

**ASSOCIATED MINISTRIES OF
TACOMA/PIERCE COUNTY**

Audited Financial Statements and
Supplementary Information

September 30, 2017

ASSOCIATED MINISTRIES OF TACOMA/PIERCE COUNTY

Audited Financial Statements and Supplementary Information

September 30, 2017

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Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of Associated Ministries of Tacoma/Pierce County (a nonprofit organization) (the "Organization"), which comprise the statement of financial position as of September 30, 2017, and the related statements of activities and changes in net assets, functional expenses and cash flows for the year then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization'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 Organization'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 Associated Ministries of Tacoma/Pierce County as of September 30, 2017, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

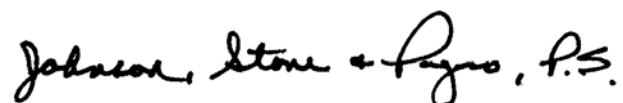
Other Matters

Supplementary and Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal and state awards, is presented for purposes of additional analysis and is 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 as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 2, 2018 on our consideration of Associated Ministries of Tacoma/Pierce County'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 Associated Ministries of Tacoma/Pierce County's internal control over financial reporting and compliance.



JOHNSON, STONE & PAGANO, P.S.

January 2, 2018

AUDITED FINANCIAL STATEMENTS

ASSOCIATED MINISTRIES OF TACOMA/PIERCE COUNTY

STATEMENT OF FINANCIAL POSITION

September 30, 2017

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 141,525
Investments	208,187
Grants receivable	460,927
Promises to give	17,297
Trust accounts	159,146
Prepaid expenses	<u>10,763</u>

Total Current Assets 997,845

BUILDING AND EQUIPMENT

Building	868,151
Office furniture and equipment	<u>87,610</u>
	955,761
Less accumulated depreciation	<u>(355,419)</u>

Total Building and Equipment 600,342

TOTAL ASSETS \$ 1,598,187

The accompanying notes are an integral part of these financial statements.

ASSOCIATED MINISTRIES OF TACOMA/PIERCE COUNTY

STATEMENT OF FINANCIAL POSITION (Continued)

September 30, 2017

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$ 37,277
Other accrued liabilities	30,540
Line of credit	150,000
Trust accounts payable	159,146
Current portion of long-term debt	<u>13,379</u>

Total Current Liabilities 390,342

LONG-TERM DEBT

Loan payable, net of current portion	<u>213,072</u>
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Total Liabilities 603,414

NET ASSETS

Unrestricted	
Board-designated	148,394
Investment in plant	600,342
Undesignated	<u>135,441</u>

Total Unrestricted 884,177

Temporarily restricted	<u>110,596</u>
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Total Net Assets 994,773

TOTAL LIABILITIES AND NET ASSETS \$ 1,598,187

The accompanying notes are an integral part of these financial statements.

ASSOCIATED MINISTRIES OF TACOMA/PIERCE COUNTY

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

Year ended September 30, 2017

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
SUPPORT AND OTHER REVENUES			
Support			
Faith communities	\$ 29,198		\$ 29,198
Individuals	144,772		144,772
Foundations	41,224	\$ 101,370	142,594
Other support	79,248		79,248
Special event revenues, net of direct expense of \$41,643	86,035		86,035
Revenue			
Program revenue	2,332,401		2,332,401
Interest and dividends	3,885	1,768	5,653
Net unrealized gains on investments	12,463	5,508	17,971
Loss on disposition of assets	(3,678)		(3,678)
Net assets released from restrictions	<u>161,648</u>	<u>(161,648)</u>	
Total Support and Other Revenues	2,887,196	(53,002)	2,834,194
EXPENSES			
Program services			
Coordinated Entry	1,190,106		1,190,106
Housing & Shelter Services	594,045		594,045
Foreclosure Housing Counseling	80,981		80,981
Payee and Mail Services	122,144		122,144
Housing Assistance Pass Throughs	182,062		182,062
Paint Tacoma/Pierce Beautiful	101,224		101,224
Pierce County Hunger Walk	57,567		57,567
Asset Building Coalition	82,070		82,070
Community & Interfaith Engagement	113,196		113,196
Other programs	<u>61,679</u>		<u>61,679</u>
Total Program Services	2,585,074		2,585,074
Management and general	193,623		193,623
Fundraising	<u>94,598</u>		<u>94,598</u>
Total Expenses	2,873,295		2,873,295
CHANGES IN NET ASSETS	13,901	(53,002)	(39,101)
Net Assets at Beginning of Year	<u>870,276</u>	<u>163,598</u>	<u>1,033,874</u>
NET ASSETS AT END OF YEAR	<u>\$ 884,177</u>	<u>\$ 110,596</u>	<u>\$ 994,773</u>

The accompanying notes are an integral part of these financial statements.

