

**MEALS ON WHEELS ATLANTA, INC.
AND AFFILIATE**

COMBINED FINANCIAL REPORT

JUNE 30, 2017

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TABLE OF CONTENTS

Page

INDEPENDENT AUDITOR'S REPORT	1 and 2
---	----------------

FINANCIAL STATEMENTS

Combined statements of financial position	3
Combined statements of activities and changes in net assets	4 and 5
Combined statements of functional expenses.....	6 and 7
Combined statements of cash flows	8
Notes to combined financial statements	9-17

SINGLE AUDIT SECTION

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS.....	18 and 19
--	------------------

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.....	20 and 21
--	------------------

Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance.....	22 and 23
--	------------------

Schedule of findings and questioned costs	24 and 25
--	------------------

Summary schedule of prior audit findings	26
---	-----------

SUPPLEMENTARY INFORMATION

Independent Auditor's Report on Supplementary Information	27
--	-----------

Combined statements of activities and changes in net assets by program and facility operations	28 and 29
---	------------------

Combining statements of financial position	30 and 31
---	------------------

Combining statements of activities and changes in net assets	32 and 33
---	------------------



INDEPENDENT AUDITOR'S REPORT

**To the Board of Directors
Meals on Wheels Atlanta, Inc. and Affiliate
Atlanta, Georgia**

Report on the Financial Statements

We have audited the accompanying combined financial statements of **Meals on Wheels Atlanta, Inc.** and Affiliate (a nonprofit organization), which comprise the combined statements of financial position as of June 30, 2017 and 2016, and the related combined statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the combined financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these combined financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these combined financial statements based on our audits. We conducted our audits 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 combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined 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 combined 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 combined 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 combined financial statements referred to above present fairly, in all material respects, the financial position of Meals on Wheels Atlanta, Inc. and Affiliate as of June 30, 2017 and 2016, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the combined 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 combined 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 combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined 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 combined 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 December 20, 2017, on our consideration of Meals on Wheels Atlanta, Inc. and Affiliate'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 Meals on Wheels Atlanta, Inc. and Affiliate's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Atlanta, Georgia
December 20, 2017

**MEALS ON WHEELS ATLANTA, INC.
AND AFFILIATE**

**COMBINED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2017 AND 2016**

<u>ASSETS</u>	<u>2017</u>	<u>2016</u>
<u>Current Assets</u>		
Cash and cash equivalents	\$ 405,348	\$ 486,516
Accounts receivable		
Grants and contracts receivable	455,007	531,499
Promises to give, net	66,364	91,425
Accrued interest receivable	1,424	1,212
Prepaid expenses and deposits	45,116	79,268
Investments	954,411	699,660
Total current assets	<u>1,927,670</u>	<u>1,889,580</u>
<u>Promises to give, long-term, net</u>	<u>-</u>	<u>72,653</u>
<u>Investments, long-term</u>	<u>37,000</u>	<u>37,000</u>
<u>Property and equipment, net of accumulated depreciation</u>	<u>2,033,464</u>	<u>2,188,641</u>
Total Assets	<u><u>\$ 3,998,134</u></u>	<u><u>\$ 4,187,874</u></u>
<u>LIABILITIES AND NET ASSETS</u>		
<u>Current Liabilities</u>		
Accounts payable	\$ 214,026	\$ 99,853
Accrued expenses and other liabilities	43,825	44,287
Total current liabilities	<u>257,851</u>	<u>144,140</u>
<u>Noncurrent Liabilities</u>		
Line of credit	<u>-</u>	<u>39,167</u>
Total liabilities	<u>257,851</u>	<u>183,307</u>
<u>Net Assets</u>		
Unrestricted	3,545,895	3,805,161
Temporarily restricted	194,388	199,406
Total net assets	<u>3,740,283</u>	<u>4,004,567</u>
Total Liabilities and Net Assets	<u><u>\$ 3,998,134</u></u>	<u><u>\$ 4,187,874</u></u>

See Notes to Combined Financial Statements.

