

**MID AMERICA
ASSISTANCE COALITION**

FINANCIAL STATEMENTS

June 30, 2013

IFFT & CO. PA

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Mid America Assistance Coalition
Kansas City, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of Mid America Assistance Coalition (a nonprofit organization), which comprise the statement of financial position as of June 30, 2013, the related statements of activities, 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

The Organization's 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.

Auditors' 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. 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 auditors' 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 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 Mid America Assistance Coalition as of June 30, 2013, 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.

Emphasis of Matter

As described in Note 9 to the financial statements, the Organization has changed the prior application of current accounting policy for the recording of certain contracts. Our opinion is not modified with respect to this matter.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of utility and case management funds 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.

IFCA + Co. PA

October 11, 2013

MID AMERICA ASSISTANCE COALITION
STATEMENT OF FINANCIAL POSITION
June 30, 2013

	<u>General</u>	<u>Utility and Case Management</u>	<u>Total</u>
ASSETS			
Cash	\$ 407,707	485,575	893,282
Government grants receivable	20,340	400	20,740
Promises receivable	-	1,370	1,370
Other receivables	37,084	-	37,084
Prepaid expenses	4,896	-	4,896
Property and equipment, net	<u>180,868</u>	<u>-</u>	<u>180,868</u>
TOTAL ASSETS	<u>\$ 650,895</u>	<u>487,345</u>	<u>1,138,240</u>
LIABILITIES AND NET ASSETS			
LIABILITIES			
Accounts payable and accrued expenses	\$ 28,829	-	28,829
Custodial trust funds	-	46,467	46,467
Unearned revenue	<u>10,379</u>	<u>-</u>	<u>10,379</u>
TOTAL LIABILITIES	39,208	46,467	85,675
NET ASSETS			
Unrestricted	599,942	-	599,942
Temporarily restricted	<u>11,745</u>	<u>440,878</u>	<u>452,623</u>
TOTAL NET ASSETS	<u>611,687</u>	<u>440,878</u>	<u>1,052,565</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 650,895</u>	<u>487,345</u>	<u>1,138,240</u>

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

MID AMERICA ASSISTANCE COALITION
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2013

	General			Utility and Case Management			Total			
	Unrestricted	Temporarily Restricted		Unrestricted	Temporarily Restricted		Unrestricted	Temporarily Restricted		
		Total	Unrestricted		Temporarily Restricted	Total		Unrestricted	Temporarily Restricted	Total
Support and revenues										
Corporate and foundation contributions and grants	\$ 124,955	10,745	135,700	80,113	60,055	140,168	205,068	70,800	275,868	
Other contributions	11,330	1,000	12,330	103,075	260,607	363,682	114,405	261,607	376,012	
United Way support	786	-	786	-	-	-	786	-	786	
Grants from governments	71,123	-	71,123	-	30,000	30,000	71,123	30,000	101,123	
Program income	544,869	-	544,869	-	-	-	544,869	-	544,869	
Other income	188	-	188	-	-	-	188	-	188	
Interest income	220	-	220	32	-	32	252	-	252	
	<u>753,471</u>	<u>11,745</u>	<u>765,216</u>	<u>183,220</u>	<u>350,662</u>	<u>533,882</u>	<u>936,691</u>	<u>362,407</u>	<u>1,299,098</u>	
Net assets released from restrictions	26	(26)	-	297,142	(297,142)	-	297,168	(297,168)	-	
	<u>753,497</u>	<u>11,719</u>	<u>765,216</u>	<u>480,362</u>	<u>53,520</u>	<u>533,882</u>	<u>1,233,859</u>	<u>65,239</u>	<u>1,299,098</u>	
Expenses										
Program services										
Community resources	128,890	-	128,890	437,748	-	437,748	566,638	-	566,638	
Information, referral, and coordination	508,524	-	508,524	-	-	-	508,524	-	508,524	
Community education and training	101,454	-	101,454	-	-	-	101,454	-	101,454	
Community outreach	17,510	-	17,510	-	-	-	17,510	-	17,510	
Total program services	<u>756,378</u>	-	<u>756,378</u>	<u>437,748</u>	-	<u>437,748</u>	<u>1,194,126</u>	-	<u>1,194,126</u>	
Supporting services										
Management and general	106,769	-	106,769	-	-	-	106,769	-	106,769	
Fundraising	17,510	-	17,510	-	-	-	17,510	-	17,510	
Total supporting services	<u>124,279</u>	-	<u>124,279</u>	-	-	-	<u>124,279</u>	-	<u>124,279</u>	
	<u>880,657</u>	-	<u>880,657</u>	<u>437,748</u>	-	<u>437,748</u>	<u>1,318,405</u>	-	<u>1,318,405</u>	
INCREASE (DECREASE) IN NET ASSETS	(127,160)	11,719	(115,441)	42,614	53,520	96,134	(84,546)	65,239	(19,307)	
NET ASSETS, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED	684,488	21,482	705,970	-	438,112	438,112	684,488	459,594	1,144,082	
PRIOR PERIOD ADJUSTMENTS	-	(21,456)	(21,456)	-	(50,754)	(50,754)	-	(72,210)	(72,210)	
NET ASSETS, BEGINNING OF YEAR, AS RESTATED	684,488	26	684,514	-	387,358	387,358	684,488	387,384	1,071,872	
Grantor-approved cost reimbursements	42,614	-	42,614	(42,614)	-	(42,614)	-	-	-	
NET ASSETS, END OF YEAR	<u>\$ 599,942</u>	<u>11,745</u>	<u>611,687</u>	<u>440,878</u>	<u>440,878</u>	<u>440,878</u>	<u>599,942</u>	<u>452,623</u>	<u>1,052,565</u>	