ASSOCIATED MINISTRIES OF TACOMA/PIERCE COUNTY

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended September 30, 2017

	<u>Coordinated Entry</u>	<u>Housing & Shelter Services</u>	<u>Foreclosure Housing Counseling</u>	<u>Payee & Mail Services</u>	<u>Housing Assistance Pass Throughs</u>	<u>Paint Tacoma/ Pierce Beautiful</u>	<u>Pierce County Hunger Walk</u>	<u>Asset Building Coalition</u>	<u>Community & Interfaith Engagement</u>	<u>Other Programs</u>	<u>Total Program Services</u>	<u>Management & General</u>	<u>Fundraising</u>	<u>Totals</u>
Salaries and wages	\$ 650,756	\$ 226,424	\$ 58,724	\$ 83,876	\$ 25,030	\$ 52,301	\$ 2,481	\$ 29,725	\$ 62,639	\$ 28,139	\$ 1,220,095	\$ 109,944	\$ 58,418	\$ 1,388,457
Benefits	111,281	38,069	8,360	13,537	3,410	7,053	361	4,009	9,218	4,056	199,354	15,722	8,258	223,334
Payroll taxes	62,996	22,415	5,936	8,149	2,545	4,672	241	2,913	5,861	2,520	118,248	10,627	5,640	134,515
Total Wages, Taxes and Benefits	825,033	286,908	73,020	105,562	30,985	64,026	3,083	36,647	77,718	34,715	1,537,697	136,293	72,316	1,746,306
Assistance	282,210	268,214			142,462		47,993			19,672	760,551			760,551
Professional expense	11,907	6,266	802	1,128	1,605	966		37,617	12,119	1,513	73,923	23,752	5,005	102,680
Occupancy	12,548	6,450	897	1,220	1,572	903		722	578	528	25,418	4,879	1,200	31,497
Supplies	3,341	2,949	492	5,596	560	30,035	5,078	672	15,553	2,391	66,667	5,124	2,477	74,268
Telephone and technology	16,796	5,068	570	1,745	1,252	737	219	1,191	1,545	483	29,606	4,137	2,142	35,885
Travel and training	7,513	3,732	1,121	292	227	1,443	95	2,212	2,022	298	18,955	8,245	1,766	28,966
Interest	4,546	2,241	315	472	671	386		308	247	225	9,411	2,072	512	11,995
Printing and copying	7,910	2,844	2,017	1,633	110	713	162	1,470	1,678	897	19,434	1,020	3,249	23,703
Postage	1,959	1,112	637	2,831	251	655	937	144	788	163	9,477	795	3,496	13,768
Insurance	4,707	2,526	304	457	649	373		298	317	217	9,848	2,004	1,123	12,975
Total Expenses before Depreciation	1,178,470	588,310	80,175	120,936	180,344	100,237	57,567	81,281	112,565	61,102	2,560,987	188,321	93,286	2,842,594
Depreciation	11,636	5,735	806	1,208	1,718	987		789	631	577	24,087	5,302	1,312	30,701
TOTAL EXPENSES	<u>\$ 1,190,106</u>	<u>\$ 594,045</u>	<u>\$ 80,981</u>	<u>\$ 122,144</u>	<u>\$ 182,062</u>	<u>\$ 101,224</u>	<u>\$ 57,567</u>	<u>\$ 82,070</u>	<u>\$ 113,196</u>	<u>\$ 61,679</u>	<u>\$ 2,585,074</u>	<u>\$ 193,623</u>	<u>\$ 94,598</u>	<u>\$ 2,873,295</u>

The accompanying notes are an integral part of these financial statements.

ASSOCIATED MINISTRIES OF TACOMA/PIERCE COUNTY

STATEMENT OF CASH FLOWS

Year Ended September 30, 2017

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from contributions and public support	\$ 2,972,494
Cash paid to suppliers and employees	(2,944,095)
Interest paid	<u>(11,995)</u>
Net Cash Provided by Operating Activities	16,404
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of investments	(117,832)
Purchase of equipment	<u>(53,430)</u>
Net Cash Used by Investing Activities	(171,262)
CASH FLOWS FROM FINANCING ACTIVITIES	
Borrowings from line of credit	205,000
Repayments on line of credit	(164,000)
Repayments on long-term debt	<u>(10,495)</u>
Net Cash Provided by Financing Activities	<u>30,505</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(124,353)
Cash and Cash Equivalents at Beginning of Year	<u>265,878</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 141,525</u>

The accompanying notes are an integral part of these financial statements.

