

**COAST GUARD MUTUAL ASSISTANCE, INC.**

**AUDITED FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED  
DECEMBER 31, 2016 AND 2015**

**MURRAY, JONSON, WHITE & ASSOCIATES, LTD., P.C.**  
Certified Public Accountants  
Falls Church, Virginia

**COAST GUARD MUTUAL ASSISTANCE, INC.**

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## **INDEPENDENT AUDITORS' REPORT**

### **Board of Control Coast Guard Mutual Assistance, Inc.**

We have audited the accompanying financial statements of Coast Guard Mutual Assistance, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2016 and 2015, 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 general 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 audits. We conducted our audits 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 of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 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 Coast Guard Mutual Assistance, Inc. as of December 31, 2016 and 2015, 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**

Our audits were conducted for the purpose of forming an opinion on the basic financial statements as a whole. The statements of functional expenses on page 12 are presented for purposes of additional analysis and are not a required part 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 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.

*Murray, Jonson, White & Associates Ltd., P.C.*

**Certified Public Accountants**

February 24, 2017

**COAST GUARD MUTUAL ASSISTANCE, INC.**

**STATEMENTS OF FINANCIAL POSITION  
December 31,**

**ASSETS**

	<u><b>2016</b></u>	<u><b>2015</b></u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 609,685	\$ 926,991
Pledges receivable - Note 3	675,000	700,000
Investments - Notes 2 and 4	26,537,298	25,653,500
Beneficial interest in perpetual trust - Note 5	1,124,555	1,109,630
Accrued dividends and interest	32,595	32,528
Loans receivable - Net - Note 6	2,405,429	2,240,999
Other receivables	10,244	44,504
Property and equipment - Net - Note 7	604,253	17,889
Security deposit	<u>8,544</u>	<u>8,544</u>
<b>TOTAL ASSETS</b>	<b>\$ <u>32,007,603</u></b>	<b>\$ <u>30,734,585</u></b>

**LIABILITIES AND NET ASSETS**

<b>LIABILITIES</b>		
Accounts payable	\$ 209,044	\$ 11,633
Accrued leave	61,234	57,495
Deferred rent - Note 11	<u>83,378</u>	<u>18,014</u>
<b>TOTAL LIABILITIES</b>	<b><u>353,656</u></b>	<b><u>87,142</u></b>
<b>NET ASSETS</b>		
Unrestricted	29,854,392	28,837,813
Temporarily restricted - Note 8	675,000	700,000
Permanently restricted - Note 5	<u>1,124,555</u>	<u>1,109,630</u>
<b>TOTAL NET ASSETS</b>	<b><u>31,653,947</u></b>	<b><u>30,647,443</u></b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ <u>32,007,603</u></b>	<b>\$ <u>30,734,585</u></b>

The accompanying notes to financial statement  
Are an integral part of this statement.

