

Financial Statements

Spokane Independent Metro Business Alliance
(a nonprofit organization)
Includes Supplemental Information
Year Ended December 31, 2023



Table of Contents

Independent Auditors' Report	3
Financial Statements	
Statement of Financial Position	6
Statement of Activities	7
Statement of Functional Expenses	8
Statement of Cash Flows	9
Notes to Financial Statements	10
Supplementary Information	
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 <i>Government Auditing Standards</i>	15
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance	17
Schedule of Expenditures of Federal Awards	20
Notes to Schedule of Expenditures of Federal Awards	21
Schedule of Findings and Questioned Costs	22
Schedule of Prior Audit Findings	24

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Spokane Independent Metro Business Alliance
Spokane, Washington

Report on the Financial Statements

We have audited the accompanying financial statements of Spokane Independent Metro Business Alliance (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statement present fairly, in all material respects, the financial position of Spokane Independent Metro Business Alliance as of December 31, 2023, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Spokane Independent Metro Business Alliance and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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 misstatements, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Spokane Independent Metro Business Alliance's ability to continue as a going concern for one year after the date that the financial statements are issued.





Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Spokane Independent Metro Business Alliance's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Spokane Independent Metro Business Alliance's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.



Supplementary Information

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, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements.

The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 30, 2024 on our consideration of Spokane Independent Metro Business Alliance'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 solely 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 the effectiveness of Spokane Independent Metro Business Alliance's 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 Spokane Independent Metro Business Alliance's internal control over financial reporting and compliance.

Harrie CPAs P.C.

Coeur d'Alene, Idaho
October 30, 2024

SPOKANE INDEPENDENT METRO BUSINESS ALLIANCE
STATEMENT OF FINANCIAL POSITION
For the Year Ended December 31, 2023

ASSETS

Current Assets

Cash and cash equivalents	\$	164,476
Accounts receivable		62,573
Deposits		<u>250</u>

Total Current Assets 227,299

Total Assets \$ 227,299

LIABILITIES AND NET ASSETS

Current Liabilities

Accounts payable	\$	36,527
Accrued payroll and related costs		20,304
Other accrued liabilities		<u>1,612</u>

Total Current Liabilities 58,443

Net Assets

Without donor restrictions 168,856

Total Liabilities and Net Assets \$ 227,299

See notes to financial statements.

SPOKANE INDEPENDENT METRO BUSINESS ALLIANCE
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2023

	<u>Without Donor Restrictions</u>
Revenue and Other Support	
Grants	\$ 1,143,468
Membership dues	8,158
Donations	1,845
Other income	<u>662</u>
Total Revenue	1,154,133
Expenses	
Program services	
Live local	949,904
Technical and business assistance	139,684
Member services	12,117
Equitable development and advocacy	<u>8,979</u>
Total Program Services	1,110,684
Supporting services	
Administration	<u>50,107</u>
Total Expenses	<u>1,160,791</u>
Change in Net Assets	(6,658)
Net Assets	
Beginning of Year	<u>175,514</u>
End of Year	<u>\$ 168,856</u>

See notes to financial statements.

SPOKANE INDEPENDENT METRO BUSINESS ALLIANCE
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2023

	<u>Program Services</u>					<u>Admin</u>	<u>Total</u>
	<u>Live Local</u>	<u>Technical and Business Assistance</u>	<u>Member Services</u>	<u>Equitable Development and Advocacy</u>			
Subcontractors	\$ 561,346	\$ 6,356	\$ 385	\$ 7,670	\$ 1,596	\$ 577,353	
Grants	205,500					205,500	
Personnel costs	45,700	97,547	8,464	559	34,776	187,046	
Taxes & licenses	26,958	16,356	1,520		6,297	51,131	
Advertising & marketing	39,697					39,697	
Professional services	15,451	7,929	699	200	4,429	28,708	
Events	17,577					17,577	
Occupancy	10,128				503	10,631	
Other operating expenses	<u>27,547</u>	<u>11,496</u>	<u>1,049</u>	<u>550</u>	<u>2,506</u>	<u>43,148</u>	
	<u>\$ 949,904</u>	<u>\$ 139,684</u>	<u>\$ 12,117</u>	<u>\$ 8,979</u>	<u>\$ 50,107</u>	<u>\$ 1,160,791</u>	

See notes to financial statements.

SPOKANE INDEPENDENT METRO BUSINESS ALLIANCE
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2023

Cash Flow From Operating Activities	
Change in net assets	\$ (6,658)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:	
Changes in operating assets and liabilities:	
Accounts receivable	(11,840)
Deposits	(250)
Accounts payable	25,932
Accrued payroll and related costs	18,662
Other accrued liabilities	<u>1,612</u>
Net Cash Provided (Used) by Operating Activities	<u>27,458</u>
Net Change in Cash and Cash Equivalents	27,458
Cash and Cash Equivalents, Beginning of Year	<u>137,018</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 164,476</u></u>

See notes to financial statements.

