# Financial Statements

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To the Board of Directors of
Black Ministerial Alliance of Greater Boston, Inc.
Roxbury, Massachusetts

Independent Auditor's Report

Report on Financial Statements

We have audited the accompanying financial statements of Black Ministerial Alliance of Greater Boston, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2014, and 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

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 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 Black Ministerial Alliance of Greater Boston, Inc. as of December 31, 2014, 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

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, 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 taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated September 22, 2015, on our consideration of Black Ministerial Alliance of Greater Boston, Inc.'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 Black Ministerial Alliance of Greater Boston, Inc.'s internal control over financial reporting and compliance.

SANDBERG & CREEDEN, P.C.
Certified Public Accountants

Stoughton, Massachusetts
September 22, 2015
BLACK MINISTERIAL ALLIANCE OF GREATER BOSTON, INC.

STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2014

ASSETS

Current Assets
Cash and cash equivalents $374,607
Pledges receivable 41,600
Accounts receivable 23,194
Other receivables 57,483
Prepaid expenses 10,751
Total current assets 507,635

Property and Equipment
Furniture and equipment 53,430
Vehicles 13,998
Subtotal 67,428
Less: accumulated depreciation 61,052
Total properly and equipment 6,376

Other Assets
Deposits 6,159
Total other assets 6,159

Total Assets $520,170

LIABILITIES AND NET ASSETS

Current Liabilities
Accounts payable $6,332
Accrued expenses 34,035
Deferred revenue 40,562
Due to other organizations 81,043
Total current liabilities 161,972

Net Assets
Unrestricted 196,598
Temporarily restricted 161,600
Total net assets 358,198

Total Liabilities and Net Assets $520,170

<table>
<thead>
<tr>
<th>Support and Revenue</th>
<th>Unrestricted</th>
<th>Temporarily Restricted</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grants and contributions</td>
<td>$182,966</td>
<td>$429,700</td>
<td>$612,666</td>
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<tr>
<td>Special events</td>
<td>90,595</td>
<td></td>
<td>90,595</td>
</tr>
<tr>
<td>Released from restriction</td>
<td>691,586</td>
<td>(691,586)</td>
<td></td>
</tr>
<tr>
<td>Service fees:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contracts and grants</td>
<td>2,121,031</td>
<td></td>
<td>2,121,031</td>
</tr>
<tr>
<td>Other fees</td>
<td>87,514</td>
<td></td>
<td>87,514</td>
</tr>
<tr>
<td>Interest income</td>
<td>19</td>
<td></td>
<td>19</td>
</tr>
<tr>
<td>Total support and revenue</td>
<td>3,173,711</td>
<td>(261,886)</td>
<td>2,911,825</td>
</tr>
</tbody>
</table>

| Expenses                                |              |                        |         |
| Program expenses                        | 2,525,095    |                        | 2,525,095|
| Management and general expenses         | 396,966      |                        | 396,966  |
| Fundraising                             | 83,855       |                        | 83,855  |
| Total expenses                          | 3,005,916    |                        | 3,005,916|

| Change in Net Assets                    |              |                        |         |
|                                        | 167,795      | (261,886)              | (94,091)|

| Net Assets - Beginning of Year          |              |                        |         |
|                                        | 28,803       | 423,486                | 452,289 |

| Net Assets - End of Year                |              |                        |         |
|                                        | $196,598     | $161,600               | $358,198|