**MEALS ON WHEELS ATLANTA, INC.
AND AFFILIATE**

**COMBINED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2017**

	Unrestricted	Temporarily Restricted	Totals
SUPPORT AND REVENUE			
Government fees, grants and contracts	\$ 2,519,318	\$ -	\$ 2,519,318
General contributions	1,600,889	-	1,600,889
United Way	108,231	-	108,231
Special events, benefit donations and other, net of \$251,303 in expenses	573,915	-	573,915
Program service fees	116,827	-	116,827
Other	106,220	-	106,220
In-kind contributions	2,594	-	2,594
Investment income	108,936	-	108,936
Net assets released from restrictions	5,018	(5,018)	-
Total Support and Revenue	<u>5,141,948</u>	<u>(5,018)</u>	<u>5,136,930</u>
EXPENSES			
Marketing/fundraising	360,107	-	360,107
Supporting services	355,882	-	355,882
Program services	4,685,225	-	4,685,225
Total Expenses	<u>5,401,214</u>	<u>-</u>	<u>5,401,214</u>
Change in Net Assets	(259,266)	(5,018)	(264,284)
Net Assets, beginning of year	<u>3,805,161</u>	<u>199,406</u>	<u>4,004,567</u>
Net Assets, end of year	<u><u>\$ 3,545,895</u></u>	<u><u>\$ 194,388</u></u>	<u><u>\$ 3,740,283</u></u>

See Notes to Combined Financial Statements.

**MEALS ON WHEELS ATLANTA, INC.
AND AFFILIATE**

**COMBINED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2016**

	Unrestricted	Temporarily Restricted	Totals
SUPPORT AND REVENUE			
Government fees, grants and contracts	\$ 2,012,119	\$ -	\$ 2,012,119
General contributions	1,447,230	-	1,447,230
United Way	112,944	-	112,944
Special events, benefit donations and other, net of \$221,822 in expenses	607,565	-	607,565
Program service fees	146,184	-	146,184
Other	37,078	-	37,078
In-kind contributions	32,669	-	32,669
Investment (loss)	(9,357)	-	(9,357)
Net assets released from restrictions	267,611	(267,611)	-
Total Support and Revenue	<u>4,654,043</u>	<u>(267,611)</u>	<u>4,386,432</u>
EXPENSES			
Marketing/fundraising	415,356	-	415,356
Supporting services	346,150	-	346,150
Program services	3,944,274	-	3,944,274
Total Expenses	<u>4,705,780</u>	<u>-</u>	<u>4,705,780</u>
Change in Net Assets	(51,737)	(267,611)	(319,348)
Net Assets, beginning of year	<u>3,856,898</u>	<u>467,017</u>	<u>4,323,915</u>
Net Assets, end of year	<u><u>\$ 3,805,161</u></u>	<u><u>\$ 199,406</u></u>	<u><u>\$ 4,004,567</u></u>

See Notes to Combined Financial Statements.

**MEALS ON WHEELS ATLANTA, INC.
AND AFFILIATE**

**COMBINED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2017**

	Marketing/ Fundraising	Supporting Services	Program Services	Totals
Salaries and wages	\$ 215,394	\$ 123,313	\$ 1,596,216	\$ 1,934,923
Fringe benefits	27,216	20,183	202,475	249,874
Payroll taxes	16,319	9,141	124,309	149,769
Total compensation and benefits	<u>258,929</u>	<u>152,637</u>	<u>1,923,000</u>	<u>2,334,566</u>
Meals	-	-	497,817	497,817
Supplies	3,509	10,317	464,467	478,293
Occupancy	3,920	35,277	102,404	141,601
Travel	1,716	571	73,529	75,816
Insurance	993	8,933	23,160	33,086
Telephone	1,125	7,615	33,941	42,681
Professional fees and contract labor	37,709	62,930	1,020,005	1,120,644
Interest expense and bank fees	-	14,835	34,951	49,786
Miscellaneous	51,534	53,019	259,611	364,164
Total expenses before depreciation	<u>100,506</u>	<u>193,497</u>	<u>2,509,885</u>	<u>2,803,888</u>
Depreciation	<u>672</u>	<u>9,748</u>	<u>252,340</u>	<u>262,760</u>
Total expenses	<u><u>\$ 360,107</u></u>	<u><u>\$ 355,882</u></u>	<u><u>\$ 4,685,225</u></u>	<u><u>\$ 5,401,214</u></u>

See Notes to Combined Financial Statements.

