

METROPOLITAN INTERDENOMINATIONAL CHURCH

**INDEPENDENT AUDITORS' REPORT
AND FINANCIAL STATEMENTS
AND SUPPLEMENTAL INFORMATION**

FOR THE YEAR ENDED DECEMBER 31, 2012

METROPOLITAN INTERDENOMINATIONAL CHURCH

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INDEPENDENT AUDITORS' REPORT

To the Ecclesiastical Council of
Metropolitan Interdenominational Church
Nashville, Tennessee

Report on the Financial Statements

We have audited the accompanying financial statements of *Metropolitan Interdenominational Church*, which is comprised of the statement of financial position as of December 31, 2012, 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 *Metropolitan Interdenominational Church* as of December 31, 2012, 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

Supporting Data

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of *Metropolitan Interdenominational Church*. 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 (SEFA)*, is presented for purposes of additional analysis and are not a required part of the basic financial statements of *Metropolitan Interdenominational Church*. 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. The information has also been subjected to certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, as of August 31, 2014, we have issued our report on our consideration of *Metropolitan Interdenominational Church'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 *Metropolitan Interdenominational Church's* internal control over financial reporting and compliance.



Hoskins & Company
August 31, 2014

METROPOLITAN INTERDENOMINATIONAL CHURCH
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2012

Assets	
Current assets	
Cash and cash equivalents	\$ 25,524
Investments	33,720
Accounts/Grants receivable	69,737
Total current assets	128,982
Noncurrent assets	
Property and equipment, net (Note 2)	224,809
Total noncurrent assets	224,809
Total assets	\$ 353,791
Liabilities and net assets	
Current liabilities	
Accounts payable	\$ 167,134
Payroll payable	40,235
Occupancy payable	33,600
Line of credit	-
Current portion of mortgage payable (Note 4)	20,774
Total current liabilities	261,743
Noncurrent liabilities	
Mortgage payable, less current portion (Note 4)	566,979
Total liabilities	828,723
Net assets	
Total net assets - unrestricted	(474,932)
Total liabilities and net assets	\$ 353,791

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

METROPOLITAN INTERDENOMINATIONAL CHURCH
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>MIC</u>	<u>FRC</u>	<u>TOTAL</u>
Unrestricted net assets			
Unrestricted support-church			
Grant revenue	\$ -	\$ 933,905	\$ 933,905
Offering and other support	413,669	-	413,669
Investment income	4,091	-	4,091
Total unrestricted support	<u>417,760</u>	<u>933,905</u>	<u>1,351,665</u>
Total unrestricted net assets	417,760	933,905	1,351,665
Expenses			
General church operations	695,870	-	695,870
Housing Opportunities for Persons with AIDS	-	35,798	35,798
HIV Comprehensive Primary Health Care Services	-	205,777	205,777
Epidemiologic Research Studies of AIDS and HIV	-	258,081	258,081
HIV Core Medical and Support Services	-	145,612	145,612
Substance Abuse and Mental Health Services	-	145,516	145,516
Total expenses	<u>695,870</u>	<u>790,784</u>	<u>1,486,653</u>
Decrease in unrestricted net assets	(278,110)	143,121	(134,988)
Net assets, beginning of year	<u>(612,560)</u>	<u>272,616</u>	<u>(339,944)</u>
Net assets end of year	<u><u>(890,670)</u></u>	<u><u>415,737</u></u>	<u><u>\$ (474,932)</u></u>

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

METROPOLITAN INTERDENOMINATIONAL CHURCH
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2012

Cash flows from operating activities	
Decrease in net assets	\$ (134,988)
Adjustments to reconcile net assets to net cash provided by (used in) operating activities:	
Depreciation	14,056
Decrease in accounts receivable	138,285
Increase in accounts payable	26,832
Decrease in payroll payable	(9,244)
Decrease in occupancy payable	(32,062)
Decrease in interest payable	-
Net cash provided by operating activities	2,879
Cash flows from investing activities	
Net change in investments	(2,452)
Net cash used in investing activities	(2,452)
Cash flows from financing activities	
Pay-off of line of credit	(99,416)
Increase in mortgage due to line of credit	95,891
Principal payments on mortgage	(14,535)
Net cash used in financing activities	(18,060)
Net decrease in cash and cash equivalents	(17,633)
Beginning cash and cash equivalents	43,157
Ending cash and cash equivalents	\$ 25,524
Interest paid	\$ 49,236