**COAST GUARD MUTUAL ASSISTANCE, INC.**  
**STATEMENTS OF ACTIVITIES**  
**For the Years Ended December 31,**

	2016				2015			
	<u>Unre- restricted</u>	<u>Tempor- arily Restricted</u>	<u>Perman- ently Restricted</u>	<u>Total</u>	<u>Unre- restricted</u>	<u>Tempor- arily Restricted</u>	<u>Perman- ently Restricted</u>	<u>Total</u>
REVENUES, GAINS, AND OTHER SUPPORT								
Contributions								
Annual campaign collections	\$ 1,206,143	\$ 675,000	\$ -	\$ 1,881,143	\$ 1,272,816	\$ 700,000	\$ -	\$ 1,972,816
Other donations and miscellaneous income	113,144	-	-	113,144	94,540	-	-	94,540
Grants repaid/collection agency payments	<u>15,733</u>	<u>-</u>	<u>-</u>	<u>15,733</u>	<u>13,202</u>	<u>-</u>	<u>-</u>	<u>13,202</u>
	<u>1,335,020</u>	<u>675,000</u>	<u>-</u>	<u>2,010,020</u>	<u>1,380,558</u>	<u>700,000</u>	<u>-</u>	<u>2,080,558</u>
Investments								
Interest and dividends	679,946	-	-	679,946	651,906	-	-	651,906
Realized and unrealized gains (losses)	853,108	-	-	853,108	(455,282)	-	-	(455,282)
Gain (loss) on beneficial interest in perpetual trust - Net	-	-	14,925	14,925	-	-	(120,308)	(120,308)
Investment management fees paid	<u>(99,189)</u>	<u>-</u>	<u>-</u>	<u>(99,189)</u>	<u>(101,532)</u>	<u>-</u>	<u>-</u>	<u>(101,532)</u>
	<u>1,433,865</u>	<u>-</u>	<u>14,925</u>	<u>1,448,790</u>	<u>95,092</u>	<u>-</u>	<u>(120,308)</u>	<u>(25,216)</u>
Donated facilities - Note 9	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>118,594</u>	<u>-</u>	<u>-</u>	<u>118,594</u>
Net assets released from restrictions - Note 8	<u>700,000</u>	<u>(700,000)</u>	<u>-</u>	<u>-</u>	<u>720,000</u>	<u>(720,000)</u>	<u>-</u>	<u>-</u>
TOTAL REVENUES, GAINS, AND OTHER SUPPORT	<u>3,468,885</u>	<u>(25,000)</u>	<u>14,925</u>	<u>3,458,810</u>	<u>2,314,244</u>	<u>(20,000)</u>	<u>(120,308)</u>	<u>2,173,936</u>
EXPENSES								
Program expenses	1,904,555	-	-	1,904,555	1,516,052	-	-	1,516,052
Supporting services								
General and administrative	389,391	-	-	389,391	379,660	-	-	379,660
Fundraising	<u>158,360</u>	<u>-</u>	<u>-</u>	<u>158,360</u>	<u>154,225</u>	<u>-</u>	<u>-</u>	<u>154,225</u>
TOTAL EXPENSES	<u>2,452,306</u>	<u>-</u>	<u>-</u>	<u>2,452,306</u>	<u>2,049,937</u>	<u>-</u>	<u>-</u>	<u>2,049,937</u>
CHANGE IN NET ASSETS	1,016,579	(25,000)	14,925	1,006,504	264,307	(20,000)	(120,308)	123,999
NET ASSETS AT BEGINNING OF YEAR	<u>28,837,813</u>	<u>700,000</u>	<u>1,109,630</u>	<u>30,647,443</u>	<u>28,573,506</u>	<u>720,000</u>	<u>1,229,938</u>	<u>30,523,444</u>
NET ASSETS AT END OF YEAR	\$ <u>29,854,392</u>	\$ <u>675,000</u>	\$ <u>1,124,555</u>	\$ <u>31,653,947</u>	\$ <u>28,837,813</u>	\$ <u>700,000</u>	\$ <u>1,109,630</u>	\$ <u>30,647,443</u>

The accompanying notes to financial statement are an integral part of this statement.

**COAST GUARD MUTUAL ASSISTANCE, INC.**

**STATEMENTS OF CASH FLOWS  
For the Years Ended December 31,**

	<u><b>2016</b></u>	<u><b>2015</b></u>
<b>OPERATING ACTIVITIES</b>		
Change in net assets	\$ 1,006,504	\$ 123,999
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities		
Depreciation	4,072	1,179
Provision for doubtful accounts	(10,000)	-
Realized and unrealized (gains) losses on investments	(853,108)	455,282
Changes in operating assets and liabilities		
(Increase) decrease in beneficial interest in perpetual trust	(14,925)	120,308
(Increase) decrease in accrued dividends and interest	(67)	10,815
(Increase) decrease in pledges receivable	25,000	20,000
(Increase) decrease in loans receivable	(154,430)	84,258
(Increase) decrease in other receivables	34,260	(37,165)
(Increase) decrease in rent deposit	-	(8,544)
Increase (decrease) in accounts payable	197,411	6,653
Increase (decrease) in accrued leave	3,739	(1,027)
Increase (decrease) in deferred rent	<u>65,364</u>	<u>18,014</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>303,820</u>	<u>793,772</u>
<b>INVESTING ACTIVITIES</b>		
Purchases of property and equipment	(590,436)	(19,068)
Purchases of investments	(18,952,576)	(16,929,239)
Proceeds from sale of investments	<u>18,921,886</u>	<u>15,932,049</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(621,126)</u>	<u>(1,016,258)</u>
Increase (decrease) in cash and cash equivalents	(317,306)	(222,486)
Cash and cash equivalents at beginning of period	<u>926,991</u>	<u>1,149,477</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>\$ 609,685</u>	<u>\$ 926,991</u>

The accompanying notes to financial statement  
are an integral part of this statement.