<table>
<thead>
<tr>
<th></th>
<th>Community Partnerships</th>
<th>Education</th>
<th>Boston Capacity</th>
<th>Services to High Risk Youth</th>
<th>Total Program Services</th>
<th>Management and General</th>
<th>Total Program Services</th>
<th>Total Fundraising</th>
<th>Total</th>
<th></th>
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<tbody>
<tr>
<td>Salaries</td>
<td>$ 804,527</td>
<td>$ 492,736</td>
<td>$ 121,736</td>
<td>$ 102,061</td>
<td>$ 1,521,060</td>
<td>$ 32,311</td>
<td>$ 1,782,200</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Payroll taxes</td>
<td>86,963</td>
<td>54,726</td>
<td>11,088</td>
<td>13,965</td>
<td>166,742</td>
<td>22,949</td>
<td>192,834</td>
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<tr>
<td>Fringe benefits</td>
<td>46,134</td>
<td>34,699</td>
<td>16,747</td>
<td>4,274</td>
<td>101,854</td>
<td>16,056</td>
<td>117,910</td>
<td></td>
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<td></td>
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<tr>
<td>Total salaries and related expenses</td>
<td>937,624</td>
<td>582,161</td>
<td>149,571</td>
<td>120,300</td>
<td>1,789,656</td>
<td>267,834</td>
<td>2,057,490</td>
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<td></td>
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<td>Advertising</td>
<td>58</td>
<td>3,178</td>
<td>1,580</td>
<td>30</td>
<td>4,846</td>
<td>750</td>
<td>6,194</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Community events and activities</td>
<td>18,199</td>
<td>27,570</td>
<td>6,507</td>
<td>13,603</td>
<td>65,879</td>
<td>1,740</td>
<td>67,619</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consultants and contracted services</td>
<td>37,703</td>
<td>160,371</td>
<td>35,717</td>
<td>7,375</td>
<td>241,166</td>
<td>8,529</td>
<td>259,695</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Depreciation equipment</td>
<td>39,467</td>
<td>128</td>
<td>128</td>
<td>6,459</td>
<td>10,443</td>
<td>16,902</td>
<td>6,565</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Grants and awards</td>
<td>180</td>
<td>6,279</td>
<td>128</td>
<td>6,459</td>
<td>10,443</td>
<td>16,902</td>
<td>6,565</td>
<td></td>
<td></td>
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<tr>
<td>Insurance</td>
<td>20,195</td>
<td>39,056</td>
<td>16,945</td>
<td>9,403</td>
<td>85,599</td>
<td>28,111</td>
<td>113,710</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Occupancy</td>
<td>5,192</td>
<td>16,481</td>
<td>168</td>
<td>85,599</td>
<td>28,111</td>
<td>6,749</td>
<td>121,459</td>
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<td></td>
<td></td>
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<tr>
<td>Office expenses</td>
<td>2,318</td>
<td>1,854</td>
<td>374</td>
<td>328</td>
<td>4,874</td>
<td>11</td>
<td>4,985</td>
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<tr>
<td>Payroll processing</td>
<td>2,589</td>
<td>259</td>
<td>30</td>
<td>2,878</td>
<td>879</td>
<td>104</td>
<td>4,092</td>
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<td>Postage and delivery</td>
<td>1,360</td>
<td>2,930</td>
<td>1,634</td>
<td>7,455</td>
<td>1,694</td>
<td>128</td>
<td>9,177</td>
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<td>Printing and reproduction</td>
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<td>36,550</td>
<td>-</td>
<td>-</td>
<td>36,550</td>
<td>36,550</td>
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<tr>
<td>Professional fees</td>
<td>139,813</td>
<td>139,813</td>
<td>139,813</td>
<td>139,813</td>
<td>139,813</td>
<td>21,614</td>
<td>161,427</td>
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<tr>
<td>Special Events</td>
<td>42,738</td>
<td>42,738</td>
<td>42,738</td>
<td>42,738</td>
<td>42,738</td>
<td>12,131</td>
<td>54,869</td>
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<tr>
<td>Stipends</td>
<td>24,931</td>
<td>24,931</td>
<td>24,931</td>
<td>24,931</td>
<td>24,931</td>
<td>24,931</td>
<td>49,862</td>
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<tr>
<td>Telephone</td>
<td>5,631</td>
<td>19,140</td>
<td>160</td>
<td>160</td>
<td>24,931</td>
<td>24,931</td>
<td>49,862</td>
<td></td>
<td></td>
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<tr>
<td>Total</td>
<td>$ 1,169,382</td>
<td>$ 960,282</td>
<td>$ 228,766</td>
<td>$ 166,665</td>
<td>$ 2,525,095</td>
<td>$ 396,966</td>
<td>$ 3,905,916</td>
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</tr>
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</table>

Black Ministerial Alliance of Greater Boston, Inc.

