,774	(774)
Repairs and maintenance	10,488	12,875	(2,387)
Transportation	10,000	1,064	8,936
Operating expenses	2,600	1,942	658
Occupancy	2,064	2,177	(113)
Consumable supplies	20,200	19,647	553
Telephone and utilities	20,500	19,560	940
Other expenses	2,000	4,013	(2,013)
Meals	-	799	(799)
Indirect costs	14,744	15,194	(450)
Total expenses	<u>183,055</u>	<u>183,055</u>	<u>-</u>
Increase (decrease) in net assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Transfers in (out)		<u>-</u>	
Net assets, December 31, 2015		<u>\$ -</u>	

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 21536  
 GRANT PERIOD OCTOBER 1, 2014 TO SEPTEMBER 30, 2015

	<u>Budget</u>	<u>Actual</u>	(Over) Under <u>Budget</u>
Support and revenue			
Federal revenue	\$ 65,232	\$ 65,232	\$ -
State grant revenue	32,111	32,111	-
In-kind contributions	<u>14,872</u>	<u>17,413</u>	<u>(2,541)</u>
Total support and revenue	<u>112,215</u>	<u>114,756</u>	<u>(2,541)</u>
Expenses			
Salaries and wages	46,648	45,462	1,186
Fringe benefits	18,780	22,246	(3,466)
In-kind contributions	14,872	17,413	(2,541)
Insurance	8,790	10,015	(1,225)
Contractual	-	29	(29)
Repairs and maintenance	2,500	480	2,020
Training	-	1,100	(1,100)
Travel	-	417	(417)
Transportation	6,544	6,002	542
Operating expenses	500	-	500
Consumable supplies	1,000	563	437
Other expenses	810	-	810
Indirect costs	<u>11,771</u>	<u>12,135</u>	<u>(364)</u>
Total expenses	<u>112,215</u>	<u>115,862</u>	<u>(3,647)</u>
Increase (decrease) in net assets	<u>\$ -</u>	<u>\$ (1,106)</u>	<u>\$ 1,106</u>
Transfers in (out)		<u>1,106</u>	
Net assets, December 31, 2015		<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, 2014 TO SEPTEMBER 30, 2015

	<u>Budget</u>	<u>Actual</u>	(Over) Under <u>Budget</u>
Support and revenue			
Federal revenue	\$ 206,309	\$ 206,309	\$ -
Program revenue	4,500	8,932	(4,432)
In-kind contributions	<u>22,158</u>	<u>22,770</u>	<u>(612)</u>
Total support and revenue	<u>232,967</u>	<u>238,011</u>	<u>(5,044)</u>
Expenses			
Salaries and wages	67,000	76,229	(9,229)
Fringe benefits	21,500	24,040	(2,540)
In-kind contributions	22,158	22,770	(612)
Contractual	100	25	75
Repairs and maintenance	3,000	95	2,905
Consumable supplies	12,478	3,482	8,996
Telephone and utilities	1,700	985	715
Other expenses	-	50	(50)
Meals	88,531	72,067	16,464
Indirect costs	<u>16,500</u>	<u>18,550</u>	<u>(2,050)</u>
Total expenses	<u>232,967</u>	<u>218,293</u>	<u>14,674</u>
Increase (decrease) in net assets	<u>\$ -</u>	<u>\$ 19,718</u>	<u>\$ (19,718)</u>
Transfers in (out)		<u>(19,718)</u>	
Net assets, December 31, 2015		<u>\$ -</u>	

PRIDE COMMUNITY SERVICES, INC.  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED DECEMBER 31, 2015

