

**ASSOCIATED MINISTRIES OF TACOMA/PIERCE COUNTY**

**FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION**

**Years Ended December 31, 2015 and 2014**



**ASSOCIATED MINISTRIES OF TACOMA/PIERCE COUNTY**

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## INDEPENDENT AUDITOR'S REPORT

March 29, 2016

To the Board of Directors  
Associated Ministries of Tacoma/Pierce County  
Tacoma, Washington

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

I have audited the accompanying financial statements of Associated Ministries of Tacoma/Pierce County (a nonprofit organization) 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***

My responsibility is to express an opinion on these financial statements based on my audits. I conducted my 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 I plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit includes 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### ***Opinion***

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Associated Ministries of Tacoma/Pierce County 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 Matter***

My audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses on page 13 and schedule of expenditures of federal and state awards on page 14 are presented for purposes of additional analysis and are not required parts of the basic 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 basic 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 my opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, I have also issued my report dated March 29, 2016 on my consideration of Associated Ministries of Tacoma/Pierce County's internal control over financial reporting and on my 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 my testing of 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 Associated Ministries of Tacoma/Pierce County's internal control over financial reporting and compliance.



Mary Jane Dubbs  
Certified Public Accountant  
University Place, Washington

**ASSOCIATED MINISTRIES OF TACOMA/PIERCE COUNTY**  
**STATEMENTS OF FINANCIAL POSITION**  
**December 31, 2015 and 2014**

	<b>2015</b>	<b>2014</b>
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	138,766	150,040
Investments	140,548	190,280
Grants receivable	416,669	340,032
Promises to give, net of allowance of \$2,000	20,012	121,261
Trust accounts	223,856	198,749
Prepaid expenses	9,227	6,576
Total current assets	949,078	1,006,938
Building and equipment		
Building	850,081	850,081
Office furniture and equipment	66,521	66,521
Less: accumulated depreciation	(317,935)	(281,788)
Total building and equipment	598,667	634,814
Other assets		
Loan cost	678	1,017
<b>TOTAL ASSETS</b>	<b>1,548,423</b>	<b>1,642,769</b>
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities		
Current liabilities		
Accounts payable	76,242	106,787
Trust accounts payable	223,856	198,749
Current portion of long-term debt	6,800	6,490
Line of credit	90,000	-
Total current liabilities	396,898	312,026
Long-term debt		
Loan payable, net of current portion	227,102	233,770
<b>TOTAL LIABILITIES</b>	624,000	545,796
Net assets		
Unrestricted		
Board designated	130,640	137,240
Investment in plant	598,667	634,814
Undesignated	17,965	63,694
Total unrestricted	747,272	835,748
Temporarily restricted	177,151	261,225
<b>TOTAL NET ASSETS</b>	<b>924,423</b>	<b>1,096,973</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>1,548,423</b>	<b>1,642,769</b>

**ASSOCIATED MINISTRIES OF TACOMA/PIERCE COUNTY**  
**STATEMENTS OF ACTIVITIES**  
**Years Ended December 31, 2015 and 2014**