Statement of Cash Flows
For the Year Ended December 31, 2014

Cash Flows From Operating Activities
Change in net assets $ (94,091)
Adjustments to reconcile change in net assets to net cash provided by operating activities:
   Depreciation 5,624
   (Increase) decrease in:
      Cash held for others 1,949
      Pledges receivable (41,600)
      Accounts receivable 103,087
      Other receivables (52,576)
      Prepaid expenses (545)
   Increase (decrease) in:
      Accounts payable (69,702)
      Accrued expenses (19,507)
      Deferred revenue (330)
      Due to other organizations 79,264
   Net Cash (Used) by Operating Activities (88,427)

Net Cash Provided by Investing Activities 0

Net Cash Provided by Financing Activities 0

(Decrease) in Cash and Cash Equivalents (88,427)

Cash and Cash Equivalents - Beginning of Year 463,034

Cash and Cash Equivalents - End of Year $ 374,607

Supplemental Cash Flow Information:
   Interest paid $ 0

Note 1. Organization

Black Ministerial Alliance of Greater Boston, Inc. (BMA) was organized in the Commonwealth of Massachusetts as a non-profit corporation on October 15, 1998. It was established as an alliance of over 80 faith-based and community-based organizations with a forty plus year history of serving the Black community in Boston. The BMA’s mission is to provide spiritual nurture for clergy and advocacy and program services for the larger Black community.

To accomplish its mission, the BMA offers the following program services areas:

Community Partnerships
The Community Partnerships Initiative (CPI) is a program of the BMA in which it provides administrative “back office” services for qualified nonprofit organizations. The purpose is to provide a method for smaller nonprofit community-based organizations and faith-based organizations (FCBOs) to obtain high quality administrative services in a way that is cost effective. Also, CPI allows the BMA to provide critical organizational strengths to smaller FCBOs in order to help them grow in effectiveness.

Education
Education has been one of the earliest programmatic functions of the BMA. This makes ample sense since education remains a major lever for moving people out of poverty. For the BMA, the Education programmatic area consists of the Victory Generation Out of School Time program (VG) and support of the Boston Education Collaborative (BEC). VG provides technical assistance and program support to churches that wish to start an after school program. Its goal is to provide improved academic performance and social/emotional supports to ensure that students engage in their educational processes “ready to learn.”

Services to High Risk Youth
Programs and initiatives are designed to engage organizations, churches, schools and government agencies to collaboratively address the needs of youth at high risk. The High Risk Youth Network is a network of 60+ agencies, churches, and community-based organizations that work together to provide supports to High Risk Youth and to provide them resources to remove themselves from High Risk status. Teen Cafés and Summer Jobs is an initiative designed to provide safe spaces, especially during high violence periods, where teens can gather and be safe, and engage in developmental activities with caring adults. The Girls’ Initiative is a collaboration of organizations that serve girls and young women who are involved in the Justice System. Together, these organizations advocate for gender-responsive programming to provide these girls and young women with the services proven most effective for helping them reorder their lives.

Capacity Building
The Capacity Institute (CI) provides an intensive two year program to help community based organizations produce meaningful and measurable changes in the lives of their service population. Using performance management and outcomes measurement, successful “graduates” of CI can produce, measure, and improve the impact they are having on the lives of their constituents.
Note 2. Summary of Significant Accounting Policies

a. Standards of Accounting and Reporting
The Organization follows the standards of accounting and financial reporting as described in the American Institute of Certified Public Accountants' Audit and Accounting Guide for Not-for-Profit Organizations.

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Black Ministerial Alliance of Greater Boston, Inc. and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Auditors of States, Local Governments and Non-Profit Organizations.

b. Financial Statement Presentation
The Organization presents its financial statements in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958. Accordingly, the Organization 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. A description of the three net asset categories follows:

Unrestricted - Net assets that are not subject to donor-imposed restrictions. Unrestricted net assets may be designated for specific purposes by action of the Board of Directors.

Temporarily Restricted - Net assets whose use by the Organization is subject to donor imposed restrictions that can be fulfilled by actions of the Organization pursuant to those restrictions or that expire by the passage of time.