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

METROPOLITAN INTERDENOMINATIONAL CHURCH
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2012

General church operations		
Pastor's salary	\$	89,364
Music ministry salary		18,612
Administrative assistant salary		20,384
Clerical salary		10,441
Sextons salary		13,791
Unallocated payroll costs		44,755
Health insurance		63,036
Church operations		38,092
Outside contract services		360
Other contractual services		1,639
Payroll taxes		11,309
Bank charges		10,602
Books and publications		14,287
Benevolence		31,732
Equipment rental and maintenance		17,316
FRC prevention program		40,567
FRC operations		1,513
Fellowship activity		771
Honorarium		100
Guarantors and other insurances		30,698
Janitorial services		29,583
Building expenses		16,093
Building insurance		5,582
Maintenance and repairs		4,124
Maintenance supplies		356
Occupancy expense		30,688
Other expenses		1,831
Payroll fees		2,577
Postage		347
Printing and duplication		1,692
Security		399
Travel		818
Telephone, Telecommunications		11,969
Utilities		48,110
Office supplies & worship supplies		16,318
Corporation fees		640
Miscellaneous		2,082
Interest expense		49,236
Depreciation		14,056
		<hr/>
Total General church operations	\$	<u>695,870</u>

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

**METROPOLITAN INTERDENOMINATIONAL CHURCH
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2012**

Housing Opportunities for Persons with AIDS (HOPWA)	
Personnel	\$ 32,872
Other	2,926
Total HOPWA Expenses	<u>\$ 35,798</u>
 HIV Comprehensive Primary Health Care Outpatient Services (HRSA)	
Personnel	\$ 55,966
Contractual	135,799
Travel	2,798
Outside contract services	297
Other	10,917
Total HRSA Expenses	<u>\$ 205,777</u>
 Epidemiologic Research Studies of AIDS and HIV (MICTAN)	
Personnel	\$ 116,811
Indirect program travel	4,651
Indirect program utilities	3,542
Contractual	34,066
Travel	58,020
Meetings	20,227
Occupancy	12,600
Printing and copying	1,982
Other	6,182
Total MICTAN Expense	<u>\$ 258,081</u>
 HIV Core Medical and Support Services (Ryan White Part A)	
Personnel	\$ 84,412
Indirect program travel	1,068
Indirect program utilities	2,336
Contractual	25,070
Telephone, Telecommunications	4,778
Meetings	166
Occupancy	7,112
Contract services	10,657
Other Program Costs	10,013
Total Ryan White Part A Expenses	<u>\$ 145,612</u>
 Substance Abuse and Mental Health Services (SAMHSA)	
Personnel	\$ 136,079
Indirect program travel	3,596
Contractual	1,540
Travel	270
Meetings	1,003
Other	3,028
Total SAMHSA Expenses	<u>\$ 145,516</u>

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

METROPOLITAN INTERDENOMINATIONAL CHURCH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 1---NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

Metropolitan Interdenominational Church (the "Church") is a religious organization independent of any incorporated religious order. The Board of Directors of the Church, the Ecclesiastical Council, constitutes the general management and advisory board of the Church. The Church creates avenues for individuals to realize the God-given possibilities of life: sharing the good news of redemption, reconciliation, restoration, renewal and resurrection. In meeting its objectives to provide improved community conditions, the Church developed programs through the First Response Center (FRC) to provide needed services in Davidson County communities. The Church's FRC programs address the needs of the dispossessed and disenfranchised in the community by offering an array of services: outreach, prevention education, risk reduction counseling, case management, pastoral counseling, and medical care to individuals living with HIV and technical assistance to other faith communities.

The Church has been awarded grants through the State of Tennessee Department of Health and Human Services, other government agencies and nongovernmental organizations. With these funds, the Church provides services in Davidson County and the surrounding areas.

Basis of Presentation

The financial statements of the Church have been prepared on an accrual basis and accordingly revenue is recognized when earned, support and promises to give are recognized when received and expenses are recorded when incurred.

The financial statement presentation follows the recommendations of the *Financial Accounting Standard Board's Accounting Standard Codification 958* (FASB ASC 958). Under FASB ASC 958, the Church is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Financial position and activities are classified based on the existence or absence of donor restrictions as follows:

Unrestricted Net Assets — Net assets that are not temporarily or permanently restricted by explicit donor stipulations or by law.

Temporarily Restricted Net Assets — Net assets of gifts of cash and other assets, accepted by board actions, that are received with donor stipulations that limit the use of the donated assets, or designated as support for future periods. At December 31, 2012, the Church had no temporarily restricted net assets.

Permanently Restricted Net Assets — Net assets, accepted by board actions, subject to donor's stipulation that require the asset to be invested in perpetuity. At December 31, 2012, the Church had no permanently restricted net assets.