	<b>2015</b>			<b>2014</b>		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
<b>SUPPORT AND OTHER REVENUES</b>						
Support:						
Faith communities	22,652	-	22,652	30,606	-	30,606
Individuals	104,440	-	104,440	112,068	-	112,068
Foundations	90,480	48,222	138,702	118,987	182,313	301,300
Other support	82,553	-	82,553	19,538	-	19,538
Grants	-	-	-	65,000	-	65,000
Special event revenues, net of direct expense of \$38,517 (2014 - \$9,243)	81,448	-	81,448	46,566	-	46,566
Revenue:						
Program revenue	2,122,287	-	2,122,287	1,799,652	-	1,799,652
Interest and dividends	9,440	-	9,440	13,831	-	13,831
Net unrealized and realized gains/(losses) on long-term investments	(7,964)	-	(7,964)	(8,962)	2,565	(6,397)
Net assets released from restrictions	132,296	(132,296)	-	174,959	(174,959)	-
<b>TOTAL SUPPORT AND OTHER REVENUES</b>	<b>2,637,632</b>	<b>(84,074)</b>	<b>2,553,558</b>	<b>2,372,245</b>	<b>9,919</b>	<b>2,382,164</b>
<b>EXPENSES</b>						
Program services						
Access Point for Housing	1,238,890	-	1,238,890	937,799	-	937,799
Housing Assistance & Pass-throughs	145,521	-	145,521	154,495	-	154,495
Housing & Shelter Services	247,292	-	247,292	304,913	-	304,913
Foreclosure Housing Counseling	192,676	-	192,676	196,944	-	196,944
Pierce County Hunger Walk	120,697	-	120,697	147,081	-	147,081
Payee and Mail Services	104,284	-	104,284	93,192	-	93,192
Asset Building Coalition	103,490	-	103,490	82,506	-	82,506
Paint Tacoma/Pierce Beautiful	110,777	-	110,777	100,522	-	100,522
Community and Interfaith Relations	98,503	-	98,503	78,033	-	78,033
Other Programs	53,466	-	53,466	37,334	-	37,334
Total program services	2,415,596	-	2,415,596	2,132,819	-	2,132,819
Management and general	182,130	-	182,130	164,768	-	164,768
Fundraising	128,382	-	128,382	84,576	-	84,576
<b>TOTAL EXPENSES</b>	<b>2,726,108</b>	<b>-</b>	<b>2,726,108</b>	<b>2,382,163</b>	<b>-</b>	<b>2,382,163</b>
<b>CHANGES IN NET ASSETS</b>	<b>(88,476)</b>	<b>(84,074)</b>	<b>(172,550)</b>	<b>(9,918)</b>	<b>9,919</b>	<b>1</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>835,748</b>	<b>261,225</b>	<b>1,096,973</b>	<b>845,666</b>	<b>251,306</b>	<b>1,096,972</b>
<b>NET ASSETS, END OF YEAR</b>	<b>747,272</b>	<b>177,151</b>	<b>924,423</b>	<b>835,748</b>	<b>261,225</b>	<b>1,096,973</b>

**ASSOCIATED MINISTRIES OF TACOMA/PIERCE COUNTY**  
**STATEMENTS OF CASH FLOWS**  
**Years Ended December 31, 2015 and 2014**

	<b>2015</b>	<b>2014</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from contributions and public support	2,389,828	2,317,213
Cash paid to suppliers and employees	(2,621,789)	(2,228,871)
Interest and dividends income	6,440	13,831
Interests paid	(12,439)	(13,466)
Net cash provided (used) by operating activities	(237,960)	88,707
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of investments	50,000	(62,195)
Proceeds from sale of investment	(8,232)	61,245
Purchase of equipment	-	(12,198)
Net cash used by investing activities	41,768	(13,148)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds of contributions from capital campaign	101,276	38,644
Repayments on long-term debt	(6,358)	(6,111)
Borrowings from line of credit	411,000	252,000
Repayments on line of credit	(321,000)	(270,000)
Net cash provided by financing activities	184,918	14,533
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(11,274)	90,092
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	150,040	59,948
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	138,766	150,040
<b>RECONCILIATION OF NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>		
Increase in net assets	(172,550)	1
Adjustments to reconcile net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	36,486	36,485
Unrealized loss (gain) on investments	7,964	3,397
Equipment written-off	-	3,000
Proceeds of capital campaign	(101,276)	(38,644)
(Increase) decrease in:		
Grant receivable	(76,637)	107,366
Promise to give	101,249	(59,695)
Prepaid expenses	(2,651)	(125)
(Decrease) in:		
Accounts payable	(30,545)	36,922
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	(237,960)	88,707

**ASSOCIATED MINISTRIES OF TACOMA/PIERCE COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

History of Organization

Associated Ministries of Tacoma/Pierce County (the Organization) was incorporated in the State of Washington on July 22, 1969 as a non-profit Organization. The Organization qualifies as a church controlled organization under Section 3121(w)(3) of the Internal Revenue Code.

Nature of Activities

The Organization is an interfaith organization partnering with congregations, community organizations and government agencies. The Organization mobilizes people of faith and goodwill to engage in community transformation, while also providing direct services to households and individuals in need.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Cash and Cash Equivalents

For purposes of the Statements of Cash Flows, the Organization considers all unrestricted highly liquid investments with initial maturity of three months or less to be cash equivalents.

Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Fair Value Disclosures

The fair value of financial instruments including cash and cash equivalents, receivables, prepaid expenses, accounts payable and trust accounts approximates the carrying values, principally because of the short maturity of those items.

Investments

The Organization carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the Statement of Financial Position. Unrealized gains and losses are included in the change in net assets in the accompanying Statement of Activities.



**ASSOCIATED MINISTRIES OF TACOMA/PIERCE COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (continued)

Property and Equipment

Property and equipment are stated at cost or fair value at date of donation. Depreciation is provided using the straight-line method over the estimated useful lives of the assets which ranges from 5 to 40 years.

Loan Costs

Loan costs are amortized on a straight-line method over the life of the related loan.

Restricted and Unrestricted Revenue

Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restriction expires in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in unrestricted, temporarily restricted, or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions.

Promises to Give

Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promise becomes unconditional.

Donated Services

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the organization.

Functional Expenses

Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services on the basis of periodic time and expense studies. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

Income Taxes

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, except on net income derived from unrelated business activities. The Organization has no unrelated business activities. The Organization believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements.

The Organization is a church controlled organization thus it is not required to file federal information returns.

**ASSOCIATED MINISTRIES OF TACOMA/PIERCE COUNTY  
NOTES TO FINANCIAL STATEMENTS**

**NOTE B – DESCRIPTION OF PROGRAM AND SUPPORTING SERVICES**

The following program and supporting services are included in the accompanying financial statements:

**Program Services:**

Access Point for Housing offers a central point of entry for households experiencing homelessness or will be homeless within 72 hours. Households receive resources to secure housing and other needed services.

Housing Assistance & Pass-throughs help homeless people find shelter and those facing eviction find resources to stay in their homes.

Housing & Shelter Services provide expanded services to homeless people through rapid rehousing, temporary shelter in hotels for severe weather and housing programs for youth.

Foreclosure Housing Counseling services works with homeowners in Pierce County who are facing foreclosure and their financial institutions to keep families in their homes whenever feasible for their budget and to assist them with alternative planning when it is not. The services are provided under a grant at no cost to the homeowners.

Pierce County Hunger Walk is an annual event to generate support for the local food banks.

Payee and Mail Services strive to create and maintain support networks for families moving from dependence on welfare to self-sufficiency through employment.

Asset Building Coalition is continually developing programs to give low-income wage-earners the tools they need to control, manage and increase their financial resources.

Paint Tacoma/Pierce Beautiful organizes volunteer crews to paint the homes of low-income seniors and disabled residents.

Community and Interfaith Relations mobilizes people of faith in Pierce County to engage in education, inspiration, service and advocacy.

Other Programs include those designed to relieve poverty and hunger, eradicate homelessness and assist other critical needs, provide community pastoral care and assistance, prepare for disasters and address a variety of other needs. Starting in 2014, the Organization also became the fiscal sponsor of the City of Tacoma Youth Collaborative (formerly Pierce County Youth Advisory Council), allowing the group to operate under the Organization's tax exemption with its administrative services and general oversight.

**ASSOCIATED MINISTRIES OF TACOMA/PIERCE COUNTY  
NOTES TO FINANCIAL STATEMENTS**

NOTE B – DESCRIPTION OF PROGRAM AND SUPPORTING SERVICES – (continued)

Management and General:

Includes the functions necessary to maintain an equitable employment program; ensure an adequate working environment; provide coordination and articulation of the Organization’s program strategy; secure proper administrative functioning of the Board of Directors; and manage the financial and budgetary responsibilities of the Organization.

Fundraising:

Provides the structure necessary to encourage and secure private financial support from individuals, foundations, corporations, and faith communities.

NOTE C – INVESTMENTS

The carrying amounts of the investments approximate their fair values, which are determined using quoted market prices in active markets for identical assets (Level 1).

Investments as of December 31, 2015 and 2014 are as follows:

	2015	2014
Equity Securities	90,371	121,294
Bonds	50,177	68,986
	140,548	190,280

NOTE D – TRUST ACCOUNTS

The trust accounts are deposit accounts held by the Organization for individuals under Payee and Mail Services program. In Payee and Mail Services, the Organization acts as an agent for the Social Security Administration and the Department of Social and Health Services. The Organization holds and disburses social security funds and welfare funds for individuals that need assistance managing their finances for a minimal fee.