**MEALS ON WHEELS ATLANTA, INC.
AND AFFILIATE**

**COMBINED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2016**

	Marketing/ Fundraising	Supporting Services	Program Services	Totals
Salaries and wages	\$ 239,041	\$ 110,855	\$ 1,421,608	\$ 1,771,504
Fringe benefits	17,351	39,179	185,648	242,178
Payroll taxes	18,497	8,339	112,104	138,940
Total compensation and benefits	<u>274,889</u>	<u>158,373</u>	<u>1,719,360</u>	<u>2,152,622</u>
Meals	-	-	424,592	424,592
Supplies	5,832	12,506	357,785	376,123
Occupancy	4,180	37,619	114,132	155,931
Travel	572	514	56,382	57,468
Insurance	987	8,882	24,228	34,097
Telephone	1,182	9,452	35,753	46,387
Professional fees and contract labor	7,569	42,955	848,961	899,485
Interest expense and bank fees	76	15,258	1,831	17,165
Miscellaneous	119,627	54,179	128,348	302,154
Total expenses before depreciation	<u>140,025</u>	<u>181,365</u>	<u>1,992,012</u>	<u>2,313,402</u>
Depreciation	<u>442</u>	<u>6,412</u>	<u>232,902</u>	<u>239,756</u>
Total expenses	<u><u>\$ 415,356</u></u>	<u><u>\$ 346,150</u></u>	<u><u>\$ 3,944,274</u></u>	<u><u>\$ 4,705,780</u></u>

See Notes to Combined Financial Statements.

MEALS ON WHEELS ATLANTA, INC. AND AFFILIATE

COMBINED STATEMENTS OF CASH FLOWS YEARS ENDED JUNE 30, 2017 AND 2016

	2017	2016
OPERATING ACTIVITIES		
Change in net assets	\$ (264,284)	\$ (319,348)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	262,760	239,756
(Gain) on sale of investments	(14,770)	(11,427)
Unrealized (gain) loss on investments	(73,358)	21,271
Loss on disposal of fixed assets	755	-
Decrease (increase) in grants and contracts receivable	76,492	(175,546)
Decrease in promises to give	97,714	107,998
(Increase) in accrued interest receivable	(212)	(309)
Decrease in prepaid expenses and deposits	34,152	19,345
Increase (decrease) in accounts payable	114,173	(143,144)
(Decrease) increase in accrued expenses and other liabilities	(462)	30,060
Net cash provided by (used in) operating activities	<u>232,960</u>	<u>(231,344)</u>
INVESTING ACTIVITIES		
Proceeds from sale of fixed assets	820	-
Purchase of fixed assets	(109,158)	(201,355)
Purchase of investments	(473,438)	(304,761)
Sale of investments	306,815	204,546
Net cash (used in) investing activities	<u>(274,961)</u>	<u>(301,570)</u>
FINANCING ACTIVITIES		
Borrowings on line of credit	61,740	60,000
Payments on line of credit	(100,907)	(20,833)
Net cash (used in) provided by financing activities	<u>(39,167)</u>	<u>39,167</u>
(Decrease) in cash and cash equivalents	(81,168)	(493,747)
Cash and cash equivalents, beginning of year	<u>486,516</u>	<u>980,263</u>
Cash and cash equivalents, end of year	<u>\$ 405,348</u>	<u>\$ 486,516</u>
Supplemental disclosures of amounts paid for:		
Interest	<u>\$ 1,749</u>	<u>\$ 1,758</u>

See Notes to Combined Financial Statements.

MEALS ON WHEELS ATLANTA, INC. AND AFFILIATE

NOTES TO COMBINED FINANCIAL STATEMENTS

NOTE 1. ORGANIZATION

Meals on Wheels Atlanta Meals on Wheels Atlanta, Inc. (the “Organization”) is a voluntary health and welfare organization established to assess, promote and care for the interests and welfare of elderly people through programs funded by governmental units and various public and private entities in the metropolitan Atlanta area. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor.

The Center Management and Congregate Meals programs operate six (6) senior center locations which provide meals, programs and trips to enhance the lives of seniors both mentally and physically.

Volunteer Services include the generation of resources for the Organization by the development of relationships with individual volunteers, community service workers, and community and service group volunteers to provide assistance with delivering meals, shopping, yard work, or correspondence with seniors and to provide assistance in the senior centers.

The Home Delivered Meals program provides “Meals on Wheels” for seniors who have difficulty preparing meals for themselves by providing meals five days per week to seniors at home.

The Transportation Services program provides seniors with transportation to and from the Organization’s adult day care center.

The Adult Day Care center provides day care for seniors that are semi-dependent and have mild to moderate Alzheimer’s/Dementia to prolong the seniors’ sense of independence while providing needed respite to caregivers.

The Homes program provides assistance to seniors to enable them to remain in their homes through the assistance of major, minor and maintenance related home repairs.

Program income is earned from activities and the confidential contributions by program participants.