**METROPOLITAN INTERDENOMINATIONAL CHURCH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

Cash and Cash Equivalents

Cash and cash equivalents consist of cash held in checking accounts. The carrying amount reported in the statement of financial position for cash and cash equivalents approximates its fair value. For purposes of the statement of cash flows, the Church considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Property and Equipment

Purchased property and equipment are capitalized at cost. Donations of property and equipment are capitalized at their estimated fair market value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions.

Property and equipment are depreciated using the straight line method over the following estimated useful lives:

Building and improvements	20 – 39 years
Vehicles and equipment	3 — 5 years

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income Taxes

The Church is a not-for-profit organization that is exempt from income taxes under section 501(c)(3) of the Internal Revenue Code and is classified by the Internal Revenue Service as other than a private foundation.

NOTE 2---PROPERTY AND EQUIPMENT

Major classes of property and equipment consisted of the following at December 31, 2012:

Land	\$ 72,500
Buildings and improvements	485,425
Equipment and vehicles	121,004
Less: accumulated depreciation	<u>(454,120)</u>
Total property and equipment	<u>\$ 224,809</u>

**METROPOLITAN INTERDENOMINATIONAL CHURCH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

NOTE 3---MORTGAGE PAYABLE

The Church has a mortgage credit agreement with Renasant Bank for a construction project, with a fixed interest rate of 7.5%. This long term debt is secured by the Church building. The mortgage was refinanced in October 2012 by consolidating the line of credit stated in NOTE 4 with a fixed interest rate of 6.5%, and monthly principal and interest payment of \$4,676. The mortgage term ends on October 20, 2017. A summary of maturities at December 31, 2012 over the remaining term is as follows:

December 31, 2013	\$	20,774
December 31, 2014		19,195
December 31, 2015		20,484
December 31, 2016		21,852
Thereafter		505,448
	<u>\$</u>	<u>587,753</u>

NOTE 4---LINE OF CREDIT

The Church entered into a \$100,000 revolving line of credit agreement with Renasant Bank bearing an interest rate of 4.25%. This line of credit is secured by second collateral on the church building. (See Note 3 on first collateral). The line of credit was consolidated with the Church's mortgage loan stated in Note 3 in October 2012.

NOTE 5---OPERATING LEASE/OCCUPANCY

The Church leased properties located at 21st Avenue North and 15th Avenue Baptist CDC for First Response Center (FRC) operations, research studies program (MICTAN), and the medical and support services program (Ryan White Part A). Rent expense under this operating lease term was \$50,400 as of December 31, 2012. Occupancy expense is allocated among these three programs.

NOTE 6---INDIRECT COSTS

For the year ended December 31, 2012, the Church was approved an indirect rate up to the maximum of 20 % for use on grants, contracts and other agreements with the Federal Government in accordance with the authority of the Office of Management and Budget Circular A-122. Indirect costs are calculated on direct salaries and wages excluding fringe benefits. This rate is provided to the Church on all awards.

NOTE 7---FINANCIAL CONDITION AND OTHER CONTINGENCIES

The Church's current liabilities exceed current assets by \$132,761. Grant revenue in 2012 decreased by approximately \$668,000. As of July 2014, the liability for occupancy expense has increased to \$78,000 for non-payment of rent at 21st Avenue North and 15th Avenue Baptist CDC. A medical lab vendor has filed a lawsuit for nonpayment of invoices totaling \$29,000. The Church has offered a payment of \$10,000 to settle the invoices; however, the vendor has not accepted this offer.

METROPOLITAN INTERDENOMINATIONAL CHURCH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012

NOTE 8 –SUBSEQUENT EVENTS

The Church evaluates events occurring after the date of the financial statements to consider whether the impact of certain events should be disclosed in the financial statements. This evaluation was done through August 31, 2014, the date the financial statements were available to be issued. **Note 7** reflects those events that have occurred after the date of the financial statements.

SUPPLEMENTAL INFORMATION

**METROPOLITAN INTERDENOMINATIONAL CHURCH
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2012**

<u><i>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</i></u>	<u><i>Federal CFDA Number</i></u>	<u><i>Federal Expenditures</i></u>
Department of Health and Human Services Direct Programs:		
Outpatient EIS Program with Respect to HIV Disease	93.918	\$ 205,777
HIV Care Formula Grants	93.917	145,612
HIV Prevention Activities	93.939	258,081
Non-Governmental Organization Based Substance Abuse and Mental Health Services	93.243	145,516
<i>Total Department of Health and Human Services Direct Programs</i>		<hr/> \$754,586
Department of Housing and Urban Development Direct Programs:		
Housing Opportunities for Persons with AIDS	14.241	\$ 35,798
<i>Total Department of Housing and Urban Development</i>		<hr/> \$35,798
 <i>Total Expenditures of Federal Awards</i>		 <hr/> <hr/> \$790,384