NOTE E – LINE OF CREDIT

The Organization has a revolving line of credit agreement with a bank to borrow up to \$150,000 at the bank’s prime rate plus 1.5%. The interest rates at December 31, 2015 and 2014 were 5% and 4.75%, respectively. The Organization is required to pay monthly payments of all accrued unpaid interest. The line of credit is collateralized by substantially all assets of the Organization.

**ASSOCIATED MINISTRIES OF TACOMA/PIERCE COUNTY  
NOTES TO FINANCIAL STATEMENTS**

**NOTE F – LONG-TERM DEBT**

Long-term notes payable at December 31 consist of the following:

	2015	2014
3.910% bank note secured by substantially all assets of the Organization, requiring 59 monthly payments of \$1,313.94 and one irregular last payment estimated at \$218,754 at maturity on April 15, 2018	233,901	240,260
Less: currently maturing portion	6,800	6,490
Long-term debt	227,101	233,770

The maturity of long term debt is as follows:

<u>Year Ending December 31,</u>	
2016	6,800
2017	7,010
2018	220,091
	233,901

**NOTE G – TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets were available for the following purposes at December 31:

	2015	2014
Housing & Shelter Services: general activities	117,859	191,712
Other Programs: general activities	59,292	69,513
Total	177,151	261,225

**NOTE H – DONATED SERVICES**

The fair value of donated services included as contributions in the financial statements and the corresponding program expenses for the years ended December 31, 2015 and 2014 are as follows:

	2015	2014
Asset Building Coalition – Tax return preparation	36,318	27,647
Pierce County Hunger Walk – Promotion	3,988	-
Total	40,306	27,647

**ASSOCIATED MINISTRIES OF TACOMA/PIERCE COUNTY  
NOTES TO FINANCIAL STATEMENTS**

NOTE H – DONATED SERVICES – (Continued)

In addition to the above amounts included in the financial statements, volunteers and interns donated over \$73,000 of additional services in support of the organization’s work.

NOTE I – PROGRAM REVENUES

Program revenues included in the financial statements for the years ended December 31, 2015 and 2014, respectively, were for the following programs:

	<u>2015</u>	<u>2014</u>
Access Point for Housing	1,148,121	914,736
Housing Assistance & Pass-throughs	114,026	128,610
Housing & Shelter Services	185,793	159,012
Foreclosure Housing Counseling	237,700	192,860
Pierce County Hunger Walk	125,079	147,414
Payee and Mail Services	144,927	127,130
Asset Building Coalition	38,618	37,994
Paint Tacoma/Pierce Beautiful	79,677	81,896
Community and Interfaith Relations	38,346	-
Other Programs	<u>10,000</u>	<u>10,000</u>
Total	<u><u>2,122,287</u></u>	<u><u>1,799,652</u></u>

NOTE J– CONCENTRATION OF SUPPORT

The Organization receives approximately 75% and 72% of its revenues from governmental units for the years ended December 31, 2015 and 2014, respectively. A significant reduction in the level of this support, if it were to occur, would have a significant effect on the Organization’s programs and activities.

NOTE K – CONCENTRATION OF CREDIT RISK

The Organization maintains cash balances in banks located in the South Puget Sound. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000.

Also, the Organization maintains cash in deposit accounts with a high credit quality financial institution. The accounts are not federally insured. At December 31, 2015 and 2014, the Organization had uninsured balances of \$2,131 and \$2,220, respectively.

In addition, the Organization has investments in uninsured mutual funds and common stocks. At December 31, 2015 and 2014 the balances were \$140,548 and \$190,280, respectively.

**ASSOCIATED MINISTRIES OF TACOMA/PIERCE COUNTY  
NOTES TO FINANCIAL STATEMENTS**

**NOTE L – DEFINED CONTRIBUTION PLAN**

The Organization sponsors a defined contribution pension plan (the Plan) under Section 403(b) of the Internal Revenue Code covering employees that meet specified age and service requirements. The Organization contributes to the Plan 3% of employee wages. Total expenses for the years ended December 31, 2015 and 2014 were \$31,041 and \$21,241, respectively.