On May 5, 2017, the Organization filed a certificate of amendment with the Secretary of State of Georgia to change the name of the organization from Senior Citizen Services of Metropolitan Atlanta, Inc. to Meals on Wheels Atlanta, Inc.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The combined financial statements of the Organization have been prepared on the accrual basis of accounting, and accordingly, reflect all significant receivables, payables, and other liabilities.

Senior Citizens Foundation, Inc. (the “Foundation”) is affiliated with the Organization through both common board members and the fact that the Organization has the ability to elect a percentage of the board members of the Foundation. The Organization has prepared combined financial statements with the Foundation. The two entities are legally separate and file separate tax returns with different fiscal year-ends. The Organization files a form 990 while the Foundation files a form 990-PF.

Cash and Cash Equivalents

Cash equivalents consist of certificates of deposit and money market accounts that are readily convertible into cash and purchased with original maturities of three months or less.

The Organization maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits of \$250,000. The Organization has not experienced any losses in such accounts.

NOTES TO COMBINED FINANCIAL STATEMENTS

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments

In accordance with FASB's *Accounting for Certain Investments Held by Not-for-Profit Organizations*, investments in equity securities with readily determinable fair values and all investments in debt securities shall be measured at fair value in the combined statements of financial position. Realized and unrealized gains and losses are recognized as changes in net assets in the periods in which they occur, and investment income is recognized as revenue in the period earned. Gains and investment income that are limited to specific uses by donor-restrictions are reflected as increases in unrestricted net assets, if the restrictions are met in the same reporting period.

Property and Equipment

Property and equipment is recorded at cost, or if donated, at the fair market value on the date the asset is donated. Depreciation is computed over the estimated useful lives of these assets (3 to 30 years) using the straight-line method. Depreciation expense charged to operations was \$262,760 and \$239,756 for the years ended June 30, 2017 and 2016, respectively. Maintenance and repairs are charged to operations when incurred. Betterments and renewals in excess of \$2,500 are capitalized. When property and equipment is sold or otherwise disposed of, the asset account and related accumulated depreciation are removed, and any gain or loss is included in operations.

The Organization reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

Expense Allocation

Directly identifiable expenses are charged to programs and supporting services. Management and general 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. Expenses are allocated to programs based on the amount of time that personnel spend on the program, or based on the percentage the particular program is estimated to use the particular expense, whether it is square footage of space used or another reasonable method based on the type of expense.

In-kind Contributions

Donated materials and equipment are reflected as contributions in the accompanying combined statements of activities and changes in net assets at their estimated value on the date of receipt. Contributed services are reflected in the combined financial statements at the fair value of the services received. The contributions of services are recognized if the services received (a) create or increase non-financial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation.

In addition, a substantial number of volunteers have donated significant amounts of their time in the Organization's program services. The value of this time donated is not included in the value of contributed services, as it does not meet the criteria specified in the preceding paragraph.

NOTES TO COMBINED FINANCIAL STATEMENTS

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Statement Presentation

Financial statement presentation follows the accrual basis of accounting and the recommendations of FASB's *Financial Statements of Not-for-Profit Organizations*. Under this guidance, the Organization is required to report information regarding its financial positions and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted net assets:

Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets:

Net assets subject to donor-imposed stipulations that will be met either by actions of the Organization and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the combined statements of activities and changes in net assets as net assets released from restrictions.

Permanently restricted net assets:

Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on any related investment for general or specific purposes. There were no permanently restricted net assets at June 30, 2017 or 2016.

Income Tax Status

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

The Foundation, which is included in the combined financial statements, is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and has a fiscal year-end of September 30, 2017. The activity included in the combined financial statements reflects activity as of June 30, 2017. The Foundation has been determined by the Internal Revenue Service to be a "Private Foundation" within the meaning of Section 509(a) of the code and is subject to excise taxes on net investment income, including realized gains, as defined in the act. Accordingly, federal excise taxes have either been paid or accrued. The tax reform act requires that certain minimum distributions be made in accordance with a specified formula. As of September 30, 2016 and 2015, respectively, the Foundation had not distributed more than was required.

NOTES TO COMBINED FINANCIAL STATEMENTS

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Tax Status (Continued)

Generally accepted accounting principles require the recognition, measurement, classification, and disclosure in the financial statements of uncertain tax positions taken or expected to be taken in the Organization's tax returns. Management has determined that the Organization does not have any uncertain tax positions and associated unrecognized benefits that materially impact the financial statements or related disclosures. Since tax matters are subject to some degree of uncertainty, there can be no assurance that the Organization's tax returns will not be challenged by the taxing authorities and that the Organization will not be subject to additional tax, penalties, and interest as a result of such challenge.