ASSOCIATED MINISTRIES OF TACOMA/PIERCE COUNTY

STATEMENT OF CASH FLOWS (Continued)

Year Ended September 30, 2017

**RECONCILIATION OF NET ASSETS TO NET CASH
PROVIDED BY OPERATING ACTIVITIES**

Decrease in net assets	\$ (39,101)
Adjustments to reconcile net assets to net cash provided by operating activities	
Depreciation and amortization	30,701
Unrealized gain on investments	(17,971)
Loss on disposition of assets	3,678
(Increase) decrease in assets	
Grants receivable	95,571
Promises to give	1,622
Prepaid expenses	5,303
Increase (decrease) in liabilities	
Accounts payable	(59,500)
Other accrued liabilities	<u>(3,899)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ <u>16,404</u>

The accompanying notes are an integral part of these financial statements.

ASSOCIATED MINISTRIES OF TACOMA/PIERCE COUNTY

NOTES TO FINANCIAL STATEMENTS

September 30, 2017

NOTE 1 - 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 Operations

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. The Organization does not have any permanently restricted net assets at September 30, 2017.

Cash and Cash Equivalents

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

Fair Value Measurements

The Organization measures the fair value of assets and liabilities, and related disclosures in accordance with a hierarchy based on defined inputs. The hierarchy prioritizes the inputs underlying fair value measurements and requires that valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs. The three levels of inputs essentially distinguish the relative reliability of inputs to fair value measurements.

Level 1 inputs are more reliable and objective than Level 2 inputs, which are in turn more reliable and objective than Level 3 inputs. In arriving at a fair value measure, Associated Ministries of Tacoma/Pierce County is required to determine the level in the fair value hierarchy within which a fair value measurement ultimately falls, and provide disclosure of such determinations.

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. Realized and unrealized gains and losses are reflected in the change in net assets in the accompanying statement of activities.

ASSOCIATED MINISTRIES OF TACOMA/PIERCE COUNTY

NOTES TO FINANCIAL STATEMENTS

September 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Building and Equipment

Building and equipment are carried at cost or at fair value at the gift date. Gains and losses from disposition of property and equipment are recognized in the year of disposition. Minor additions, maintenance and repairs are charged to expense as incurred. Additions and improvements greater than \$5,000 are capitalized and depreciated over their estimated useful lives. Depreciation is calculated on the straight-line method over the following estimated useful lives:

	<u>Years</u>
Building	40
Improvements	20
Furniture and fixtures	7
Office equipment	5 to 7
Vehicles	5

Depreciation expense for the year ended September 30, 2017 was \$30,701.

Recognition of Donor-restricted Contributions

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 temporarily restricted or permanently restricted net assets, depending on the nature of the restriction. 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.

ASSOCIATED MINISTRIES OF TACOMA/PIERCE COUNTY

NOTES TO FINANCIAL STATEMENTS

September 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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's management evaluates tax positions taken by the Organization and recognizes a tax liability (or asset) if the Organization has taken an uncertain position that, more likely than not, would be sustained upon examination by the Internal Revenue Service. The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

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 use of 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.

Subsequent Events

Subsequent events were evaluated through January 2, 2018, which is the date the financial statements were available to be issued. All identified material events or transactions have been recorded or disclosed.

NOTE 2 - DESCRIPTION OF PROGRAM AND SUPPORTING SERVICES

Program and supporting services included in the accompanying financial statements are:

Coordinated Entry

Coordinated Entry 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

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

Housing & Shelter Services

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

ASSOCIATED MINISTRIES OF TACOMA/PIERCE COUNTY

NOTES TO FINANCIAL STATEMENTS

September 30, 2017

NOTE 2 - DESCRIPTION OF PROGRAM AND SUPPORTING SERVICES

(Continued)

Foreclosure Housing Counseling

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

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

Payee and Mail Services

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

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

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

Community & Interfaith Engagement

Community & Interfaith Engagement 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. In 2014, the Organization became the fiscal sponsor of the Pierce County Youth Advisory Council, and has allowed the group to operate under the Organization's tax exemption with its administrative services and general oversight.

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.