**METROPOLITAN INTERDENOMINATIONAL CHURCH
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2012**

NOTE 1---SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards for the year ended December 31, 2012, is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-122, *Cost Principles for Non-Profit Organizations*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**INDEPENDENT AUDITORS' 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***

To the Ecclesiastical Council of
Metropolitan Interdenominational Church
Nashville, Tennessee

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 *Metropolitan Interdenominational Church*, which comprise the statement of financial position as of December 31, 2012, and the related statements of activities, changes net assets, and cash flows for the year then ended and the related notes to the financial statements, and have issued our report thereon dated August 31, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered *Metropolitan Interdenominational Church'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 *Metropolitan Interdenominational Church's* internal control. Accordingly, we do not express an opinion on the effectiveness of *Metropolitan Interdenominational Church's* internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as item, MIC-2012-F1 and F2 to be material weaknesses.

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. We did not identify deficiencies considered to be significant deficiencies.

Compliance and Other Matters

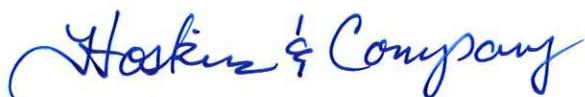
As part of obtaining reasonable assurance about whether *Metropolitan Interdenominational Church's* financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item, MIC-2012-F3 through F6.

Metropolitan Interdenominational Church's Response to Findings

Metropolitan Interdenominational Church's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Metropolitan Interdenominational Church's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Hoskins & Company

August 31, 2014

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY
OMB CIRCULAR A-133**

To the Ecclesiastical Council of
Metropolitan Interdenominational Church
Nashville, Tennessee

Report on Compliance for Each Major Federal Program

We have audited *Metropolitan Interdenominational Church'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 *Metropolitan Interdenominational Church's* major federal programs for the year ended December 31, 2012. *Metropolitan Interdenominational Church's* major federal programs are identified in the "Summary of Auditors' 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.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of *Metropolitan Interdenominational Church'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 in *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 Organizations*. 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 *Metropolitan Interdenominational Church'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 *Metropolitan Interdenominational Church's* compliance.

Basis for Qualified Opinion on Ryan White HIV/AIDS Program Part C and HIV Prevention Activities_Non-Governmental Organization Based

As described in the accompanying schedule of findings and questioned costs, *Metropolitan Interdenominational Church* did not comply with requirements regarding CFDA 93.918 Ryan White HIV/AIDS Program Part C and CFDA 93.939 HIV Prevention Activities_Non-Governmental Organization Based as described in finding numbers MIC-2012-F3 and MIC-2012-F4 for Activities Allowed or Unallowed; MIC-2012-F1, MIC-2012-F2, and MIC-2012-F5 for Reporting; MIC-2012-F3 for Cash Management, and MIC-2012-F6 for Period of Availability of Federal Funds. Compliance with such requirements is necessary, in our opinion, for *Metropolitan Interdenominational Church* to comply with the requirements applicable to those programs.

Qualified Opinion on Ryan White HIV/AIDS Program Part C and HIV Prevention Activities_Non-Governmental Organization Based

In our opinion, except for the noncompliance described in the “Basis for Qualified Opinion” paragraph, *Metropolitan Interdenominational Church* complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on CFDA 93.918 Ryan White HIV/AIDS Program Part C and CFDA 93.939 HIV Prevention Activities_Non-Governmental Organization Based for the year ended December 31, 2012.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items MIC-2012-F3 through MIC-2012-F6. Our opinion on each major federal program is not modified with respect to these matters.

Metropolitan Interdenominational Church's responses to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. *Metropolitan Interdenominational Church's* response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of *Metropolitan Interdenominational Church* 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 *Metropolitan Interdenominational Church's* internal control over compliance with the types of requirements that could have a direct and material effect on each major federal 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 *Metropolitan Interdenominational Church's* internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

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 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.

We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items MIC-2012-F3 through MIC-2012-F6 to be material weaknesses. *Metropolitan Interdenominational Church's* responses to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. *Metropolitan Interdenominational Church's* response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response. 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.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

We have audited the financial statements of *Metropolitan Interdenominational Church* as of and for the year ended December 31, 2012, and have issued our report thereon dated August 31, 2014, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 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 schedule of expenditure of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.



