

**Audited Financial Statements
And Supplementary Information**

COAST GUARD MUTUAL ASSISTANCE, INC.

December 31, 2017

Coast Guard Mutual Assistance, Inc.

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Independent Auditor’s Report

To the Board of Control
Coast Guard Mutual Assistance, Inc.

We have audited the accompanying financial statements of Coast Guard Mutual Assistance, Inc. (CGMA), which comprise the statement of financial position as of December 31, 2017, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements. The financial statements as of and for the year ended December 31, 2016, were audited by other auditors whose report thereon, dated February 24, 2017, expressed an unmodified opinion on those 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. 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 entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the 2017 financial statements referred to above present fairly, in all material respects, the financial position of Coast Guard Mutual Assistance, Inc. as of December 31, 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.

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To the Board of Control
Coast Guard Mutual Assistance, Inc.
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Restatement

As discussed in Note L to the financial statements, CGMA has restated its December 31, 2016 financial statements to reflect the impact of change in certain net asset classifications. The prior auditor's opinion is not modified with respect to this matter.

Tate & Tryon

Washington, DC
March 15, 2018

Coast Guard Mutual Assistance, Inc.

Statements of Financial Position

December 31,	2017	2016
Assets		
Cash and cash equivalents	\$ 1,189,468	\$ 609,685
Pledges receivable	645,000	675,000
Investments	26,246,182	26,537,298
Beneficial interest in perpetual trust	1,214,724	1,124,555
Accrued dividends and interest	25,991	32,595
Loans receivable, net	3,869,155	2,405,429
Other receivables	700	10,244
Property and equipment, net	942,428	604,253
Security deposit	8,544	8,544
Total assets	\$ 34,142,192	\$ 32,007,603
Liabilities and Net Assets		
Liabilities		
Accounts payable	\$ 21,432	\$ 209,044
Accrued leave	52,388	61,234
Deferred rent	87,759	83,378
Total liabilities	161,579	353,656
Net assets - as restated		
Unrestricted	32,335,613	29,978,947
Temporarily restricted	645,000	675,000
Permanently restricted	1,000,000	1,000,000
Total net assets	33,980,613	31,653,947
Total liabilities and net assets	\$ 34,142,192	\$ 32,007,603

See accompanying notes to the financial statements.

Coast Guard Mutual Assistance, Inc.

Statements of Activities

Year Ended December 31,	2017	2016
Unrestricted activities		
Revenue, gains and other support		
Contributions		
Annual campaign collections	\$ 1,309,139	\$ 1,206,143
Other donations	209,679	113,144
Investment income, net	3,702,279	1,383,865
Other income	14,481	15,733
Net gain on beneficial interest in perpetual trust	140,169	64,925
	5,375,747	2,783,810
Net assets released from restrictions	675,000	700,000
Total revenue, gains, and other support	6,050,747	3,483,810
Expense		
Program expenses	2,909,239	1,904,555
Supporting services		
General and administrative	647,864	389,391
Fundraising	136,978	158,360
Total expenses	3,694,081	2,452,306
Change in unrestricted net assets	2,356,666	1,031,504
Temporarily restricted activities		
Contributions - annual campaign collections	645,000	675,000
Net assets released from restrictions	(675,000)	(700,000)
Change in temporarily restricted activities	(30,000)	(25,000)
Change in net assets	2,326,666	1,006,504
Net assets, beginning of year	31,653,947	30,647,443
Net assets, end of year	\$ 33,980,613	\$ 31,653,947

See accompanying notes to the financial statements.

Coast Guard Mutual Assistance, Inc.

Statements of Cash Flows

Year Ended December 31,	2017	2016
Cash flows from operating activities		
Change in net assets	\$ 2,326,666	\$ 1,006,504
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation	237,242	4,072
Provision for doubtful accounts	80,000	(10,000)
Realized and unrealized (gains) losses on investments	(3,219,848)	(853,108)
Changes in assets and liabilities:		
Change in beneficial interest in perpetual trust	(90,169)	(14,925)
Accrued dividends and interest	6,604	(67)
Pledges receivable	30,000	25,000
Loans receivable	(1,543,726)	(154,430)
Other receivables	9,544	34,260
Accounts payable	(187,612)	197,411
Accrued leave	(8,846)	3,739
Deferred rent	4,381	65,364
Total adjustments	(4,682,430)	(702,684)
Net cash (used in) provided by operating activities	(2,355,764)	303,820
Cash flows from investing activities		
Purchases of property and equipment	(575,417)	(590,436)
Purchases of investments	(11,762,543)	(18,952,576)
Proceeds from sale of investments	15,273,507	18,921,886
Net cash provided by (used in) investing activities	2,935,547	(621,126)
Net increase (decrease) in cash and cash equivalents	579,783	(317,306)
Cash and cash equivalents, beginning of year	609,685	926,991
Cash and cash equivalents, end of year	\$ 1,189,468	\$ 609,685

See accompanying notes to the financial statements.