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

MID AMERICA ASSISTANCE COALITION
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended June 30, 2013

	Program Services				Supporting Services			Total	
	Community Resources	Information, Referral, and Coordination	Community Education and Training	Community Outreach	Total	Management and General	Fund-raising		Total
Salaries	\$ 53,764	260,579	59,204	14,198	387,745	57,302	14,198	71,500	459,245
Payroll taxes	4,830	22,090	5,371	1,203	33,494	4,796	1,203	5,999	39,493
Employee health benefits	5,820	27,518	460	186	33,984	4,523	186	4,709	38,693
Employee retirement benefits	1,529	4,915	1,757	416	8,617	1,655	416	2,071	10,688
Awards and grants	474,899	-	11,070	-	485,969	-	-	-	485,969
Audit	-	-	-	-	-	11,440	-	11,440	11,440
Software developer and other contractors	455	10,724	599	15	11,793	84	12	96	11,889
Office supplies	277	1,084	444	57	1,862	770	63	833	2,695
Telephone and internet fees	842	7,853	842	168	9,705	562	168	730	10,435
Postage and delivery	131	591	145	20	887	181	40	221	1,108
Rent	4,540	16,343	4,540	908	26,331	3,026	908	3,934	30,265
Database maintenance	10,072	64,606	4,767	-	79,445	-	-	-	79,445
Equipment rent and maintenance	627	5,926	1,363	231	8,147	1,982	208	2,190	10,337
Printing and duplicating	-	548	-	-	548	173	-	173	721
Travel	-	31,436	587	-	32,023	55	-	55	32,078
Education, training, and conferences	-	6,495	25	-	6,520	-	-	-	6,520
Insurance and bonding	-	-	-	-	-	4,198	-	4,198	4,198
Membership costs and subscriptions	-	219	120	-	339	1,240	-	1,240	1,579
Financial expenses	-	-	134	-	134	6,893	-	6,893	7,027
Promotion and advertising	-	2,617	-	-	2,617	299	-	299	2,916
Annual training conference	-	-	6,206	-	6,206	-	-	-	6,206
Professional fees	-	-	-	-	-	5,400	-	5,400	5,400
Depreciation	8,769	44,960	3,810	108	57,647	375	108	483	58,130
Other	83	20	10	-	113	1,815	-	1,815	1,928
TOTAL EXPENSES	\$ 566,638	508,524	101,454	17,510	1,194,126	106,769	17,510	124,279	1,318,405

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

MID AMERICA ASSISTANCE COALITION
STATEMENT OF CASH FLOWS
For the Year Ended June 30, 2013

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ (19,307)
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Depreciation	58,130
Changes in operating assets and liabilities	
Government grants receivable	4,149
Promises receivable	13,861
Other receivables	(22,457)
Prepaid expenses	(656)
Accounts payable and accrued expenses	8,980
Custodial trust funds	(4,286)
Unearned revenue	<u>(20,086)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	18,328
 CASH FLOWS FROM INVESTING ACTIVITIES	
Purchases of property and equipment	<u>(32,315)</u>
 NET DECREASE IN CASH	 (13,987)
 CASH, BEGINNING OF YEAR	 <u>907,269</u>
 CASH, END OF YEAR	 <u><u>\$ 893,282</u></u>

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

MID AMERICA ASSISTANCE COALITION
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Mid America Assistance Coalition is a nonprofit organization that gathers and maintains client data for more than 200 Kansas City area social service organizations that provide direct emergency assistance and/or case management to low income and homeless persons and households. The Organization's mission is to strengthen the social service community through information systems, training, and advocacy.