SPOKANE INDEPENDENT METRO BUSINESS ALLIANCE

NOTES TO FINANCIAL STATEMENTS

Note A – Summary of Significant Accounting Policies

Nature of Organization

Spokane Independent Metro Business Alliance (SIMBA) is a nonprofit organization, organized in the State of Washington dedicated to creating an environment for local, independently-owned businesses in Spokane and Eastern Washington to thrive through organizing, education, direct support and advocacy.

Basis of Accounting

The financial statements of Spokane Independent Metro Business Alliance, Inc. have been prepared on the accrual basis of accounting, in accordance with accounting principles generally accepted in the United States of America.

Basis of Presentation

SIMBA reports net assets, revenues, expenses, gains and losses according to two classes of net assets: with donor restrictions and without donor restrictions. Net assets without donor restrictions are available for use at the discretion of the Board of Directors and/or management for general operating purposes. Net asset with donor restrictions consist of assets whose use is limited by donor-imposed, time and/or purpose restrictions. As of December 31, 2023, there were no net assets with donor restrictions.

Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Cash and Cash Equivalents

SIMBA considers all unrestricted, short-term, highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

Concentrations of Credit Risk

Financial instruments that potentially subject SIMBA to significant concentrations of credit risk consist principally of cash. Accounts at financial institutions are insured by the Federal Deposit Insurance Corporation for up to \$250,000. At times during the year, balances on deposit may exceeded Federal Deposit Insurance Corporation (FDIC) insured limits. There were no uninsured cash balances as of December 31, 2023.

SPOKANE INDEPENDENT METRO BUSINESS ALLIANCE

NOTES TO FINANCIAL STATEMENTS

Note A – Summary of Significant Accounting Policies (Continued)

Accounts Receivable

Accounts receivable consist of member dues and grants receivable. Member dues are recorded as receivable in the period they are earned. Grants receivable are recorded when an unconditional promise to give is made by the granting agency or when reimbursable expenses have been incurred. No allowance for uncollectible accounts is considered necessary as all amounts are considered collectible.

Fair Value

SIMBA uses fair value for reporting financial assets and liabilities. A hierarchy for reporting the reliability of input measurements is used to assess fair value for all assets and liabilities. Fair value is defined as the selling price that would be received for an asset, or paid to transfer a liability, in the principal or most advantageous market on the measurement date. The hierarchy established prioritizes fair value measurements based on the types of inputs used in the valuation technique. Certain financial instruments are carried at cost on the statement of financial position, which approximates fair value due to their short term, highly liquid nature.

Grants and Contributions

Contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted by the donor for specific purposes are reported as contributions with donor restrictions that increases that net asset class. When donor restrictions expire, that is, when a time restriction ends and/or a purpose restriction is fulfilled, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restriction. As of December 31, 2023, SIMBA did not have any net assets with donor restrictions.

Contributed nonfinancial assets

SIMBA records in-kind goods based on the fair value hierarchy levels described in generally accepted accounting principles. The Organization recognizes donated services if they create or enhance non-financial assets or require specialized skills and would typically be purchased if not provided by donation. In-kind contributions are recognized as revenue when received and as expenditures when the resources are consumed.

SPOKANE INDEPENDENT METRO BUSINESS ALLIANCE

NOTES TO FINANCIAL STATEMENTS

Note A – Summary of Significant Accounting Policies (Continued)

Revenue Concentration

SIMBA received approximately 94% of its revenues and support from federal agencies for the year ended December 31, 2023. Changes in federal funding could substantially impact the organization.

Functional Allocation of Expense

The cost of providing the various programs and other activities has been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited on a reasonable basis that is consistently applied. Wages, employee benefits, and certain general operating expenses have been allocated based on the percentage of hours worked on each program. 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.

Advertising Expense

SIMBA expenses advertising as costs are incurred. Total advertising expense was \$36,697 for the year ended December 31, 2023.

Income Taxes

SIMBA is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and comparable state law. Accordingly, no provision for income taxes is made in the financial statements.

Uncertain Tax Positions

The accounting standard on accounting for uncertainty in income taxes addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under that guidance, IPCA may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement. There were no unrecognized tax benefits identified or recorded as liabilities for 2023. SIMBA files Form 990 in the U.S. federal jurisdiction.

SPOKANE INDEPENDENT METRO BUSINESS ALLIANCE
NOTES TO FINANCIAL STATEMENTS

Note A – Summary of Significant Accounting Policies (Continued)

Subsequent Events

SIMBA has evaluated subsequent events through October 30, 2024, which is the date the financial statements were available to be issued.