Hoskins & Company

August 31, 2014

**METROPOLITAN INTERDENOMINATIONAL CHURCH
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

I. SUMMARY OF INDEPENDENT AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued:

Unmodified

Internal control over financial reporting:

- Material weakness (es) identified? X Yes ___ No
- Significant deficiency (ies) identified? ___ Yes X None Reported

Noncompliance material to financial statements noted? ___ Yes X None Reported

Federal Awards

Internal control over major programs:

- Material weakness (es) identified? X Yes ___ No
- Significant deficiency (ies) identified? ___ Yes X None Reported

Type of auditors' report issued on compliance for major programs:

Modified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? X Yes ___ No

Major programs

CFDA Number	Grantor	Name of Federal Program	Amount Expended
93.939	Department of Health & Human Services	HIV Prevention Activities-Non Governmental Organization Based	\$ 258,081.00
93.918	Department of Health & Human Services	Ryan White HIV/AIDs Program Part C	\$ 205,777.00

Dollar threshold used to distinguish between type A and type B program \$500,000

Auditee qualified as low-risk auditee? ___ Yes X No

**METROPOLITAN INTERDENOMINATIONAL CHURCH
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

II. FINANCIAL STATEMENT FINDINGS

MIC-2012-F1

Criteria, Condition, Context, Cause and Effect

The Church's financial reporting software was not operating smoothly to produce accurate and timely financial report for proper accounting of the Church's programs. In general, an accounting and information system should provide management with accurate and timely, financial information to enable well-informed decisions to be made. The Church utilized two different accounting software systems (QuickBooks); one for the Church and one for the First Response Center. Certain accounting functions, such as proper maintenance and review of the general ledger and reconciliations of various major asset and liability accounts, were not consistently performed during the year, weakening internal controls and making financial information inaccurate. We noted instances where accounting tasks, such as monthly reconciliations of certain accounts and subsidiary ledgers to the general ledger, preparation of journal entries, period end closings, and reviews which play a key role in proving the accuracy of accounting data and financial information that comprise financial statements were not performed, performed incorrectly or were not performed in a timely manner during a significant portion of the fiscal year and after the fiscal year.

Recommendation and Benefit

We recommend that the Church continue to monitor and improve the accounting and information systems and implement proper accounting procedures that will facilitate the production of accurate financial information, and provide for accountability of assets and the maintenance of an accurate historical record of the operations. The Church's financial information system must be properly assessed and comprehended in a timely manner in order to allow management to guide and direct the Church into the future.

Management's Response:

- a. The Church updated its Information Technology (IT) System effective July 2014 allowing:
 - Implementation of the Sage Accounting System for fiscal management with completion of a soft close @ July 2014.
 - Increase server capacity to accommodate additional space needed for Sage and medical records software.
 - Enhance IT infrastructure to allow for remote access for key Church personnel.
 - Church staff and select volunteers will be trained September 9th through September 11th, 2014 in use of the Sage Accounting System.
- b. We have a well-structured policies and procedures manual that was developed in February 2010. During the month of October 2014, we will conduct a full review of the fiscal policy and procedures to test compliance for Board review and recommend changes for Board adoption by December 31, 2014.
- c. Effective July 2014, we have restructured our fiscal operations to compliment the integration of the Sage system which has allowed for improved overall monitoring on a monthly basis.

**METROPOLITAN INTERDENOMINATIONAL CHURCH
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

GRANT AND CONTRACT ACCOUNTING

MIC-2012-F2

Criteria, Condition, Context, Cause and Effect

The Church's Schedule of Expenditures of Federal Awards was not properly reconciled to grant revenue received and grant receivable. The primary reason for these errors appear to be a lack of consistent reconciliation of the Church's accounting software system.

Recommendation

We recommend that the Church continue to evaluate and improve the accounting processes for reconciliation and review of grant activity and ensure that personnel have adequate training so that grant activity is accurately recorded and reported.

Management's Response:

- Effective 2013, the Church implemented monthly reconciliations including grants reconciliation.
- The new Sage accounting system has a grants management module. Effective July 2014, we have structured the system to manage transactions at the Fund (Entity), Organization, Department, Grant and Program and general ledger (GL) levels.
 - Only transactions that relate to a specific grant can be entered for that grant.
 - Indirect and direct costs are tracked by grant.
 - Restricted and unrestricted transactions are tracked at all levels of the system.
 - Reports can be run for any established level, e.g. Fund (Entity), Organization, Department, Grant and Program and GL levels.
 - Budgets have been loaded for each grant and budget-to-actual data will be reviewed ongoing, with reporting emphasis focused on a monthly, quarterly and annual basis.

III. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

MIC-2012-F3

Criteria

- There is a 3-year record retention requirement: records shall be retained beyond the 3-year period if final audit has not been done or findings resolved.
- A-102 Common Rule and OMB Circular A-110 (2 CFR part 215) and the provisions of laws, regulations, and grant agreements applicable to the programs require that the Church establish a proper recordkeeping system.
- The grant agreements of the major programs require that reimbursement is requested only after costs have been incurred.