Coast Guard Mutual Assistance, Inc.

Notes to the Financial Statements

A. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization: Coast Guard Mutual Assistance, Inc. (CGMA) is a non-profit charitable organization operating since 1924 to provide financial aid to all active-duty and retired Coast Guard personnel, commissioned officers of the Public Health Service serving with the Coast Guard, civilian employees of the Coast Guard, and members of the Selected Reserve and Auxiliary. Financial assistance may be in the form of an outright grant or an interest-free loan for housing assistance, post-secondary educational purposes, general assistance, medical and dental assistance, debt management, or emergency assistance. The organization consists of a headquarters located in Arlington, Virginia and over 130 field offices located at Coast Guard installations throughout the country. CGMA incorporated in Virginia in 1998.

Income tax status: CGMA is exempt from the payment of income tax under section 501(c)(3) of the Internal Revenue Code.

Basis of accounting: CGMA prepares its financial statements on the accrual basis of accounting. Accordingly, revenues are recognized when earned and expenses are recognized when the underlying obligations are incurred.

Cash and cash equivalents: For financial statement purposes, CMGA considers all short-term, highly liquid investments with original maturities of three months or less to be cash and cash equivalents. Money market funds held in investments are excluded from cash and cash equivalents.

Pledges receivable: Contributions result primarily from annual fund raising campaigns among active-duty and retired Coast Guard personnel, including civilians, auxiliaries, and reservists. Contributions are recognized when the donor makes a pledge to CGMA that is, in substance unconditional. CGMA estimates the amount of pledges receivable based on historical experience.

Property and equipment: Acquisitions of property and equipment greater than \$500 and all expenditures for repairs, maintenance and betterments that materially prolong the useful lives of assets are capitalized at cost. Depreciation and amortization is calculated using the straight-line method over the estimated useful lives.

Net assets: For consolidated financial statement purposes, net assets are classified as follows:

Unrestricted: Unrestricted net assets include those net assets whose use is not restricted by donors.

Temporarily restricted: Temporarily restricted net assets include those net assets whose use by CMGA has been donor restricted by specified time or purpose limitations.

Permanently restricted: Permanently restricted net assets consist of net assets with donor-imposed restrictions stipulating that the donated funds be maintained in perpetuity but permit CGMA to use investment income derived from the donated assets for either specified or unspecified purposes.

Coast Guard Mutual Assistance, Inc.

Notes to the Financial Statements

A. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Contributions: Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in temporarily 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.

Functional allocation of expenses: The costs of providing various program and supporting services have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the program and supporting services benefited.

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 estimates.

Subsequent events: Subsequent events have been evaluated through March 15, 2018, which is the date the financial statements were available to be issued.

B. CONCENTRATIONS

Credit risk: CGMA maintains demand deposits with commercial banks and money market funds with financial institutions. At times, certain balances held within these accounts may not be fully guaranteed or insured by the U.S. federal government. The uninsured portions of cash and money market accounts are backed solely by the assets of the underlying institution. Therefore, the failure of an underlying institution could result in financial loss to CGMA. However, CGMA has not experienced losses on these accounts in the past, and management believes the risk of loss, if any, to be minimal.

Market value risk: CGMA also invests funds in various investment securities. Such investments are exposed to market and credit risks. Therefore, CGMA's investments may be subject to significant fluctuations in fair value. As a result, the investment balances reported in the accompanying financial statements may not be reflective of the portfolio's value during subsequent periods.

Coast Guard Mutual Assistance, Inc.