ASSOCIATED MINISTRIES OF TACOMA/PIERCE COUNTY

NOTES TO FINANCIAL STATEMENTS

September 30, 2017

NOTE 3 - INVESTMENTS

Marketable securities valued using Level 1 inputs are based on unadjusted quoted market prices within active markets. Marketable securities valued using Level 2 inputs are based primarily on quoted prices for similar assets in active or inactive markets.

Investment return is summarized as follows at September 30, 2017:

Interest and dividend income	\$ 5,653
Net unrealized gain	<u>17,971</u>
	\$ <u>23,624</u>

Fair values of investments measured on a recurring basis at September 30, 2017 are as follows:

	<u>Fair Value</u>	<u>Fair Value Measurements</u>	
		<u>Quoted Prices in Active Markets for Identical Assets (Level) 1</u>	<u>Significant Other Observable Inputs (Level 2)</u>
Mutual Funds	\$ 140,190	\$ 140,190	
Bonds	<u>67,997</u>	<u> </u>	\$ <u>67,997</u>
Total	\$ <u>208,187</u>	\$ <u>140,190</u>	\$ <u>67,997</u>

NOTE 4 - TRUST ACCOUNTS

The trust accounts are deposit accounts held by the Organization for individuals under the 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 5 - 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 rate at September 30, 2017 was 5.75%. 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. The balance due at September 30, 2017 is \$150,000.

ASSOCIATED MINISTRIES OF TACOMA/PIERCE COUNTY

NOTES TO FINANCIAL STATEMENTS

September 30, 2017

NOTE 6 - LONG-TERM DEBT

Long-term notes payable at September 30, 2017 consists of the following:

Note payable to KeyBank, bearing interest at a fixed rate of 5.62%, maturing on June 15, 2032. The term agreement requires 180 monthly payments of \$1,850 and is secured by substantially all assets of the Organization.	\$ 221,430
Note payable to a vendor, secured by equipment, requiring 36 monthly payments of \$307, with interest of 4.895%, maturing on February 28, 2019.	<u>5,021</u> 226,451
Less currently maturing portion	<u>13,379</u>
Total Long-term Debt	\$ <u>213,072</u>

The maturity of long-term debt for the next five years and thereafter is as follows:

2018	\$ 13,379
2019	11,936
2020	11,014
2021	11,690
2022	12,374
Thereafter	<u>166,058</u>
	\$ <u>226,451</u>

NOTE 7 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets were available for the following purposes at September 30, 2017:

Housing & Shelter Services activities	\$ 49,106
Other programs activities	<u>61,490</u>
	\$ <u>110,596</u>

ASSOCIATED MINISTRIES OF TACOMA/PIERCE COUNTY

NOTES TO FINANCIAL STATEMENTS

September 30, 2017

NOTE 8 - DONATED SERVICES

The fair value of donated services included as contributions in the financial statements and the corresponding program or management expenses for the year ended September 30, 2017 are as follows:

Asset Building Coalition - tax return preparation	\$ 31,380
Management and General - strategic plan consulting	<u>18,000</u>
Total	\$ <u>49,380</u>

In addition, volunteers and interns donated significant hours of services in support of the Organization's work, which were not recognized in the financial statements because they do not meet the recognition criteria.

NOTE 9 - PROGRAM REVENUES

Program revenues included in the financial statements for the year ended September 30, 2017 were for the following programs:

Coordinated Entry	\$ 1,171,372
Housing Assistance Pass Throughs	151,258
Housing & Shelter Services	590,278
Foreclosure Housing Counseling	88,286
Pierce County Hunger Walk	78,725
Payee & Mail Services	149,935
Asset Building Coalition	34,426
Paint Tacoma/Pierce Beautiful	58,121
Other programs	<u>10,000</u>
Total	\$ <u>2,332,401</u>

NOTE 10 - CONCENTRATION OF SUPPORT

The Organization received approximately 81% of its revenues from governmental units for the year ended September 30, 2017. 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.

ASSOCIATED MINISTRIES OF TACOMA/PIERCE COUNTY

NOTES TO FINANCIAL STATEMENTS

September 30, 2017

NOTE 11 - 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. The Organization has cash balances on deposit with financial institutions which may at times exceed insured limits. The Organization has not experienced any losses on such accounts.

Also, the Organization maintains cash in deposit accounts with a high credit quality financial institution. The accounts are not federally insured. At September 30, 2017, the Organization had an uninsured balance of \$2,343.

In addition, the Organization has investments in uninsured mutual funds and bonds. At September 30, 2017, the balance was \$208,187.

NOTE 12 - 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 1% of employee wages. Total expenses for the year September 30, 2017 was \$31,764.