## COAST GUARD MUTUAL ASSISTANCE, INC.

### NOTES TO FINANCIAL STATEMENTS

#### NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

- (a). Financial Statement Presentation - CGMA reports 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.
- (b). Cash and Cash Equivalents - For purposes of the statement of cash flows the organization considers substantially all highly liquid investments (with the exception of certificates of deposit) with a maturity of three months or less when purchased to be cash equivalents. Short-term, highly liquid instruments purchased for its investment accounts and handled by investment managers are treated as investments rather than cash equivalents.
- (c). Promises to Give - 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 promise to give to CGMA that is, in substance, unconditional. Donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the existence and/or nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets. CGMA estimates the amount of pledges receivable based upon historical experience.
- (d). Investments - All investments in debt and equity securities are carried at fair value, with gains and losses included in a statement of activities. Gains and losses on investments reflected in the accompanying statement of activities include gains and losses realized upon sales and unrealized gains and losses resulting from fluctuations in market values of investments. Gains and losses upon sales are calculated using the first-in first-out method.
- (e). Property and Equipment - Property and equipment are recorded at cost, less accumulated depreciation. Depreciation expense is computed using the straight-line method over the estimated useful lives of the respective assets. Expenditures for maintenance and repairs are charged against income as incurred; betterments which increase the value or materially extend the life of the related assets are capitalized. CGMA capitalizes property and equipment with a cost of over \$500 and an estimated life of three years or more.



**COAST GUARD MUTUAL ASSISTANCE, INC.**

**NOTES TO FINANCIAL STATEMENTS**  
**(Continued)**

**NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: Continued**

- (f). Estimates - The process of preparing financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Significant items subject to such estimates and assumptions include the carrying amount of loans and pledges receivable and their related allowances for doubtful accounts and bad debt expense, and the value of donated services and facilities. Accordingly, upon settlement, actual results may differ from estimated amounts.
- (g). CGMA is exempt from federal income tax under Section 501(c)(3) of the U.S. Internal Revenue Code and files its tax returns as prescribed by the tax laws of the jurisdictions in which it operates. With few exceptions, CGMA is no longer subject to examinations by tax authorities for years prior to 2013.
- (h). Functional Allocation of Expenses - Expenses have been summarized by program and supporting services in the statement of activities. Accordingly, certain costs have been allocated among the program and supporting services benefitted.

**NOTE 2 - CONCENTRATIONS OF CREDIT RISK**

Financial instruments which potentially subject CGMA to concentration of credit risk consist principally of temporary cash investments, investments, and loans receivable. CGMA places its temporary cash investments with high credit quality financial institutions. With respect to investments, CGMA limits its credit risk by diversifying its investments.

**NOTE 3 - PLEDGES RECEIVABLE**

CGMA recognizes uncollected pledges as receivables. At December 31, 2016 and 2015, CGMA had uncollected pledges totaling an estimated \$675,000 and \$700,000, respectively, all due in less than one year. CGMA estimates the amount of pledges receivable each year based upon historical experience; therefore, no separate allowance for uncollectible pledges is reported.

**COAST GUARD MUTUAL ASSISTANCE, INC.**

**NOTES TO FINANCIAL STATEMENTS  
(Continued)**

**NOTE 4 - INVESTMENTS**

Investments were recorded at fair value as of December 31, 2016 and 2015 based on the following level of hierarchy. Level 1 inputs include quoted market prices in active markets for identical assets. Level 2 inputs include quoted market prices for similar assets in active markets, quoted prices for identical or similar assets in markets where there isn't sufficient activity, and or where price quotations vary substantially either over time or among market makers, or where little information is released publicly.