Notes to the Financial Statements

C. INVESTMENTS

Investments consisted of the following at December 31,:

	<u>2017</u>	<u>2016</u>
Equities	\$ 18,070,954	\$ 19,051,273
Fixed income securities	6,881,687	5,954,639
Real estate investment trusts	-	849,839
Money market funds	1,293,541	681,547
	<u>\$ 26,246,182</u>	<u>\$ 26,537,298</u>

Investment income consisted of the following for the years ended December 31,:

	<u>2017</u>	<u>2016</u>
Interest and dividends	\$ 580,952	\$ 629,946
Net gain on investments	3,219,848	853,108
Less: investment fees	(98,521)	(99,189)
	<u>\$ 3,702,279</u>	<u>\$ 1,383,865</u>

D. BENEFICIAL INTEREST IN PERPETUAL TRUST

In 2012, CGMA received an irrevocable right to receive income earned from a perpetual trust. CGMA does not own or control the trust's assets; however, CGMA recognized as its asset the beneficial interest in the trust assets. The fair value of a beneficial interest in a perpetual trust held by a third party generally can be measured using the fair value of the trust assets. CGMA recorded its beneficial interest in the perpetual trust at the fair value of its share of the trust's assets. The fair value of CGMA's interest in the trust is re-measured annually at December 31 with the gain or loss recognized in the statement of activities. The value of the original contribution is classified as permanently restricted. The fair value of gain or loss is recorded as unrestricted.

In 2017 and 2016, CGMA received distributions of \$50,000 from the trust. For the years ended December 31, 2017 and 2016, CGMA recognized net gains of \$140,169 and \$64,924, respectively, for the change in fair value of its interest.

Coast Guard Mutual Assistance, Inc.

Notes to the Financial Statements

E. FAIR VALUE MEASUREMENTS

In accordance with generally accepted accounting principles, CGMA uses the following prioritized input levels to measure fair value of financial instruments. The input levels used for valuing financial instruments are not necessarily an indication of risk.

Level 1 – Observable inputs that reflect quoted prices for identical assets or liabilities in active markets such as stock quotes;

Level 2 – Includes inputs other than level 1 that are directly or indirectly observable in the marketplace such as yield curves or other market data;

Level 3 – Unobservable inputs which reflect the reporting entity's assessment of the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk such as bid/ask spreads and liquidity discounts.

2017	Total	Level 1	Level 2	Level 3
Investments				
Investments, fair value				
Equities	\$ 17,567,831	\$ 17,567,831	\$ -	\$ -
Fixed income securities	1,897,654		1,897,654	
Mutual funds - fixed income	4,984,033	4,984,033		
Real estate investment trusts	503,123	503,123		
	<u>24,952,641</u>	<u>23,054,987</u>	<u>1,897,654</u>	<u>-</u>
Investments, cost				
Money market funds	<u>1,293,541</u>			
	<u>26,246,182</u>			
Beneficial interest in perpetual trust	1,214,724			1,214,724
	<u>\$ 27,460,906</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,214,724</u>

2016	Total	Level 1	Level 2	Level 3
Investments				
Investments, fair value				
Equities	\$ 19,051,273	\$ 19,051,273	\$ -	\$ -
Fixed income securities	4,958,097		4,958,097	
Mutual funds - fixed income	996,542	996,542		
Real estate investment trusts	849,839	849,839		
	<u>25,855,751</u>	<u>20,897,654</u>	<u>4,958,097</u>	<u>-</u>
Investments, cost				
Money market funds	<u>681,547</u>			
	<u>26,537,298</u>			
Beneficial interest in perpetual trust	1,124,555			1,124,555
	<u>\$ 25,855,751</u>	<u>\$ 20,897,654</u>	<u>\$ 4,958,097</u>	<u>\$ -</u>

Coast Guard Mutual Assistance, Inc.

Notes to the Financial Statements

E. FAIR VALUE MEASUREMENTS - CONTINUED

Level 3 investments are reconciled as follows for the years ended December 31,:

	2017	2016
Beneficial interest in Perpetual Trust, beginning of year	\$ 1,124,555	\$ 1,109,630
Distributions	(50,000)	(50,000)
Change in value of beneficial interest	<u>140,169</u>	<u>64,925</u>
Beneficial interest in Perpetual Trust, end of year	<u>\$ 1,214,724</u>	<u>\$ 1,124,555</u>

There is no market in which a beneficial interest in a charitable trust trades. Therefore, no observable exit price exists for the beneficial interest. The fair values using level 3 inputs are determined based on the present value of the estimated future cash receipts or disbursements related to the trust.

F. LOANS RECEIVABLE

At December 31, 2017 and 2016, CGMA had uncollateralized loans receivable totaling \$4,069,155 and \$2,525,429, respectively, all to present or former members of the Coast Guard family. CGMA loans bear no interest. Some of the loans are converted into grants and, thereby, expensed if it becomes apparent that the individual is in financial need and is unable to repay. Loans outstanding at December 31, 2017 and 2016 are shown net of an allowance for doubtful accounts of \$200,000 and \$120,000, respectively. The allowance is calculated based on prior history of loan repayments. Loans are reviewed monthly to determine if any are past due or delinquent.