**METROPOLITAN INTERDENOMINATIONAL CHURCH
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

Condition and Context

- The Church was not able to provide copies of supporting documents for expenditures that incurred for the HIV Comprehensive Primary Health Care Outpatient Services Grant Award (HRSA) and the Epidemiologic Research Studies of AIDS and HIV (MICTAN)
- Cash drawdown request forms and supporting documentation were not provided for the cash management requirement.

Questioned Cost

None

Cause

- The Church did not follow the PHS Grants Policy and its record retention policy.
- High fiscal manager employee turnover.
- Lack of record review and record keeping control by management.

Effect

Lack of proper documentation increases the risk that expenditures and cash drawdowns were improperly charged against the grant receipts.

Recommendation

We recommend that the Church continue to evaluate and improve the accounting internal control processes to ensure that proper documentation is maintained for grant expenditures and drawdown requests.

Management's Response:

- a. In some instances documentation was not provided. However, it has been and continues to be the position of management that financial reporting be provided in a timely, fair and accurate manner. However, due to lost data resulting from accounting system failures and turnovers in the fiscal officer position, it has not been possible to meet these requirements in a timely manner. However, the following improvements have been made in this area:
 - New fiscal officer was hired in August 2012 and remains in place.
 - Manual reconstruction of lost data has been accomplished and deemed auditable for 2011 audit. However, this did not occur until 2013.
 - Appropriate adjustments have been made to data previously reported to grantors.

Even though we have made progress in the areas addressed above, the evidence may not be visible until fiscal year 2013.

**METROPOLITAN INTERDENOMINATIONAL CHURCH
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

- b. Effort has been made to consistently follow our policies and procedures and those of the Public Health Service (PHS) Grantors, but evidence of these improvements may not be fully visible until fiscal year 2013.
- c. A new fiscal officer was hired in August 2012 and remains in place. The fiscal office still remains under staffed due to minimal funds available to support additional staffing resources. We are looking at several options to increase our capacity in this area inclusive of but not limited to identifying volunteers with this expertise and securing additional funding for additional fiscal office personnel.
- d. Backups for the accounting systems (QuickBooks/Sage) are in place with necessary backups being done on a nightly basis. This has been in place since June 2013.
- e. The new Sage Accounting System is structured to track grant funds and properly classify and allocate them between grant programs. Evidence may not be visible until fiscal year 2014.
- f. The Church is reviewing its internal controls and grant management system to ensure that we are compliant with grant management guidelines. Evidence of our effectiveness in this area may not be visible until fiscal year 2013.

MIC-2012-F4

Criteria

The A-102 Common Rule and OMB Circular A-110 (2 CFR part 215) require that the Church establish and maintain internal controls designed to reasonably ensure compliance with federal laws, regulations, and program compliance requirements.

Condition and Context

The supporting documentation reviewed for the HIV Comprehensive Primary Health Care Outpatient Services (HRSA) program and the Epidemiologic Research Studies of AIDS and HIV (MICTAN) program did not include supervisory review and/or management review and approval.

Questioned Cost

None

Cause

The Church was not consistently following its policy and the federal laws of ongoing monitoring through independent reconciliations, supervisory review, and management review of supporting documents and reports.

**METROPOLITAN INTERDENOMINATIONAL CHURCH
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

Effect

Lack of review by management could lead to misclassification of financial statement amounts, as well as allow possible errors or misappropriation of federal funds.

Recommendation

- We recommend that the Church consistently adhere to the requirements for reviews and monitoring under the program and ensure management adequately reviews all supporting documents.
- The Church should also consistently follow its policies and procedures relating to reviews and approval of required supporting documents.

Management's Response:

- The Church has reviewed its internal controls and grant management system to ensure that we are compliant with grant management guidelines. Evidence of our effectiveness in this area may not be visible until fiscal year 2013. A full review of the fiscal policy and procedures will occur October 2014 with Board adoption by December 2014.

MIC-2012-F5

Criteria

Based on federal award agreements for the major grants selected, and based on OMB Circular A-133, Subpart C, Section 320, it is required that the Church submit an audit reporting package and data collection form to the Federal Audit Clearinghouse within nine months after December 31, 2012.

Condition and Context

The audit report for the year ended December 31, 2012, has not been submitted to the Federal Audit Clearinghouse.

Questioned Cost

None

Cause

The Church did not provide documentation needed to start and complete the audit on time.

Effect

The Church was noncompliant with timely audit report submission requirements.

**METROPOLITAN INTERDENOMINATIONAL CHURCH
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

Recommendation

- As required by the Federal Audit Clearinghouse, management should ensure that the Church submit an audit reporting package and data collection form within nine months after December 31st.