Effective January 1, 2018, the Organization will transition from its existing 403(b) plan to a SIMPLE IRA, under which it will make nonelective contributions to eligible employees' accounts.

SUPPLEMENTARY INFORMATION

ASSOCIATED MINISTRIES OF TACOMA/PIERCE COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

Year Ended September 30, 2017

Grantor/Pass-through Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
Federal Awards				
Internal Revenue Service				
Voluntary Income Tax Assistance	21.009	17VITA0290		\$ 25,256
Total Internal Revenue Service				<u>25,256</u>
Department of Housing and Urban Development				
CDBG - Emergency Shelter				
City of Tacoma	14.218	23721		37,400
City of Tacoma	14.218	Unknown		<u>20,721</u>
Total CDBG - Emergency Shelter				<u>58,121</u>
Pass-through Pierce County				
Family Permanent Housing	14.871	103844		8,550
Family Permanent Housing	14.871	104545		<u>129,818</u>
Total Section 8 Housing Choice Vouchers				<u>138,368</u>
Continuum of Care Program	14.267	104513		76,922
Continuum of Care Program	14.267	105145		<u>8,445</u>
Total Continuum of Care Program				<u>85,367</u>
Total U.S. Department of Housing and Urban Development				<u>281,856</u>
Department of Homeland Security				
Emergency Food and Shelter Program	97.024	33-8914-00		4,271
Emergency Food and Shelter Program	97.024	34-8914-00		<u>4,534</u>
Total Emergency Food and Shelter Program				<u>8,805</u>
Pass-through Pierce County				
Disaster Preparedness & Recovery	97.067	103160		2,162
Disaster Preparedness & Recovery	97.067	102426		<u>12,352</u>
Total Pierce County				<u>14,514</u>
Total U.S. Department of Homeland Security				<u>23,319</u>
Department of Health and Human Services				
Pass-through Pierce County				
Temporary Assistance to Needy Families	93.558	103844		8,881
Temporary Assistance to Needy Families	93.558	104545		<u>16,441</u>
Total Department of Health and Human Services				<u>25,322</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$	<u><u>\$ 355,753</u></u>

ASSOCIATED MINISTRIES OF TACOMA/PIERCE COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (Continued)

Year Ended September 30, 2017

Grantor/Pass-through Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Passed Through to Subrecipients	State Expenditures
STATE AWARDS				
Washington Department of Commerce Asset Building Coalition & Voluntary Income Tax Assistance	N/A	S16-32010-001		\$ 9,170
Total Washington Department of Commerce				9,170
Washington Housing Finance Commission Foreclosure	N/A	2012 AGO add		15,956
Foreclosure	N/A	2015 AGO		73,795
Total Washington Housing Finance Commission				89,751
Washington Department of Social and Health Services Homeless Clients Mail Delivery	N/A	1512-42666		21,702
Homeless Clients Mail Delivery	N/A	1512-42666-02		7,136
Homeless Clients Mail Delivery	N/A	1712-91499		11,345
Representative Payee Services	N/A	1512-38400		21,186
Representative Payee Services	N/A	1713-90139		7,062
Total Washington Department of Social and Health Services				68,431
Pass-through Pierce County Community Connections Access Point for Housing	N/A	103844		254,438
Access Point for Housing	N/A	104593		893,670
Family Permanent Housing	N/A	103844		43,745
Family Permanent Housing	N/A	104545		165,810
Youth Access Housing	N/A	103844		27,208
Emergency Shelter Operations and Maintenance	N/A	103502	54,992	61,102
Emergency Shelter Operations and Maintenance	N/A	105013	73,216	81,351
Total Pierce County Community Connections			128,208	1,527,324
Pass-through City of Tacoma Access Point for Housing	N/A	14163		2,379
Family Permanent Housing	N/A	NONE		69,180
Total City of Tacoma				71,559
Total Washington Department of Social and Health Services			128,208	1,667,314
TOTAL EXPENDITURES OF STATE AWARDS			\$ 128,208	\$ 1,766,235

ASSOCIATED MINISTRIES OF TACOMA/PIERCE COUNTY

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

Year Ended September 30, 2017

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal and state awards includes the federal and state grant activity of Associated Ministries of Tacoma/Pierce County under programs of the federal and state government. 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 the preparation of, the financial statements.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- 1) Expenditures reported on the schedule of expenditures of federal awards are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- 2) Pass-through entity identifying numbers are presented where available.
- 3) Associated Ministries has elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.