The Organization has provided a central database for client information in partnership with other community agencies since its founding in 1985. The current internet-based software database, MAACLink, is used to accumulate data, avoid duplication, and assure timely distribution of community resources in the most appropriate and effective manner. MAACLink is a qualified homeless management information system that meets HUD standards for data gathering and management reporting on homeless populations in the Kansas City metropolitan area. The Organization also provides customized versions of the MAACLink software system to other regional and national communities.

Fund Management

The Organization manages several funds designated for utility assistance to qualified clients and several other funds for special assistance needs and homeless case management assistance. MAACLink is used to distribute funds to partnering direct assistance agencies, manage use of funding resources, and report on outcomes.

The funds are as follows:

Dollar Aide - Customers of Kansas City Power & Light Company (KCPL) contribute to this fund by adding an extra amount to their utility bill payment or making a direct donation to a trust account at a local bank. KCPL matches customer contributions by making a contribution from the KCPL Foundation, to the Dollar Aide Credits Fund.

Neighbors Helping Neighbors - This fund is supported by customers of Missouri Gas Energy (MGE). MGE provides matching credits from corporate funds for a separate Neighbors Helping Neighbors Credits program in the amount of 50% of customer contributions, with a maximum of \$70,000 per year. The credits are available to be applied to natural gas bills of eligible low income MGE customers. The credits program is administered by the Organization, but the credits are not reflected in the financial statements as income or expenses.

MID AMERICA ASSISTANCE COALITION
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Fund Management - Continued

Warmth & Light Fund - This fund receives direct donations plus 40% of the proceeds from the Project Warmth fundraising drive sponsored by KCTV-5 and the Kansas City Star.

Special Assistance Fund - A variety of client needs are met through several funding sources that are managed by the Organization, including an ID and Birth Certificate fund and the Kansas City Missouri Water Services Assistance Program. The Organization administers these funds in partnership with participating agencies and makes regular payments directly to branches of government, utility companies, landlords, and other third-party vendors that supply needs for eligible clients.

Family to Family - Individual donations and HUD grant funds provide support for homeless families who are participating in the case management program coordinated by the Organization.

Back to School - This annual program coordinates a drive for school needs for local area children. Clothing, school supplies, and cash contributions are received.

KC Cares Fund - Greater Kansas City Community Foundation (GKCCF) contributed \$195,000 during the year ended June 30, 2013. GKCCF requested that the Organization manage the funds in coordination with designated agencies according to standards and procedures developed through consultation between GKCCF and the Organization. Final approval for all funds distributed rests with GKCCF. Accordingly, any remaining funds are included in custodial trust funds in the accompanying statement of financial position.

Recognition of Donor Restrictions

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily 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.

Property and Equipment

Furniture, equipment, and computer software are recorded at cost, if acquired, or fair value, if donated. Depreciation is computed on the straight-line method over the estimated useful lives of the assets.

MID AMERICA ASSISTANCE COALITION
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Accounts Receivable

The majority of the Organization's receivables is due for MAACLink fees. Accounts outstanding longer than the payment terms are considered past due. The Organization determines its allowance by considering a number of factors, including the length of time accounts receivable are past due and the Organization's previous loss history. The Organization writes off accounts receivable when they become uncollectible. There was no bad debt expense for the year ended June 30, 2013. The Organization had no allowance for uncollectible accounts related to accounts receivable at June 30, 2013.

Income Taxes

No provision is included in these statements for income taxes as the Organization qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code.

The Organization recognizes the financial statement benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. For tax positions meeting the more-likely-than-not threshold, the amount recognized in the financial statements is the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement with the relevant tax authority.

The Organization is subject to income tax regulations in the U.S. federal jurisdiction and certain state jurisdictions. Tax regulations within each jurisdiction are subject to the interpretation of the related tax laws and regulations and require significant judgment to apply. With few exceptions, the Organization is no longer subject to income tax examinations by the applicable tax authorities for the years before 2010. If any were to be incurred, the Organization's policy is to record penalties and interest assessed by income tax authorities as operating expenses.

Advertising

The Organization uses advertising to promote its services. The costs of advertising are expensed as incurred. Advertising expense for the year ended June 30, 2013 was \$2,916.

MID AMERICA ASSISTANCE COALITION
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Expense Allocation

Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services using management estimates. 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.

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.

Subsequent Events

Subsequent events have been evaluated through October 11, 2013, which is the date the financial statements were available to be issued.

NOTE 2 - CASH

Cash consisted of the following at June 30, 2013:

Interest-bearing operating and savings accounts	\$ 441,281
Cash held in trust accounts	<u>452,001</u>
	<u>\$ 893,282</u>

Separate trust accounts are maintained for each of the utility assistance funds. Most of the funds in these accounts have been allocated to various agencies, but have not yet been spent by those agencies as of the end of the year.