Permanently Restricted - Net assets subject to donor-imposed restrictions that they be maintained permanently by the Organization. No permanently restricted assets were received or held during 2014 and accordingly, these financials do not reflect any activity related to this class of net assets for 2014.

c. Cash and Cash Equivalents
For purposes of the statement of cash flows, Black Ministerial Alliance of Greater Boston, Inc. considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

d. Equipment and Vehicles
These assets are recorded at cost, when purchased or if donated, at their estimated fair market value at date of donation. All acquisitions of property and equipment in excess of $5,000 and all expenditures for repairs and betterments that materially prolong the useful lives of assets are capitalized.
Note 2. Summary of Significant Accounting Policies

(Continued)

d. Equipment and Vehicles (continued)
Fixed assets acquired with federal funds are considered to be owned by the MA while used for operations. However, the federal government has the right to determine the use of these assets or the use of any proceeds resulting from the sale of these assets. At December 31, 2014 held vehicles with a net book value of $5,936 which were acquired with federal funds.

e. Depreciation
Provisions for depreciation are made in the accounts using the straight-line method over the estimated useful life of the asset. The Organization depreciates over the following class life:

<table>
<thead>
<tr>
<th>Office equipment</th>
<th>3 - 5 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vehicles</td>
<td>5 years</td>
</tr>
</tbody>
</table>

f. 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 when the conditions on which they depend are substantially met.

g. Accounts Receivable
Accounts receivable are presented net of the allowance for doubtful accounts. The BMA's periodic evaluation of the adequacy of the allowance is based on its past loss experience. All amounts are considered collectible and no allowance is recorded in 2014.

h. Deferred Revenue
Advance receipts of contracts and fees are recorded as liabilities until the related services are performed and amounts are earned.

i. Restricted and Unrestricted Revenue and Support
Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently net assets depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

j. Government Contract Fees
Financial awards from federal and state government entities in the form of grants are subject to special audit. Such audits could result in claims against the Organization for disallowed costs or noncompliance with grantor restrictions. No provision has been made for any liabilities that may arise from such audits since the amounts, if any, cannot be determined at this date.
Note 2. Summary of Significant Accounting Policies (Continued)

k. Non-government Contract Fees
   Revenue on non-governmental contracts and program fees are recognized when earned.

l. Bookkeeping Services
   The BMA provides bookkeeping services for other nonprofit organizations. BMA holds all
   amounts received for these organizations in separate restricted accounts and recognizes
   the corresponding liability to the specified organization. At December 31, 2014 balances
   due to or from these agencies are reported on the statement of financial position.

m. Allocation of Expenses
   Expenses are allocated among program and supporting services directly or on the basis
   of time records and utilization estimates made by the Organization's management.
   General and administrative 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.

n. Use of Estimates
   The presentation of financial statements in conformity with generally accepted
   accounting principles requires management to make estimates and assumptions that
   affect the reported amounts of assets and liabilities and disclosures of contingent assets
   and liabilities at the date of the financial statements and the reported amounts of
   revenues and expenses during the reporting period. Actual results could differ from
   those estimates.

Note 3. Tax Status

Black Ministerial Alliance of Greater Boston, Inc. is exempt from federal and state income tax under
Section 501(c)(3) of the Internal Revenue Code and accordingly, no provision for income taxes is
included in the financial statements. In addition, the Organization qualifies for the charitable
contribution deduction under Section 170(b)(1)(A) and has been classified as an Organization that is not
a private foundation under Section 509(a)(1).

Unrelated business income, of which the Organization had none for the year ending December 31,
2014, would be subject to Federal and State taxes. Consequently, the accompanying financial
statements do not reflect any provision for income taxes.

Accounting principles generally accepted in the United States of America require the Organization
management to evaluate tax positions taken by the Organization and recognize a tax liability (or assets)
if it has taken an uncertain position that more likely would not be sustained upon examination by the
Internal Revenue Service. Management has analyzed the tax positions taken and has concluded that
as of December 31, 2014, 2013 and 2012, there are no uncertain positions taken or expected to be
taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The
tax returns are subject to routine audits by taxing jurisdictions, there are currently no audits for any tax
periods in progress. The Organization believes it is no longer subject to income tax examinations for the
years prior to 2011.
Note 4. Concentrations of Credit Risk

The Organization maintains its cash balances in local banks. The balances are insured by the Federal Deposit Insurance Corporation up to $250,000 per bank. At December 31, 2014, the Organization’s funds were fully insured.

Credit risk with respect to accounts receivable is considered low because a substantial portion of the receivables are from governmental sources are collected by the financial statement date.

Note 5. Pledges Receivable

Unconditional promises to give consists of balances as of December 31, 2014 totaling $41,600 that are due in 2015.