Program expenses do not include \$4,808,397 and \$3,041,778, respectively, in interest-free loans made by the organization during the years ended December 31, 2017 and 2016, and revenues do not include \$2,657,526 and \$2,676,606, respectively, in repayments on loans received during the same periods. In accordance with generally accepted accounting principles, loans made and repayments of loans affect the calculation of the loan balance on the statement of financial position and are not shown as income or expenses.

G. PROPERTY AND EQUIPMENT

Property and equipment consists of the following at December 31,:

	2017	2016
Furniture, fixtures and equipment	\$ 19,068	\$ 19,068
Computer Software	<u>1,165,852</u>	<u>1,302,474</u>
	1,184,920	1,321,542
Less accumulated depreciation	<u>(242,492)</u>	<u>(717,289)</u>
Net property and equipment	<u>\$ 942,428</u>	<u>\$ 604,253</u>

Coast Guard Mutual Assistance, Inc.

Notes to the Financial Statements

H. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consist of funds pledged for the next calendar year totaling \$645,000 and \$675,000 at December 31, 2017 and 2016, respectively.

During the years ended December 31, 2017 and 2016, releases due to expiration of time restriction totaled \$675,000 and \$700,000, respectively.

I. ENDOWMENT

CGMA's endowment consists of a beneficial interest trust and includes donor-restricted endowment funds. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Governing Board has interpreted the *Uniform Prudent Management of Institutional Funds Act* (UPMIFA), as enacted in the Commonwealth of Virginia, as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. CGMA classifies as permanently restricted net assets (a) the original value of gifts to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the endowment. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by CGMA in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, CGMA considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The purposes of CGMA and the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation/depreciation of investments
6. Other resources of CGMA
7. The investment policies of CGMA

Funds with Deficiencies

From time to time, the fair value of the assets associated with individual donor-restricted endowments may fall below the level that the donor or UPMIFA requires CGMA to retain as a fund of perpetual duration. In accordance with generally accepted accounting principles, appropriations come first from temporarily restricted net assets not appropriated and then unrestricted net assets. There are no deficiencies of this nature that are reported in unrestricted net assets at December 31, 2017 and 2016.

Coast Guard Mutual Assistance, Inc.

Notes to the Financial Statements

I. ENDOWMENT - CONTINUED

Permanently Restricted Net Assets - Return Objectives and Risk Parameters

CGMA has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment. Endowment assets include those assets of donor-restricted funds that CGMA must hold in perpetuity or for donor-specified periods.

Spending Policy and How Investment Objectives Relate to Spending Policy

Except as specifically stated within the donor agreement, CGMA has a policy of appropriating for expenditure each year the interest, dividends, and unrealized gains/losses of the endowment. In establishing this policy, CGMA considered the long-term expected return on its endowment net assets.

A summary of donor-restricted endowment funds subject to UPMIFA is as follows for the year ended December 31, 2017:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ -	\$ -	\$ 1,000,000	\$ 1,000,000
Investment return				
Interest and dividends	30,266	-	-	30,266
Net appreciation (realized and unrealized)	75,077	-	-	75,077
Investment fees	(15,173)	-	-	(15,173)
Total investment return	90,170	-	-	90,170
Appropriation of endowment assets for expenditure	(90,170)	-	-	(90,170)
Total endowment funds, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>

A summary of donor-restricted endowment funds subject to UPMIFA is as follows for the year ended December 31, 2016:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ -	\$ -	\$ 1,109,630	\$ 1,109,630
Restatement - See Note L	109,630	-	(109,630)	-
Endowment net assets, beginning of year (restated)	\$ 109,630	\$ -	\$ 1,000,000	\$ 1,109,630
Investment return				
Interest and dividends	31,524	-	-	31,524
Net depreciation (realized and unrealized)	(2,020)	-	-	(2,020)
Investment fees	(14,579)	-	-	(14,579)
Total investment return	14,925	-	-	14,925
Appropriation of endowment assets for expenditure	(124,555)	-	-	(124,555)
Total endowment funds, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>

Coast Guard Mutual Assistance, Inc.