NOTE 3 - PROMISES RECEIVABLE

Promises receivable at June 30, 2013 were \$1,370, and are due in less than one year.

MID AMERICA ASSISTANCE COALITION
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 4 - PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at June 30, 2013:

Office furniture and equipment	\$ 14,660
MAACLink computer equipment and software	<u>342,280</u>
	356,940
Accumulated depreciation	<u>(176,072)</u>
	<u>\$ 180,868</u>

NOTE 5 - TEMPORARILY RESTRICTED NET ASSETS

Net assets were temporarily restricted for the following at June 30, 2013:

Utilities and case management	\$ 440,878
Technology upgrade	10,745
Social service training	<u>1,000</u>
	<u>\$ 452,623</u>

NOTE 6 - LEASE COMMITMENTS

The Organization has an operating lease for its office space that expires in February 2014. Rent expense under the operating lease for the year ended June 30, 2013 was \$30,265.

The Organization has an operating lease for certain office equipment. Rent expense under this lease for the year ended June 30, 2013 was \$6,616.

Future minimum lease payments under these operating leases are \$23,150 for the year ending June 30, 2014.

NOTE 7 - LINE OF CREDIT

The Organization has a revolving line of credit with a limit of \$50,000, due on demand, and secured by all business assets. No amount was outstanding on the line of credit as of June 30, 2013.

MID AMERICA ASSISTANCE COALITION
NOTES TO FINANCIAL STATEMENTS
June 30, 2013

NOTE 8 - RETIREMENT PLAN

The Organization contributes to individual simple IRA retirement plans for its employees. All employees earning \$5,000 or more per year are eligible in the month following the date of hire. The Organization is required to match the first 3% of gross compensation contributed by each employee. This percentage may be reduced to as low as 1% for two out of five years. All contributions are fully vested. Retirement plan expense was \$10,688 for the year ended June 30, 2013.

NOTE 9 - CHANGE IN APPLICATION OF CURRENT ACCOUNTING POLICY

During 2013, the Organization determined that it had recorded fee-for-service contracts with the KC Cares Fund and the KCMO Water Services as revenue during the year ending June 30, 2012 and as temporarily restricted net assets as of June 30, 2012. The contracts should have been recorded as pass-through funds during the year ended June 30, 2012 and as liabilities as of June 30, 2012. Accordingly, net assets as of July 1, 2012 have been reduced by \$50,754.

During 2013, the Organization determined that it had recorded a grant from United Way as income when the contract was received. The agreement is a fee-for-service contract, and revenue should only be recognized when earned. Accordingly, net assets as of July 1, 2012 have been reduced by \$21,456.

The effect of these changes would have decreased the previously reported change in net assets for the year ended June 30, 2012 by \$65,225.

SUPPLEMENTARY INFORMATION

MID AMERICA ASSISTANCE COALITION
SCHEDULE OF UTILITY AND CASE MANAGEMENT FUNDS
For the Year Ended June 30, 2013

	Utility Funds				Case Management Funds		
	Warmth & Light	Neighbors Helping Neighbors	Dollar Aide	Special Assistance Fund	Family to Family	Back to School	Total
SUPPORT AND REVENUES							
Corporate and foundation contributions and grants	\$ 4,339	-	104,129	31,500	-	200	140,168
Other contributions	82,724	127,177	148,371	-	-	5,410	363,682
Grants from governments	30,000	-	-	-	-	-	30,000
Interest income	-	18	14	-	-	-	32
	<u>117,063</u>	<u>127,195</u>	<u>252,514</u>	<u>31,500</u>	<u>-</u>	<u>5,610</u>	<u>533,882</u>
EXPENSES							
	<u>(104,771)</u>	<u>(80,828)</u>	<u>(212,615)</u>	<u>(35,534)</u>	<u>-</u>	<u>(4,000)</u>	<u>(437,748)</u>
INCREASE (DECREASE) IN NET ASSETS	12,292	46,367	39,899	(4,034)	-	1,610	96,134
NET ASSETS, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED	178,599	90,246	78,723	65,999	17,458	7,087	438,112
PRIOR PERIOD ADJUSTMENT	-	-	-	(50,754)	-	-	(50,754)
NET ASSETS, BEGINNING OF YEAR, AS RESTATED	178,599	90,246	78,723	15,245	17,458	7,087	387,358
Grantor-approved cost reimbursements	(5,000)	(14,149)	(23,465)	-	-	-	(42,614)
NET ASSETS, END OF YEAR	<u>\$ 185,891</u>	<u>122,464</u>	<u>95,157</u>	<u>11,211</u>	<u>17,458</u>	<u>8,697</u>	<u>440,878</u>