Estimates

The preparation of financial statements in conformity with the basis of accounting described above requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may vary from these estimates.

Promises to Give

Unconditional promises to give are recognized as revenues or gains in the period received and as assets or decreases of liabilities or expenses, depending on the form of the benefits received. Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. There are \$89,164 and \$206,159 of unconditional promises to give at June 30, 2017 and 2016, respectively.

Promises to give that are expected to be collected within one year are recorded at their net realizable value. See Note 4 for disclosure of pledges receivable payment schedule and discount calculation. A provision for uncollectable promises to give is provided by using the allowance method based on management estimates and past experience. Provision for uncollectable accounts on promises to give are \$22,800 and \$38,997 at June 30, 2017 and 2016, respectively.

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the combined statements of activities and changes in net assets as net assets released from restrictions. Federal grant awards are classified as refundable advances until expended for the purpose of the grants since they are conditional promises to give.

Grants and Contracts Receivable

Grant revenue is recognized as revenue in the period in which it is expended for cost reimbursement agreements. Unexpended funds received under these grants and contracts are recorded as deferred revenue.

Certain receivables represent amounts due from grants and contracts. A provision for uncollectable accounts is provided by using the allowance method based on management estimates and past experience. The Organization considers grants and contracts receivable as of June 30, 2017 and 2016 to be fully collectable. Therefore, no provision for uncollectable accounts is recorded. Since all grants and contracts are expected to be collected within one year, they are recorded at the net realizable value.

NOTES TO COMBINED FINANCIAL STATEMENTS

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Benefits Purchased by Donors at Special Events

The Organization conducts special events in which a portion of the gross proceeds paid by the participant represents payment for the direct cost of the benefits received by the participant at the event. Unless a verifiable, objective means exists to demonstrate otherwise, the fair value of meals and entertainment provided at the special events is measured at the actual cost to the Organization. The direct costs of the special events that ultimately benefit the donor rather than the Organization are recorded as exchange transaction income and expense. All proceeds received for the event in excess of the direct costs are recorded as special events revenue in the accompanying combined statement of activities and changes in net assets.

NOTE 3. PROPERTY AND EQUIPMENT

Property and equipment consist of the following at June 30, 2017 and 2016:

	2017	2016
Building and improvements	\$ 3,243,292	\$ 3,243,292
Land	196,000	196,000
Equipment and vehicles	559,271	498,145
Furniture and fixtures	180,413	139,105
	<u>4,178,976</u>	<u>4,076,542</u>
Less: accumulated depreciation	(2,145,512)	(1,887,901)
Net property and equipment	<u>\$ 2,033,464</u>	<u>\$ 2,118,641</u>

NOTE 4. PLEDGES RECEIVABLE

Pledges receivable at June 30, 2017 and 2016 consist of the following unconditional promises to give:

	2017	2016
Restricted pledges to future periods for Capital Campaign	\$ 89,164	\$ 206,159
Unconditional promises to give before discount	89,164	206,159
Less unamortized discount	-	(3,084)
Less allowance for uncollectible pledges	(22,800)	(38,997)
Net pledges receivable	<u>\$ 66,364</u>	<u>\$ 164,078</u>
Amount due in:		
Less than one year	\$ 89,164	\$ 130,422
One to three years	-	74,737
More than three years	-	1,000
Total	<u>\$ 89,164</u>	<u>\$ 206,159</u>

The discount rate used was 3.25% as a risk-free interest rate at both June, 30, 2017 and 2016.

NOTES TO COMBINED FINANCIAL STATEMENTS

NOTE 5. RETIREMENT PLAN AND CONTINGENCY

On January 1, 1993, the Organization adopted a defined contribution plan. Under the terms of the plan, all full-time and permanent employees with at least six months tenure are eligible to participate. The Organization began a new plan effective January 1, 2005 and rolled over employee funds from the old plan. The Organization's contribution to the new plan is specified at 3% of eligible employees' compensation. In addition, the Organization implemented a 403(b) profit sharing plan for all eligible employees. Participant contributions are matched 50% by the Organization up to a maximum of 5% of the employee's salary.