Management's Response:

Issues involving our overall accounting system and fiscal office staffing have severely impeded our ability to meet this requirement. The Church will move forward with the 2013 audit immediately after the completion of the 2012 audit. Evidence of audit deadline compliance may not be visible until the 2014 audit.

MIC-2012-F6

Criteria

Federal funds should be used only during the authorized period of availability.

Condition and Context

The Church intermingled various program funds from period to period, thus, we were not able to determine whether Federal funds were obligated within the period of availability or whether obligations were liquidated within the required time period.

Questioned Cost

None

Cause

- Management did not strictly comply with period of availability requirements.
- Management did not identify and communicate the need to comply with period of availability cut-off requirements as to both obligation and disbursement.

Effect

The Church's cash drawdowns for both major programs were more than the grant expenditure amounts and there was no reconciliation to support grant receivable and/or advances for expenditures that had not occurred.

**METROPOLITAN INTERDENOMINATIONAL CHURCH
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

CFDA	Name of Program	Drawn down amount	Total Awards Expended
93.918	HIV Comprehensive Primary Health Care Outpatient Services – Ryan White Part C Program (HRSA)	\$336,606	205,777
93.939	HIV Prevention Activities-Non-Governmental Church Based	\$327,000	258,081
	Total	\$663,606	\$463,858

Recommendation

- We recommend that management consistently monitor grant activities and analyze and review reports.
- Management should periodically compare reports to supporting records, and review expenditures before and after the cut-off date to ensure compliance with period of availability requirements.
- Management should also periodically compare budgeted and actual grant awards and expenditures within the grant program period.

Management's Response:

The fiscal office staffing has severely impeded our ability to meet the monitoring requirements in a timely manner. Effective July 2014, we have restructured our fiscal operations to compliment the integration of the Sage system which has allowed for improved overall monitoring on a monthly basis. Use of the Grants tracking module in Sage will insure that all grants, programs and other fiscal matters are managed appropriately and reviewed against established budgets. There are controls in place. Activity is analyzed, reviewed, reported and monitored on a monthly basis.

MIC-2012-F7

Criteria

Providers must impose charges for the provision of services based on the income levels of the services provided to individuals unless waived by Health Resources and Services Administration (HRSA).

Condition and Context

The Church did not post fees for services on the general ledger.

Cause

The Church's general ledger was not set up properly to include program service fees.

**METROPOLITAN INTERDENOMINATIONAL CHURCH
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

Effect

The Church may be receiving grant funds in excess of the amounts allowed based on the income level of the individuals. Individuals may be required to pay a portion of the services provided. Currently, HRSA is paying 100% for the services.

Recommendation

The Church's general ledger system should be updated to include an account for program service fees. The Church should make sure that service fees are based on the individual's income level.

Management's Response:

Effective July 2014, we have restructured our fiscal operations to compliment the integration of the Sage system which has allowed for improved overall monitoring on a monthly basis. Use of the Grants tracking module in Sage will insure that all grants, programs and other fiscal matters are managed appropriately and reviewed against established budgets.

**METROPOLITAN INTERDENOMINATIONAL CHURCH
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2012**

MIC-2011-F1

Inadequate Accounting System

The Church's financial reporting software was not operating smoothly to produce accurate and timely financial reports for proper accounting of the Church's programs.

Management's Response:

- a. The Church is currently working on an IT system which will:
 - Increase server capacity to accommodate additional space needed for Sage and medical records software.
 - Enhance IT infrastructure to allow for remote access for key Church personnel.
 - The Church is training appropriate staff and volunteers in use of the Sage accounting system.

- b. We have a well-structured policies and procedures manual that was developed in February 2010. Updates and enhancements have been made on an ongoing basis. Additional changes are being recommended as we adopt best practices for gaining optimal efficiency out of the Sage accounting system. Special emphasis is placed on ensuring that existing and new policies and procedures are adhered to at all levels of the organization.

- c. Fiscal management team has full responsibility for the day-to-day operation of the fiscal office within the scope of established policies and procedures. This includes but is not limited to:
 - Enforcement of established policy, procedural and documentation requirements.
 - Timely entry and processing of cash, accounts receivable, accounts payable and related transactions.
 - Daily, weekly, monthly, quarterly and annual account reconciliation, balancing and adjustment activities.
 - Preparation and/or development of all monthly, quarterly and annual management reports for both internal and external partners (Chief Operating Officer, Board, Grantors, Financial Institutions, Auditors, etc.).

Status

This compliance finding has not been resolved and is included in fiscal 2012 audit findings.

**METROPOLITAN INTERDENOMINATIONAL CHURCH
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2012**

MIC-2011-F2

Schedule of Expenditures of Federal Awards not reconciled to the General Ledger

Errors were noted in the Church's Schedule of Expenditures of Federal Awards (SEFA) and grants receivable amount.