Clergy employees are covered under various other denominational plans. Contributions made to these denominational pension plans in 2015 and 2014 totaled \$3,218 and \$16,579, respectively.

**NOTE M – ENDOWMENT FUND**

The Organization is a beneficiary of an endowment fund maintained by Greater Tacoma Community Foundation. The earnings on this fund are distributed to the Organization annually. The Organization received zero and \$300 distribution for the years 2015 and 2014. The balance of the fund as of December 31, 2015 and 2014 was \$5,411 and \$6,178, respectively.

**NOTE N – SUBSEQUENT EVENTS**

Subsequent events were evaluated through March 29, 2016, which is the date the financial statements were available to be issued. There were no subsequent events that are material to the financial statements.

## **SUPPLEMENTARY INFORMATION**

**ASSOCIATED MINISTRIES OF TACOMA/PIERCE COUNTY**  
**SCHEDULE OF FUNCTIONAL EXPENSES**  
**Year Ended December 31, 2015**  
**(With Comparative Totals for 2014)**

	Program											2015 Total	2014 Total		
	Access Point for Housing	Housing Assistance & Pass-throughs	Housing & Shelter Services	Foreclosure Housing Counseling	Pierce County Hunger Walk	Payee and Mail Services	Asset Building Coalition	Paint Tacoma/Pierce Beautiful	Congregational Relations	Other Programs	Total program services			Management and general	Fundraising
Assistance	160,583	106,203	43,960	-	67,706	-	-	-	1,153	18,717	398,322	-	-	398,322	289,075
Salaries	767,265	24,404	101,345	133,262	21,107	70,776	40,071	58,838	48,859	23,299	1,289,226	113,162	84,367	1,486,755	1,361,391
Benefits	118,441	3,113	10,787	25,665	2,645	9,641	5,862	6,788	7,286	2,789	193,017	15,555	11,503	220,075	196,937
Payroll taxes	75,549	2,638	10,427	13,306	2,081	7,075	3,880	5,294	4,367	2,305	126,922	10,668	7,925	145,515	128,578
Professional expense	24,050	1,920	3,376	3,280	815	1,461	40,596	1,539	21,682	1,397	100,116	7,237	2,254	109,607	65,556
Occupancy	15,977	1,787	51,847	2,509	759	1,360	1,302	1,455	1,522	672	79,190	6,652	2,099	87,941	54,770
Supplies	3,884	492	6,564	1,446	20,981	5,067	2,433	28,658	3,852	1,401	74,778	4,255	2,762	81,795	78,350
Telephone and technology	31,289	1,569	3,279	4,811	1,257	1,925	1,743	1,388	1,127	646	49,034	7,942	4,604	61,580	57,333
Travel and training	10,132	375	7,781	2,614	266	309	2,639	1,326	5,210	526	31,178	3,964	964	36,106	51,867
Interest	5,115	572	991	803	243	438	417	451	391	216	9,637	2,130	671	12,438	13,466
Printing and copying	6,208	159	1,737	697	953	1,035	2,560	1,625	951	545	16,470	1,822	4,612	22,904	23,747
Postage	1,068	126	397	1,247	966	3,552	412	1,710	624	140	10,242	695	3,671	14,608	13,154
Depreciation and amortization	15,006	1,679	2,909	2,357	713	1,277	1,223	1,324	1,148	631	28,267	6,248	1,971	36,486	36,485
Insurance	4,323	484	1,892	679	205	368	352	381	331	182	9,197	1,800	979	11,976	11,454
<b>TOTAL EXPENSES</b>	<b>1,238,890</b>	<b>145,521</b>	<b>247,292</b>	<b>192,676</b>	<b>120,697</b>	<b>104,284</b>	<b>103,490</b>	<b>110,777</b>	<b>98,503</b>	<b>53,466</b>	<b>2,415,596</b>	<b>182,130</b>	<b>128,382</b>	<b>2,726,108</b>	<b>2,382,163</b>



**ASSOCIATED MINISTRIES OF TACOMA/PIERCE COUNTY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**Year Ended December 31, 2015**