Valuation of investments on December 31, 2016 was comprised of the following:

	<b>Quoted Prices in Markets for Identical Assets (Level 1)</b>	<b>Significant Other Observable Inputs (Level 2)</b>	<b>Total</b>
Money Market Funds	\$ 681,547	\$ -	\$ 681,547
Equities	19,051,273	-	19,051,273
Fixed Income Securities	996,542	4,958,097	5,954,639
Alternative Investments	<u>849,839</u>	<u>-</u>	<u>849,839</u>
<b>TOTAL</b>	<b>\$ <u>21,579,201</u></b>	<b>\$ <u>4,958,097</u></b>	<b>\$ <u>26,537,298</u></b>

Valuation of investments on December 31, 2015 was comprised of the following:

	<b>Quoted Prices in Markets for Identical Assets (Level 1)</b>	<b>Significant Other Observable Inputs (Level 2)</b>	<b>Total</b>
Money Market Funds	\$ 450,909	\$ -	\$ 450,909
Equities	17,977,621	-	17,977,621
Fixed Income Securities	547,944	5,232,056	5,780,000
Alternative Investments	<u>1,444,970</u>	<u>-</u>	<u>1,444,970</u>
<b>TOTAL</b>	<b>\$ <u>20,421,444</u></b>	<b>\$ <u>5,232,056</u></b>	<b>\$ <u>25,653,500</u></b>

**COAST GUARD MUTUAL ASSISTANCE, INC.**

**NOTES TO FINANCIAL STATEMENTS  
(Continued)**

**NOTE 5 - 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. Contribution revenue and the fair value gain or loss is classified as permanently restricted.

In 2016 and 2015 CGMA recognized investment income of \$50,000 and \$64,000 for distributions received from the trust and gains (losses) of \$64,924 and (\$56,308) for the change in fair value of its interest at December 31, 2016 and 2015, respectively.

There is no market in which a beneficial interest in a charitable trust trades; therefore, no observable exit price exists for the beneficial interest.

Level 3 inputs are used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations where there is little, if any, observable market activity for the asset at the measurement date. Following is a reconciliation of the activity of assets measured at fair value based on significant unobservable inputs for the years ended December 31,:

<b><u>Significant Unobservable Inputs (Level 3)</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>
Beneficial Interest in Perpetual Trust, beginning of year	\$ 1,109,630	\$ 1,229,938
Distributions	(50,000)	(64,000)
Change in value of beneficial interest	<u>64,925</u>	<u>(56,308)</u>
Beneficial Interest in Perpetual Trust, end of year	\$ <u>1,124,555</u>	\$ <u>1,109,630</u>

**NOTE 6 - LOANS RECEIVABLE**

At December 31, 2016 and 2015, CGMA had uncollateralized loans receivable totaling \$2,525,429 and \$2,370,999, 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, 2016 and 2015 are shown net of an allowance for doubtful accounts of \$120,000 and \$130,000, 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 \$3,041,778 and \$2,749,592 respectively, in interest-free loans made by the organization during the years ended December 31, 2016 and 2015, and revenues do not include \$2,676,606 and \$2,686,496 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.

**COAST GUARD MUTUAL ASSISTANCE, INC.**

**NOTES TO FINANCIAL STATEMENTS  
(Continued)**

**NOTE 7 - PROPERTY AND EQUIPMENT**

Property and equipment consist of the following as of December 31,:

	<u><b>2016</b></u>	<u><b>2015</b></u>
Furniture, Fixtures & Equipment	\$ 19,068	\$ 19,068
Software Redevelopment - not yet in service	788,424	197,990
Computer Software	<u>514,050</u>	<u>514,050</u>
TOTAL PROPERTY AND EQUIPMENT	1,321,542	731,108
Less: Accumulated Depreciation	<u>(717,289)</u>	<u>(713,219)</u>
NET PROPERTY AND EQUIPMENT	\$ <u>604,253</u>	\$ <u>17,889</u>

Depreciation expense was \$4,072 and \$1,179 for the years ended December 31, 2016 and 2015, respectively.

**NOTE 8 - TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets are available for the following purposes:

	<u><b>2016</b></u>	<u><b>2015</b></u>
Funds Pledged for the Next Calendar Year	\$ <u>675,000</u>	\$ <u>700,000</u>

Net assets were released from restriction by incurring expenses satisfying the restricted purpose or by occurrence of other events.