Management's Response:

- The new Sage accounting system is a grants based system and we have structured the system to manage transactions at the Fund (Entity), Organization, Department, Grant and Program and GL levels.
 - Only transactions that relate to a specific grant can be entered for that grant.
 - Indirect and direct costs are tracked by grant.
 - Restricted and unrestricted transactions are tracked at all levels of the system.
 - Reports can be run by for any established level, e.g. Fund (Entity), Organization, Department, Grant and Program and GL levels.
 - Budgets will be loaded for each grant and budget-to-actual data will be reviewed ongoing, with reporting emphasis focused on a monthly, quarterly and annual basis.

Status

This compliance finding has been partially resolved. The grant revenue was properly recorded to the general ledger; however, there are still issues with grant expenditures and grant receivables.

MIC-2011-F3

Lack of documentation to support grant expenditures, grant awards and grant reports

The Church was not able to provide copies of supporting documents for grant expenditures and subsequent drawdown requests. The Church also did not maintain copies of grant award notices and required grant reports.

Management's Response:

- a. It has been and continues to be the position of management that financial reporting be provided in a timely, fair and accurate manner. However, due to lost data resulting from accounting system failures and turnovers in the fiscal officer position, it has not been possible to meet these requirements in a timely manner. However, the following improvements have been made in this area:
 - New fiscal officer was hired in August 2012 and remains in place.
 - Manual re-construction of lost data has been accomplished and deemed auditable for 2011 audit. However this did not occur until 2013.
 - Appropriate adjustments have been made to data preciously reported to grantors.

**METROPOLITAN INTERDENOMINATIONAL CHURCH
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2012**

- b. Effort has been made to consistently follow our policies and procedures and those of the PHS Grantors, but evidence of these improvements may not be fully visible until fiscal 2013.
- c. A new fiscal officer was hired in August 2012 and remains in place. The fiscal office still remains under staffed due to minimal funds available to support additional staffing resources. We are looking at several options to increase our capacity in this area inclusive of but not limited to identifying volunteers with this expertise and securing additional funding for additional fiscal office personnel.
- d. Backups for the accounting systems (QuickBooks/Sage) are in place with necessary backups being done on a nightly basis. This has been in place since June 2013.
- e. The new Sage system is structured to track grant funds and properly classify and allocate them between grant programs. Evidence may not be visible until fiscal year 2013.
- f. During 2011 the fiscal manager position was in transition. We hired a new fiscal manager in August 2012. Training was provided at the HRSA bi-annual conference and through local government funders. We believe that this training coupled with on-the-job development has provided the experience needed to effectively discharge these responsibilities.
- g. The Church is reviewing its internal controls and grant management system to ensure that we are compliant with grant management guidelines. Evidence of our effectiveness in this area may not be visible until fiscal year 2013.

Status

This compliance finding has been partially resolved. The Church was able to provide copies of all grant award notices, and the Federal Cash Transaction Report for 2012. However, there are still issues with maintaining support for grant expenditures and grant drawdown requests.

MIC-2011-F4

Lack of adequate internal controls

Grant expenditures documentation did not indicate that proper approval and/or authorization was obtained prior to incurring such expenditures.

Management's Response:

The Church is reviewing its internal controls and grant management system to ensure that we are compliant with grant management guidelines. Evidence of our effectiveness in this area may not be visible until fiscal year 2013.

Status

This compliance finding has not been resolved and is included in fiscal 2012 audit findings.

**METROPOLITAN INTERDENOMINATIONAL CHURCH
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2012**

MIC-2011-F5

Audit Report not Submitted Timely

The audit report for the year ended December 31, 2011, was not submitted to the Federal Audit Clearinghouse in a timely manner.

Management's Response:

Issues involving our overall accounting system and fiscal office staffing have severely impeded our ability to meet this requirement. We acknowledge that the deadline for the 2012 audit of September 2013 has passed. With the completion of the 2011 audit, we are positioned to have all audits current by September 2014.

Status

This compliance finding has not been resolved and is included in fiscal 2012 audit findings

MIC-2011-F6

Lack of documentation to determine whether Federal funds were used during authorized period of availability

The Church intermingled various program funds from period to period, thus, we were not able to determine whether Federal funds were obligated within the period of availability or whether obligations were liquidated within the required time period.

Management's Response:

- There are controls in place. Activity is analyzed, reviewed, reported and monitored on a monthly basis.
- There are controls in place. Activity is analyzed, reviewed, reported and monitored on a monthly basis.
- There are controls in place whereby activity is analyzed, reviewed, reported and monitored on a monthly basis.

Status

This compliance finding has not been resolved and is included in fiscal 2012 audit findings.