Note 6. Deposits

Deposits at December 31, 2014 are as follows:

- Office rental deposit $6,159

Note 7. Deferred Service Fees

Deferred service fees are comprised of funds received in advance of the approved service delivery of the contracted activity as follows:

| Health Futures | $ 6,681 |
| Fetzer Institute | $33,881 |
| Total Deferred Service Fees | $40,562 |

Note 8. Temporarily Restricted Net Assets

Temporarily restricted net assets consists of contributions received or receivable that contain written donor restrictions on their use limited to a program or time period not met by the Organization in 2014 as follows:

| Time - 2015 | $
| Victory Generations | $105,000 |
| Boston Capacity Institute | $7,500 |
| Total Temporarily Restricted Net Assets | $161,600 |

Note 9. Substantial Support

The Organization received substantial support from the U.S. Department of Health and Human Services totaling $907,133 which comprised 31% of their total revenue for 2014.
Note 10. Commitments

The Organization leases office space under several lease commitments. Rents are due under the leases payable in advance, in equal monthly installments with increases due periodically. In addition, shared space costs are billed periodically. Rent expense totaled $107,867 or the year ended 2014.

Future minimum rental obligations are as follows:

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Rental Obligation</th>
</tr>
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<td>2015</td>
<td>$ 96,197</td>
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<tr>
<td>2016</td>
<td>52,700</td>
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<tr>
<td>2017</td>
<td>52,700</td>
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<td>2018</td>
<td>52,700</td>
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<td>2019</td>
<td>52,700</td>
</tr>
<tr>
<td>2020</td>
<td>52,700</td>
</tr>
</tbody>
</table>

In addition, from time to time the organization utilized space on a tenant at will basis as needed.

Note 13. The Evaluation of Subsequent Events

The Organization has evaluated subsequent events through October 25, 2015, the date which the financial statements were available to be issued.

There were no subsequent events to be disclosed based on this evaluation.
BLACK MINISTERIAL ALLIANCE OF GREATER BOSTON, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2014

<table>
<thead>
<tr>
<th>CFDA No.</th>
<th>Pass Through Grant Number</th>
<th>Award</th>
<th>Federal Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Department of Health and Human Services</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Teen Pregnancy Prevention Program</td>
<td>93.297</td>
<td>5TP2AH000006-04-00 1,000,000</td>
<td>$ 678,929</td>
</tr>
<tr>
<td>10/1/13-9/30/14</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10/1/14-9/30/15</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>93.297</td>
<td>5TP2AH000006-05-00 982,853</td>
<td></td>
<td>228,204</td>
</tr>
<tr>
<td>Total Department of Health and Human Services</td>
<td></td>
<td></td>
<td>907,133</td>
</tr>
<tr>
<td>Total Expenditures of Federal Awards</td>
<td></td>
<td></td>
<td>$ 907,133</td>
</tr>
</tbody>
</table>

**Basis of Presentation**
The accompanying schedule of expenditures of federal awards includes the federal grant activity of Black Ministerial Alliance of Greater Boston, Inc. and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.

To the Board of Directors of
Black Ministerial Alliance of Greater Boston, Inc.
Roxbury, Massachusetts

Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of Black Ministerial Alliance of Greater Boston, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2014, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 22, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Black Ministerial Alliance of Greater Boston, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Black Ministerial Alliance of Greater Boston, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization’s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.
Compliance and Other Matters

As part of obtaining reasonable assurance about whether Black Ministerial Alliance of Greater Boston, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Sandberg & Creedon, P.C.
Certified Public Accountants

September 22, 2015
To the Board of Directors of
Black Ministerial Alliance of Greater Boston, Inc.
Roxbury, Massachusetts

Independent Auditor’s Report on Compliance for Each Major Program and an Internal Control Over
Compliance Required by OMB Circular A-133

Report on Compliance for Each Major Federal Program

We have audited Black Ministerial Alliance of Greater Boston, Inc.’s compliance with the types of
compliance requirements described in the OMB Circular A-133 Compliance Supplement that could
have a direct and material effect on each of Black Ministerial Alliance of Greater Boston, Inc.’s
major federal programs for the year ended December 31, 2014. Black Ministerial Alliance of Greater
Boston, Inc.’s major federal programs are identified in the summary of auditor’s results section of the
accompanying schedule of findings and questioned costs.