Notes to the Financial Statements

J. RETIREMENT PLAN

CGMA provides a salary deferral arrangement which is qualified under Section 403(b) of the Internal Revenue Code. All employees are eligible to participate in the plan. CGMA matches 100% of employee contributions up to 5% of the employee's annual compensation. CGMA matching contributions for the years ended December 31, 2017 and 2016 were \$25,014 and \$25,462, respectively.

K. COMMITMENT

In September of 2015, CGMA entered in to a lease for office space for a term of 10 years and 9 months. No rent payments are due for the first nine months of the lease. Under the terms of the lease agreement, monthly payments of \$8,544 began in August 2016 and escalate 2.75% annually. CGMA recognizes rent expense on a straight-line basis. The difference in the amount of rent paid and the amount of rent expense recognized in the financial statements is recorded as deferred rent on the statement of financial position and totaled \$87,759 and \$83,378 at December 31, 2017 and 2016, respectively.

At December 31, 2017, CGMA was obligated under terms of non-cancelable leases for the following minimum lease payments:

Year Ending December 31,

2018	\$	106,553
2019		109,480
2020		112,491
2021		115,586
2022		118,765
Thereafter		<u>452,578</u>
	\$	<u>1,015,453</u>

Coast Guard Mutual Assistance, Inc.

Notes to the Financial Statements

L. RESTATEMENT OF PRIOR YEAR FINANCIAL STATEMENTS

The December 31, 2016 and December 31, 2015 financial statements have been restated from amounts originally reported to reflect earnings related to the endowment. During the previous years the earnings for the endowment were reported as permanently restricted. However, these earnings should have been reflected as unrestricted.

CGMA's net assets and change in net assets were restated as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Net assets as of December 31, 2015, as previously reported	\$ 28,837,813	\$ 700,000	\$ 1,109,630	\$ 30,647,443
Reclassification of net asset categories	109,630		(109,630)	-
Net assets as of December 31, 2015, as restated	<u>\$ 28,947,443</u>	<u>\$ 700,000</u>	<u>\$ 1,000,000</u>	<u>\$ 30,647,443</u>
Change in net assets as previously reported for the year ended December 31, 2016 as previously reported	\$ 1,016,579	\$ (25,000)	\$ 14,925	\$ 1,006,504
Reclassification of net asset categories	14,925		(14,925)	-
Change in net assets for the year ended December 31, 2016 as restated	<u>\$ 1,031,504</u>	<u>\$ (25,000)</u>	<u>\$ -</u>	<u>\$ 1,006,504</u>
Net assets as of December 31, 2016, as restated	<u>\$ 29,978,947</u>	<u>\$ 675,000</u>	<u>\$ 1,000,000</u>	<u>\$ 31,653,947</u>

T A T E



T R Y O N

A Professional Corporation

Certified Public

Accountants

and Consultants

Independent Auditor's Report on the Supplementary Information

To the Governing Board
Coast Guard Mutual Assistance, Inc.

We have audited the financial statements of Coast Guard Mutual Assistance, Inc. (CGMA) as of and for the year ended December 31, 2017, and have issued our report thereon dated March 15, 2018, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The supplementary information on the following page is presented for the 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.

Washington, DC
March 15, 2018

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Coast Guard Mutual Assistance, Inc.

Statements of Functional Expenses

For the Year Ended December 31, 2017

	Program Expenses	General and Administrative	Fundraising	Total
Grants	\$ 1,506,028	\$ -	\$ -	\$ 1,506,028
Salaries and benefits	473,688	276,382	39,479	789,549
Loans converted to grants	354,674	-	-	354,674
Bad debt expense (net of collections)	252,472	-	-	252,472
Depreciation	-	237,242	-	237,242
Facilities rental	71,003	40,852	6,483	118,338
Tutoring	89,375	-	-	89,375
Printing and mailing	3,504	4,913	76,593	85,010
Computer equipment and maintenance	46,781	17,037	-	63,818
Special programs	52,227	-	-	52,227
Layette program	33,322	-	-	33,322
Bank fees	-	25,266	-	25,266
Legal and audit	-	20,779	-	20,779
Miscellaneous expenses	4,265	20,171	271	24,707
Education loans 3% refund	17,790	-	-	17,790
State registration fees	-	-	9,247	9,247
Credit card processing fees	-	-	4,905	4,905
Financial counseling fees	4,110	-	-	4,110
Insurance / bonding	-	5,222	-	5,222
	\$ 2,909,239	\$ 647,864	\$ 136,978	\$ 3,694,081