Both of these plans were amended during fiscal year 2009. Effective January 1, 2009, the plans were amended to allow all employees except those not expected to work regularly at least 20 hours per week to be eligible for participation. Then effective March 1, 2009, the Organization amended the plan to remove the basic contribution of 3% for all eligible employees and currently there is no longer any basic contribution. The 403(b) profit sharing plan under the terms of the new eligibility requirements effective January 1, 2009 was amended March 1, 2009 to state that the Organization would match 50% of the participant elected deferral up to a maximum of 6% of compensation as defined in the plan for employees meeting the eligibility requirements. The Organization's contributions to these plans totaled \$12,359 and \$17,379 for the years ended June 30, 2017 and 2016, respectively.

The employee contributions are 100% vested and the employer contributions are vested as follows:

<u>Years of Service</u>	<u>Percent Vested</u>
Less than 1	0%
1	25%
2	50%
3	75%
4 or more	100%

NOTE 6. EFFECT OF CURRENT ECONOMIC CONDITIONS ON CONTRIBUTIONS AND GRANT FUNDING SOURCES

The Organization depends heavily on contributions and grants from public, federal, state and county sources and the Foundation for its revenue. The ability of these contributors and grantors to continue giving amounts comparable with prior years may be dependent upon deductibility for income tax purposes of contributions and grants to the Organization, as well as government approved funding. While the Organization's board of directors believes the Organization has the resources to continue its programs, its ability to do so and the extent to which it continues, may be dependent on the above factors.

The Organization is subject to possible examination by federal, state and county agencies to determine compliance with terms, conditions, laws and regulations governing the grants given to the Organization.

The Organization obtained approximately 49% and 46% of its total revenue from city, county, state and federal assistance programs for the years ended June 30, 2017 and 2016, respectively. If grant funding of the Organization were to decrease significantly, current programs and operations would be considerably affected. Due to there being a number of governmental grants from various government entities, as well as several grant agencies, concentration risk is minimized.

NOTES TO COMBINED FINANCIAL STATEMENTS

NOTE 7. LINE OF CREDIT

During the year ended June 30, 2016, the Organization entered into a line of credit agreement with a bank. The outstanding balance on the line of credit at June 30, 2017 and 2016 is \$ - and \$39,167, respectively. Interest on the line of credit is due January 28, 2019 carries a rate of 5.75%.

NOTE 8. RESTRICTIONS ON NET ASSETS

As of June 30, 2017 and 2016, the Organization does not have any permanent restrictions on net assets. As of June 30, 2017 and 2016, temporarily restricted net assets are as follows:

	<u>2017</u>	<u>2016</u>
Promises to give restricted for Capital Campaign	\$ 66,364	\$ 144,078
Cash restricted for Capital Campaign	<u>128,024</u>	<u>55,328</u>
Total temporarily restricted net assets	<u>\$ 194,388</u>	<u>\$ 199,406</u>

There were releases from restrictions during the years ended June 30, 2017 and 2016 of \$5,018 and \$267,611, respectively. For the years ended June 30, 2017 and 2016, all of the releases were related to expenses incurred for the purpose of the Capital Campaign.

NOTE 9. FAIR VALUE MEASUREMENTS

Fair Value Measurements establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under this guidance are described as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 – Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability; and
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially all of the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

NOTES TO COMBINED FINANCIAL STATEMENTS

NOTE 9. FAIR VALUE MEASUREMENTS (Continued)

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2017 and 2016.

Land held as investment: The carrying amount represents historical cost since the investment has not received a recent appraisal. In accordance with GAAP, carrying amount represents lower of cost or market of the investment.

Equities, fixed income and hedges: Certain common stocks and mutual funds are valued at the closing price reported in the active market in which the individual securities are traded. If a quoted market price for unrestricted common stock of the issuer is not available, historical cost is used as fair value of the instrument and it is evaluated for any potential impairment.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Organization's assets measured at fair value on a recurring basis as of June 30, 2017:

	Level 1	Level 2	Level 3	Total
U.S. equities	\$ 541,782	\$ -	\$ -	\$ 541,782
International equities	122,549	-	-	122,549
Fixed income	250,477	-	-	250,477
Inflation hedges	39,603	-	-	39,603
Land held as investment	-	37,000	-	37,000
Total assets at fair value	\$ 954,411	\$ 37,000	\$ -	\$ 991,411

NOTES TO COMBINED FINANCIAL STATEMENTS

NOTE 9. FAIR VALUE MEASUREMENTS (Continued)