Management’s Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts,
and grants applicable to its federal programs.

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for each of Black Ministerial Alliance of
Greater Boston, Inc.’s major federal programs based on our audit of the types of compliance
requirements referred to above. We conducted our audit of compliance in accordance with
auditing standards generally accepted in the United States of America; the standards applicable to
financial audits contained Government Auditing Standards, issued by the Comptroller General of
the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit
Organization. Those standards and OMB Circular A-133 require that we plan and perform the audit
to obtain reasonable assurance about whether noncompliance with the types of compliance
requirements referred to above that could have a direct and material effect on a major federal
program occurred. An audit includes examining on a test basis, evidence about Black Ministerial
Alliance of Greater Boston, Inc.’s compliance with those requirements and performing such other
procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major
federal program. However, our audit does not provide a legal determination of Black Ministerial
Alliance of Greater Boston, Inc.’s compliance.

Opinion on Each Major Federal Program

In our opinion, Black Ministerial Alliance of Greater Boston, Inc. complied in all material respects, with
the types of compliance requirements referred to above that could have a direct and material
effect on each of its major federal programs for the year ended December 31, 2014.
Management of Black Ministerial Alliance of Greater Boston, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Black Ministerial Alliance of Greater Boston, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Black Ministerial Alliance of Greater Boston, Inc.'s internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

SANDBERG & CREEDEN, P.C.
Certified Public Accountants

September 22, 2015
SECTION I - SUMMARY OF AUDITORS' RESULTS

1. The Independent Auditors' Report expresses an unqualified opinion on the basic financial statements of Black Ministerial Alliance of Greater Boston, Inc.

2. No material weaknesses or significant deficiencies relating to the audit of the financial statements are reported in the Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on Audits of Financial Statements Performed in Accordance with Government Auditing Standards.

3. No instances of noncompliance material to the financial statements of Black Ministerial Alliance of Greater Boston, Inc. were disclosed during the audit.

4. No material weaknesses or significant deficiencies relating to the audit of the major federal award programs are reported in the Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133.

5. The Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance With Circular A-133 for Black Ministerial Alliance of Greater Boston, Inc. expresses an unqualified opinion.

6. Not applicable.

7. The programs tested as major programs include:
   
   Teen Pregnancy 93.297

8. The threshold for distinguishing Type A and B programs was $300,000.

9. Black Ministerial Alliance of Greater Boston, Inc. did not qualify as a low-risk auditee.
SECTION II - FINDINGS - FINANCIAL STATEMENT AUDIT

A. Material Weaknesses in Internal Control Over Financial Reporting

2014 - NONE

2013-001 – Accounting for Intra-entity transactions - $0 Questioned Costs

Condition – During the 2013 audit it was noted that the BMA did not account for intra-entity transactions in accordance with U.S. GAAP.

Recommendation – It was recommended that the BMA establish procedures to ensure the proper account of intra-entity transactions.

Status – During the audit of 2014 all transactions for the entity were recorded in accordance with U.S. GAAP and properly eliminated when preparing financial statements.

2013-002 – Accounting for Exchange Transactions (Contracts) $0 Questioned Costs

Condition – During the 2013 audit it was noted that the BMA did not account for certain transactions in accordance with U.S. GAAP. Accordingly advance receipts on exchange transactions were erroneously recorded as revenue.

Recommendation – It was recommended that the BMA develop procedures for identifying and recording exchange transactions consistent with U.S. GAAP.

Status – During the audit of 2014 exchange transactions were recorded in accordance with U.S. GAAP.

2013-003 – Salary Allocations - $0 Questioned Costs

Condition – During the 2013 audit it was noted that the BMA allocated certain multi-functional personnel to functions using budgeted and not actual effort.

Recommendation – It was recommended that the BMA allocate personnel time to functions based on the actual effort captured on the timesheets.

Status – During the audit of 2014 salary was recorded and allocated based on actual efforts captured on timesheets.
SECTION III - FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

A. Material Weaknesses in Internal Control over Federal Awards

Agency: Department of Health and Human Services
Program: Teen Pregnancy Prevention Program
CFDA#: 93.297
Award Number: 6 TP2AH000006-03-01 Award Year: 2013
Award Number: 5 TP2AH000006-03-01 Award Year: 2012

2013-004 – Allowable Costs/Cost Principles - $81,426 Questioned Costs

Condition – During the 2013 audit it was noted that four multi-functional employees were allocated to functions and the Federal program based on budgeted and not actual efforts.