Restriction accomplished:

	<u><b>2016</b></u>	<u><b>2015</b></u>
Expiration of Time Restriction	\$ <u>700,000</u>	\$ <u>720,000</u>

**NOTE 9 - CONTRIBUTED SERVICES AND FACILITIES**

Some property and equipment used by CGMA in its operations is the property of the U.S. Coast Guard. CGMA also receives substantial benefit from services donated by members of the Coast Guard, including administrative and fundraising assistance. The value of donated equipment and services has not been determined and is not recorded in the financial statements. Through October 31, 2015 CGMA occupied space leased by the Coast Guard which was provided to CGMA at no cost. The value of donated facilities for the year ended December 31, 2015 was estimated at \$118,594. These value of donated facilities were recorded in the financial statements as revenue and rent expense.

**COAST GUARD MUTUAL ASSISTANCE, INC.**

**NOTES TO FINANCIAL STATEMENTS**  
**(Continued)**

**NOTE 10 - 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, 2016 and 2015 were \$25,462 and \$25,300, respectively.

**NOTE 11 - OPERATING LEASE**

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 \$83,378 and \$18,014 at December 31, 2016 and 2015, respectively.

At December 31, 2016, CGMA was obligated under terms of non-cancelable leases for the following minimum lease payments:

2017	103,703
2018	106,553
2019	109,480
2020	112,491
2021	115,586
Thereafter	<u>571,344</u>
TOTAL	\$ <u>1,119,157</u>

**NOTE 12 - COMMITMENTS**

As part of a new software configuration project, the Organization has entered into a contract with a third party vendor. The contract has an estimated budget of \$791,698 and expires on April 30, 2017. As of December 31, 2016, the Organization has paid \$209,443 to the contractor. Total estimated costs of the project are expected to be between \$1 million to \$1.5 million with \$450,600 incurred as of year end.

**NOTE 13 - SUBSEQUENT EVENTS**

Events that occur after the statement of financial position date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the statement of financial position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the statement of financial position date require disclosure in the accompanying notes. Management evaluated the activity of the organization through February 24, 2017, the date the financial statements were available to be issued, and concluded that no subsequent events have occurred that would require recognition in the financial statement or disclosure in the notes to the financial statements.

**COAST GUARD MUTUAL ASSISTANCE, INC.**

**SUPPLEMENTARY INFORMATION  
STATEMENTS OF FUNCTIONAL EXPENSES  
For the Year Ended December 31, 2016**

**With Summarized Totals for the Year Ended December 31, 2015**

	2016				2015
	Program Expenses	General and Administrative	Fund Raising	Total	Total Expenses
Grants					
SEG grants	\$ 780,282	\$ -	\$ -	\$ 780,282	\$ 575,842
Personal grants	193,532	-	-	193,532	116,969
Salaries and Benefits	465,651	271,350	38,764	775,765	737,505
Bad Debt Expense (Net of Collections)	147,402	-	-	147,402	121,378
Facilities Rental - Notes 9 and 11	75,243	43,521	6,642	125,406	136,608
Printing and Mailing	990	2,697	100,799	104,486	100,797
Tutor.com	62,387	-	-	62,387	22,412
Loans Converted to Grants	53,341	-	-	53,341	25,976
Computer and Equipment Maintenance	35,818	6,090	-	41,908	36,903
Layette Program	28,731	-	-	28,731	32,594
Bank Fees	-	23,879	-	23,879	25,702
Education Loans 3% Refund	21,364	-	-	21,364	22,233
Special Programs	21,303	-	-	21,303	17,780
Legal and Audit	-	19,937	-	19,937	23,514
Financial Counseling Fees	14,135	-	-	14,135	16,520
Miscellaneous Expenses	3,107	8,341	267	11,715	14,336
State Registration Fees	-	-	9,506	9,506	9,337
Insurance/Bonding	-	6,154	-	6,154	4,438
Depreciation	-	4,072	-	4,072	1,179
Office Supplies	-	3,350	-	3,350	4,712
Credit Card Processing Fees	-	-	2,382	2,382	2,060
Outreach Program	1,269	-	-	1,269	1,142
	<u>1,269</u>	<u>-</u>	<u>-</u>	<u>1,269</u>	<u>1,142</u>
<b>TOTAL</b>	<b>\$ <u>1,904,555</u></b>	<b>\$ <u>389,391</u></b>	<b>\$ <u>158,360</u></b>	<b>\$ <u>2,452,306</u></b>	<b>\$ <u>2,049,937</u></b>