Note B – Liquidity and Availability of Resources

SIMBA’s financial assets available within one year of the statement of financial position date for general expenditures are as follows:

Cash and cash equivalents	\$ 164,476
Accounts receivable	<u>62,573</u>
Total financial assets available within one year	<u>\$ 227,049</u>

As part of SIMBA’s liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. At December 31, 2023, all net assets without donor restrictions are available for payment of any major expenditures incurred, except for grants receivable which are available when the receivable is collected which is expected within the next year.

SUPPLEMENTARY INFORMATION

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 Board of Directors
Spokane Independent Metro Business Alliance
Spokane, Washington

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 Spokane Independent Metro Business Alliance (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 30, 2024.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Spokane Independent Metro Business Alliance'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 Spokane Independent Metro Business Alliance's internal control. Accordingly, we do not express an opinion on the effectiveness of the Association'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 Spokane Independent Metro Business Alliance's financial statements are free of 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 association's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering SIMBA's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Harvie CPAs P.C.

Coeur d'Alene, Idaho
October 30, 2024

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors
Spokane Independent Metro Business Alliance
Spokane, Washington

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited of Spokane Independent Metro Business Alliance's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Spokane Independent Metro Business Alliance's major federal programs for the year ended December 31, 2023. All of Spokane Independent Metro Business Alliance's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Spokane Independent Metro Business Alliance complied, in all material respects, with the 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, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Spokane Independent Metro Business Alliance and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Spokane Independent Metro Business Alliance's compliance with the compliance requirements referred to above.





Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Spokane Independent Metro Business Alliance's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Spokane Independent Metro Business Alliance's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Spokane Independent Metro Business Alliance's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Spokane Independent Metro Business Alliance's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Spokane Independent Metro Business Alliance's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Spokane Independent Metro Business Alliance's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.



Report on 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 a 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 a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Harvie CPAs P.C.

Coeur d'Alene, Idaho
October 30, 2024

SPOKANE INDEPENDENT METRO BUSINESS ALLIANCE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2023

<u>Federal Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
U.S. DEPARTMENT OF THE TREASURY			
Pass through from Washington State Dept of Commerce			
Office of Economic Development & Competitiveness			
Coronavirus State and Local Fiscal			
Recovery Funds Grant	21.027	N/A	\$ 983,749
Pass through from Washington State Dept of Commerce			
Community Engagement and Outreach Division			
Coronavirus State and Local Fiscal			
Recovery Funds Grant	21.027	N/A	63,249
Pass through from City of Spokane, Washington			
Coronavirus State and Local Fiscal			
Recovery Funds Grant	21.027	N/A	<u>41,581</u>
Total U.S. Department of the Treasury			
Coronavirus State and Local Fiscal Recovery Cluster			<u>1,088,579</u>
Total expenditures of federal awards			<u>\$ 1,088,579</u>

See notes to schedule of expenditures of federal awards.

SPOKANE INDEPENDENT METRO BUSINESS ALLIANCE NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note A – Basis of Presentation

The accompanying schedule of expenditures of federal awards include the federal award activity of Spokane Independent Metro Business Alliance under programs of the federal government for the year ended December 31, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Spokane Independent Metro Business Alliance, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Spokane Independent Metro Business Alliance.

Note B – Summary of Significant Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Spokane Independent Metro Business Alliance has elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

SPOKANE INDEPENDENT METRO BUSINESS ALLIANCE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2023

Section I – Summary of Audit Results

Financial Statements:

Type of auditors' report issued:		Unmodified	
Internal control over financial reporting:			
• Material weakness identified?	_____ yes	<u> X </u> no	
• Significant deficiencies identified that are not considered to be material weaknesses?	_____ yes	<u> X </u> none reported	
Noncompliance material to the financial statements noted?	_____ yes	<u> X </u> no	

Federal Awards:

Internal control over major programs:			
• Material weakness identified?	_____ yes	<u> X </u> no	
• Significant deficiencies identified that are not considered to be material weaknesses?	_____ yes	<u> X </u> none reported	
Type of auditors' report issued on compliance for major programs:		Unmodified	
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance 2 CFR 200.516?	_____ yes	<u> X </u> no	

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
21.027	Coronavirus State and Local Fiscal Recovery Funds Grant
Dollar threshold used to distinguish between type A and type B programs:	\$ 750,000
Auditee qualified as a low-risk auditee?	_____ yes <u> X </u> no

SPOKANE INDEPENDENT METRO BUSINESS ALLIANCE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
For the Year Ended December 31, 2023

Section II – Financial Statement Findings

No findings related to the financial statements were noted which would be required to be reported under generally accepted governmental auditing standards (GAGAS).

Section III – Federal Award Findings and Questioned Costs

No findings related to the federal awards were noted which would be required to be reported under generally accepted governmental auditing standards (GAGAS) and the Uniform Guidance.

SPOKANE INDEPENDENT METRO BUSINESS ALLIANCE
SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended December 31, 2023

There were no prior audit findings.