The following table sets forth by level, within the fair value hierarchy, the Organization's assets measured at fair value on a recurring basis as of June 30, 2016:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
U.S. equities	\$ 431,704	\$ -	\$ -	\$ 431,704
International equities	103,864	-	-	103,864
Fixed income	122,434	-	-	122,434
Inflation hedges	41,658	-	-	41,658
Land held as investment	-	37,000	-	37,000
Total assets at fair value	<u>\$ 699,660</u>	<u>\$ 37,000</u>	<u>\$ -</u>	<u>\$ 736,660</u>

NOTE 10. OPERATING LEASES

The Organization leases equipment under operating leases expiring at various dates through February 2021. Minimum future rental payments under these non-cancelable operating leases are:

Year Ending June 30:

2018	\$ 4,104
2019	4,104
2020	4,104
2021	2,572
Total minimum future rental payments	<u>\$ 14,884</u>

The total expenses charged to operations on these and other leases was \$4,104 and \$1,994 for the years ended June 30, 2017 and 2016, respectively.

NOTE 11. SUBSEQUENT EVENTS

Management has evaluated subsequent events occurring through December 20, 2017, the date the financial statements were available to be issued.

SINGLE AUDIT SECTION

**MEALS ON WHEELS ATLANTA, INC.
AND AFFILIATE**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2017**

<u>Programs</u>	<u>CFDA No.</u>	<u>Grant No.</u>	<u>Total Grants</u>	<u>Expenditures</u>
MAJOR PROGRAMS				
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:				
Passed through Fulton County – Adult Day Care	93.044		\$ 280,322	\$ 280,322
Passed through Fulton County – Senior Center Management	93.044		553,707	553,707
Passed through Fulton County – Volunteer Services	93.044		28,305	28,305
			<u>862,334</u>	<u>862,334</u>
TOTAL MAJOR PROGRAMS			<u>862,334</u>	<u>862,334</u>
NON MAJOR PROGRAMS				
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE				
Senior Companion Program	94.016	12SXSGA001	<u>192,192</u>	<u>192,192</u>
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT - CDBG				
Passed through City of Atlanta – Meals on Wheels	14.218	2016-531	15,651	15,651
Passed through City of Atlanta – Adult Day Care	14.218	2016-481	13,333	13,333
Passed through City of Atlanta – Atlanta Homeowner Maintenance	14.218	220132318	<u>63,632</u>	<u>63,632</u>
			<u>92,616</u>	<u>92,616</u>
DEPARTMENT OF HOMELAND SECURITY				
Emergency Food and Shelter Program – Meals on Wheels	97.024	LRO 174000-142	<u>17,550</u>	<u>17,550</u>
U.S. DEPT. OF HEALTH AND HUMAN SERVICES				
U.S. FEDERAL TRANSIT ADMINISTRATION				
U.S. DEPT. OF EDUCATION	93.667			
Passed through Georgia Department of Human Resources – Adult Day Care	20.513	42700-362- 0000050634	<u>97,206</u>	<u>97,206</u>
TOTAL NON MAJOR PROGRAMS			<u>399,564</u>	<u>399,564</u>
TOTAL FEDERAL AWARDS			<u>\$ 1,261,898</u>	<u>\$ 1,261,898</u>

The accompanying notes are an integral part of this schedule.

**MEALS ON WHEELS ATLANTA, INC.
AND AFFILIATE**

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2017**

NOTE 1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Meals on Wheels Atlanta, Inc. and Affiliate under programs of the federal government for the year ended June 30, 2017. 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 Meals on Wheels Atlanta, Inc. and Affiliate, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Meals on Wheels Atlanta, Inc. and Affiliate.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING 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.

NOTE 3. INDIRECT COST RATE

Meals on Wheels Atlanta, Inc. and Affiliate has elected not to use the 10% de minimis cost rate as allowed under the Uniform Guidance.



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

**To the Board of Directors
Meals on Wheels Atlanta, Inc. and Affiliate
Atlanta, Georgia**

We have audited, 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, the financial statements of Meals on Wheels Atlanta, Inc. and Affiliate (a nonprofit organization), which comprise the combined statement of financial position as of June 30, 2017, and the related combined statements of activities and changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to the combined financial statements, and have issued our report thereon dated December 30, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Meals on Wheels Atlanta, Inc. and Affiliate'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 Meals on Wheels Atlanta, Inc. and Affiliate's internal control. Accordingly, we do not express an opinion on the effectiveness of Meals on Wheels Atlanta, Inc. and Affiliate'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 Meals on Wheels Atlanta, Inc. and Affiliate's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Mauldin & Jenkins, LLC

Atlanta, Georgia
December 20, 2017



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

**To the Board of Directors
Meals on Wheels Atlanta Inc. and Affiliate
Atlanta, Georgia**

Report on Compliance for Each Major Federal Program

We have audited Meals on Wheels Atlanta, Inc. and Affiliate'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 Meals on Wheels Atlanta, Inc. and Affiliate's major federal programs for the year ended June 30, 2017. Meals on Wheels Atlanta, Inc. and Affiliate's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of if its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Meals on Wheels Atlanta, Inc. and Affiliate'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 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). Those standards and the Uniform Guidance 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 Meals on Wheels Atlanta, Inc. and Affiliate'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 Meals on Wheels Atlanta, Inc. and Affiliate's compliance.