<u>Agency Name</u>	<u>CFDA Number</u>	<u>Grant Name/ ID Number</u>	<u>Expenditures</u>
<b>FEDERAL AWARDS</b>			
Internal Revenue Services			
Voluntary Income Tax Assistance	21.009	15VITA0580	11,039
	21.009	16VITA0193	<u>11,398</u>
Total Internal Revenue Service			22,437
U.S. Department of Homeland Security			
Emergency Food and Shelter Program	97.024	32-8914-00	<u>7,677</u>
Total U.S. Department of Homeland Security			7,677
U.S. Department of Housing and Urban Development			
Pass-through from Impact Capital			
Community Development	unknown	none	38,346
Pass-through from City of Lakewood			
Community Development Block Grant/Entitlement Grant	14.218	FY2014-07	10,117
Pass-through from City of Tacoma			
Community Development Block Grant/Entitlement Grant	14.218	17429	35,878
Community Development Block Grant/Entitlement Grant	14.218	20693	<u>33,682</u>
Total U.S. Department of Housing and Urban Development			<u>118,023</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			148,137
<b>STATE AWARDS</b>			
Washington Department of Commerce			
Asset Building Coalition & Voluntary Income Tax Assistance	N/A	S15-32010-001	6,558
Asset Building Coalition & Voluntary Income Tax Assistance	N/A	S16-32010-001	<u>9,623</u>
Total Washington Department of Commerce			16,181
Washington Housing Finance Commission			
Foreclosure	N/A	N/A	<u>204,356</u>
Total Washington Housing Finance Commission			204,356
Washington Department of Social and Health Services			
Pass-through from Pierce County Community Connections			
Disaster Response Care Teams	97.067	90967	12,158
Homeless Housing Program	N/A	92821	758,762
Homeless Housing and Assistance Program	N/A	97935	434,190
Emergency Shelter Operations and Maintenance	N/A	98014	106,349
Pass-through from City of Tacoma			
Homeless Housing Program	N/A	14163	<u>122,167</u>
Total Washington Department of Social and Health Services			<u>1,433,626</u>
<b>TOTAL EXPENDITURES OF STATE AWARDS</b>			<u>1,654,163</u>
<b>TOTAL AWARDS</b>			<u><u>1,802,300</u></u>

**ASSOCIATED MINISTRIES OF TACOMA/PIERCE COUNTY**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**Year Ended December 31, 2015**

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal and State Awards (the Schedule) includes the federal and state grant activity of Associated Ministries of Tacoma/Pierce County (the Organization) under programs of the federal and state government. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- (1) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-122, *Cost Principles for Non-profit Organizations*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- (2) Pass-through entity identifying numbers are presented where available.

NOTE C – SUBRECIPIENTS

Of the federal and state expenditures presented in the Schedule, the Organization provided state awards to sub-recipients as follows:

Sub-recipients	Emergency Shelter Operations and Maintenance
CCS/Phoenix Housing Network	6,131
CCS/Tacoma Avenue Shelter	18,899
Helping Hand House	9,982
LASA	6,384
Network Tacoma	3,060
Open Hearth/Homeward Bound in Puyallup	2,483
Salvation Army	14,795
Tacoma Rescue Mission	23,258
YWCA Women’s Support Shelter	10,722
Total	95,714

**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***

**March 29, 2016**

To the Board of Directors  
Associated Ministries of Tacoma/Pierce County  
Tacoma, Washington

I 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 Associated Ministries of Tacoma/Pierce County (a nonprofit organization), 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 my report thereon dated March 29, 2016.

***Internal Control Over Financial Reporting***

In planning and performing my audit of the financial statements, I considered Associated Ministries of Tacoma/Pierce County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Associated Ministries of Tacoma/Pierce County's internal control. Accordingly, I do not express an opinion on the effectiveness of the Organization'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, 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.

My 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 my audit I did not identify any deficiencies in internal control that I 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 Associated Ministries of Tacoma/Pierce County's financial statements are free of material misstatement, I 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 my audit, and accordingly, I do not express such an opinion. The results of my 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 my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Mary Jane Dubbs  
Certified Public Accountant  
University Place, Washington