Effect - $81,426 of costs are questioned as a result of failing to apply with the allocable costs/cost principle provisions. This was considered material to the Teen Pregnancy Prevention Program.

Recommendation – It was recommended that the BMA charge the Federal awards based on actual effort as reported on the timesheets in compliance with OMB Circular No. A-122.

Status – During the audit of 2014 all salaries were recorded and allocated based on actual efforts captured on timesheets. The agency reimbursement budget allowed for the reimbursement of a proportional share of payroll from individuals in the indirect cost pool. The agency is initiating the process to establish a federally approved indirect cost rate.

2013-005 – Allowable Costs/Cost Principles - $40,429 Questioned Costs

Condition – During the 2013 audit it was noted that the BMA charged its Federal award for the following:

- Intra-company consulting fees that were supported only by a two year internal agreement. The BMA contracted with a BMA program to provide consulting services to the Federal Award.
- Budgeted costs for a future conference to be held in 2014.

Effect - $40,429 of costs are questioned as a result of failing to apply with the allocable costs/cost principle provisions. This was considered material to the Teen Pregnancy Prevention Program.

Recommendation – It was recommended that the BMA establish procedures to ensure compliance with OMB Circular No. A-122.

Status – During the audit of 2014 all consultant contracts totaling $50,000 or greater are supported by signed agreements. No new consultants in this category were utilized in 2014. Prior estimated and accrued expenses were reconciled in the reporting year. All requests and approval of expenditures to the federal contract are documented and maintained in the books and records of the agency.
SECTION III - FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

B. Material Weaknesses in Internal Control over Federal Awards - Continued

2014 - NONE

2013-006 – Cash Management - $0 Questioned Costs

Condition – During the 2013 audit it was noted that the agency did not have a written cash management policy. In addition, a duplicate drawdown of $57,062 occurred during the year. Future claims for reimbursement were reduced by the excess draw.

Effect – Noncompliance with OMB Circular No. A-110

Recommendation – It was recommended that the BMA establish cash management procedures consistent with OMB Circular No. A-110.

Status – During the audit of 2014 BMA established cash management procedures that reconcile actual expenditures to cash draw needs on a periodic basis.

2012-1 – Accounting for Intra-entity transactions - $0 Questioned Costs

Condition – During the 2012 audit it was noted that the BMA did not account for intra-entity transactions in accordance with U.S. GAAP.

Status - During the audit of 2014 all transactions for the entity were recorded in accordance with U.S. GAAP and properly eliminated when preparing financial statements.

2012-2 – Accounting for Exchange Transactions (Contracts) $0 Questioned Costs

Condition – During the 2012 audit it was noted that the BMA did not account for certain transactions in accordance with U.S. GAAP. Accordingly advance receipts on exchange transactions were erroneously recorded as revenue.

Recommendation – It was recommended that the BMA develop procedures for identifying and recording exchange transactions consistent with U.S. GAAP.

Status – During the audit of 2014 exchange transactions were recorded in accordance with U.S. GAAP.

2012-3 – Salary Allocations - $0 Questioned Costs

Condition – During the 2012 audit it was noted that the BMA allocated certain multi-functional personnel to functions using budgeted and not actual effort.

Recommendation – It was recommended that the BMA allocate personnel time to functions based on the actual effort captured on the timesheets.

Status – During the audit of 2014 all salaries were recorded and allocated based on actual efforts captured on timesheets. The agency reimbursement budget allowed for the reimbursement of a proportional share of payroll from individuals in the indirect cost pool. The agency is initiating the process to establish a federally approved indirect cost rate.
C. Material Weaknesses in Internal Control over Federal Awards - Continued

2014 - NONE

2012-5 – Allowable Costs/Cost Principles - $0 Questioned Costs

Condition – During the 2012 audit it was noted that four multi-functional employees were allocated to functions and the Federal program based on budgeted and not actual efforts.

Recommendation – It was recommended that the BMA allocate personnel time to functions based on the actual effort captured on the timesheets.

Status – During the audit of 2014 salary was recorded and allocated based on actual efforts captured on timesheets.