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Health and Human Services			
Head Start			
Head Start	93.600	N/A	\$ 1,667,512
Passed-through WVSU Metro Area Agency on Aging			
Special Programs for the 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, 21536	46,793
Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045	None provided	218,480
Special Programs for the Aging - Title III, Part D - Disease Prevention and Health Promotion Services	93.043	21636, 21536	3,612
National Family Caregiver Support, Title III, Part E	93.052	21636, 21536	21,089
Passed-through WV Governor's Office of Economic Opportunity			
Low-Income Home Energy Assistance	93.568	DHHRWX1411	189,501
Low-Income Home Energy Assistance	93.568	DHHRWX1511	31,651
Low-Income Home Energy Assistance	93.568	DHHRHH11	70,510
CSBG			
Community Services Block Grant	93.569	15CSBG-F-13	250,339
Community Services Block Grant	93.569	14CSBG-D12	8,000
Community Services Block Grant	93.569	14CSBG-D13	26,512
Community Services Block Grant	93.569	15CSBG-D03	29,201
U.S. Department of Energy			
Passed-through WV Governor's Office of Economic Opportunity			
Weatherization Assistance for Low-Income Persons	81.042	DOEWX1411A	28,351
Weatherization Assistance for Low-Income Persons	81.042	DOEWX1411	3,750
Weatherization Assistance for Low-Income Persons	81.042	DOEWX1511	51,302
U.S. Department of Agriculture, Food and Nutrition Service			
Passed-through WV Department of Education, Office of Child Nutrition			
Child and Adult Food Care Program	10.558	51216	263,876
Passed-through Logan County Board of Education			
National School Lunch Program	10.555	None provided	13,501
U.S. Department of Veterans Affairs			
Passed-through West Virginia Community Action Partnerships, Inc.			
VA Supportive Services for Veteran Families Program	64.033	None provided	129,317
Total Expenditures of Federal Awards			<u><u>\$ 3,053,297</u></u>

PRIDE COMMUNITY SERVICES, INC.  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED DECEMBER 31, 2015

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NOTE 1 -- BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of PRIDE and is prepared on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in preparation of the financial statements.

NOTE 2 -- INDIRECT COST RATE

PRIDE has not elected to use the 10% de minimis indirect cost rate allowed under Section 200.414 of the Uniform Guidance.

PRIDE COMMUNITY SERVICES, INC.  
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
YEAR ENDED DECEMBER 31, 2015

**2014-001 ON-SITE REVIEWS OF DAY CARE HOME PROVIDERS**

<b>Federal Program Information:</b>	<b>Federal Agency and Program Name</b>	<b>CFDA#</b>
	U.S. Department of Agriculture Child and Adult Care Food Program Grant ID 51215	10.558

**Condition:** From a sample of six home day care providers the following exceptions were found:

- The required minimum number of reviews was not completed for three facilities.
- Reviews performed did not include meal observation for three facilities.
- Two facilities did not receive the required number of unannounced reviews.
- One facility opened during the program year, and it was not reviewed within four weeks of program operations.
- More than six months elapsed between reviews for two facilities.

**Status:** *Resolved*



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

Board of Directors  
PRIDE Community Services, Inc.  
Logan, West Virginia

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. (PRIDE), which comprise the statement of financial position as of December 31, 2015, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated July 15, 2016.

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

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether PRIDE's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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.

A handwritten signature in cursive script that reads "Seattle & Stalaker, PLLC".

Charleston, West Virginia  
July 15, 2016

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND  
ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY *THE UNIFORM GUIDANCE*

Board of Directors  
PRIDE Community Services, Inc.  
Logan, West Virginia

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

We have audited PRIDE Community Services, Inc.'s (PRIDE's) 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 programs for the year ended December 31, 2015. PRIDE's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards 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 that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of PRIDE's compliance.

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

In our opinion, PRIDE complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2015.

## Report on Internal Control Over Compliance

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



Charleston, West Virginia  
July 15, 2016

PRIDE COMMUNITY SERVICES, INC.  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 YEAR ENDED DECEMBER 31, 2015

**SECTION I - SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements**

Type of auditor's report issued:	Unmodified Opinion
Internal control over financial reporting:	
Material weakness(es) identified?	_____ yes <u>  X  </u> no
Significant deficiency(ies) identified that are not considered to be material weaknesses?	_____ yes <u>  X  </u> none reported
Noncompliance material to financial statements noted?	_____ yes <u>  X  </u> no

**Federal Awards**

Internal control over major programs:	
Material weakness(es) identified?	_____ yes <u>  X  </u> no
Significant deficiency(ies) identified that are not considered to be material weaknesses?	_____ yes <u>  X  </u> no
Type of auditor's report issued on compliance for major programs:	Unmodified Opinion
Any audit findings disclosed that are required to be reported in accordance with section .717(a) of Uniform Guidance?	_____ yes <u>  X  </u> no

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
93.600	Head Start

Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
Auditee qualified as low-risk auditee?	_____ yes <u>  X  </u> no

PRIDE COMMUNITY SERVICES, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED DECEMBER 31, 2015

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SECTION II

FINANCIAL STATEMENT

FINDINGS SECTION

NONE

PRIDE COMMUNITY SERVICES, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED DECEMBER 31, 2015

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SECTION III

FEDERAL AWARD FINDINGS  
AND QUESTIONED COSTS SECTION

NONE