Opinion on Each Major Federal Program

In our opinion, Meals on Wheels Atlanta, Inc. and Affiliate complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.

Report on Internal Control Over Compliance

Management of Meals on Wheels Atlanta, Inc. and Affiliate 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 Meals on Wheels Atlanta, Inc. and Affiliate'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 the Uniform Guidance, 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 Meals on Wheels Atlanta, Inc. and Affiliate's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Mauldin & Jenkins, LLC

Atlanta, Georgia
December 20, 2017

MEALS ON WHEELS ATLANTA, INC. AND AFFILIATE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS YEAR ENDED JUNE 30, 2017

SECTION I - SUMMARY OF AUDITOR'S RESULTS:

Financial Statements:

Type of auditors' report issued:

Unmodified

Yes

No

Internal control over financial reporting:

Material weaknesses identified?

X

Significant deficiencies identified not
considered to be material weaknesses?

None
Reported

Noncompliance material to the financial
statements noted?

X

Federal Awards:

Internal controls over major programs:

Material weaknesses identified?

X

Significant deficiencies identified not
considered to be material weaknesses?

None
Reported

Type of auditor's report issued on
compliance for major programs

Unmodified

Audit findings required to be reported in accordance
with 2 CFR Section 200.516(a)

X

Identification of major programs:

93.044 Aging Cluster - U.S. Department of Health and Human Services

Dollar threshold used to distinguish between
type A and type B programs

\$ 750,000

Yes

No

Auditee qualified as low-risk auditee?

X

Financial statement findings?

X

Findings and questioned costs for federal awards?

X

**MEALS ON WHEELS ATLANTA, INC.
AND AFFILIATE**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2017**

Section II – Financial Statement Findings

None

Section III - Findings and Questioned Costs for Federal Awards

None

**MEALS ON WHEELS ATLANTA, INC.
AND AFFILIATE**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2016**

Section II – Financial Statement Findings

None

Section III - Findings and Questioned Costs for Federal Awards

None

SUPPLEMENTARY INFORMATION



INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

**To the Board of Directors
Meals on Wheels Atlanta, Inc. and Affiliate
Atlanta, Georgia**

We have audited the combined financial statements of Meals on Wheels Atlanta, Inc. and Affiliate as of and for the years ended June 30, 2017 and 2016, and our report thereon dated December 20, 2017, which expressed an unmodified opinion on those combined financial statements, appears on pages 1 and 2. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The combined statements of activities and changes in net assets by program and facility operations, combining statements of financial position, and combining statements of activities and changes in net assets are presented for purposes of additional analysis and are not a required part of the combined 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 combined financial statements as a whole.

Mauldin & Jenkins, LLC

Atlanta, Georgia
December 20, 2017

**MEALS ON WHEELS ATLANTA, INC.
AND AFFILIATE**

**COMBINED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS BY PROGRAM AND FACILITY OPERATIONS
YEAR ENDED JUNE 30, 2017**

	Homes	Home Delivered Meals	Senior Center Management	Adult Day Care	Volunteer Services	Facility Operations	Development Program	Other	Totals
SUPPORT AND REVENUE									
State revenue	\$ -	\$ 17,550	\$ -	\$ 125,511	\$ 192,192	\$ -	\$ -	\$ -	\$ 335,253
City of Atlanta revenue	63,632	15,651	106,365	14,477	-	-	-	-	200,125
County revenue	727,046	370,610	553,707	280,322	52,255	-	-	-	1,983,940
Other revenue	102,462	710	110	-	-	2,513	250	175	106,220
General contributions	885,330	122,409	5,063	4,050	325	-	470,628	113,084	1,600,889
United Way	-	48,000	-	24,000	-	-	-	36,231	108,231
Special events, benefit donations and other, net of expenses	-	559,843	-	-	-	-	14,072	-	573,915
In-kind contributions	-	-	-	-	-	-	2,594	-	2,594
Investment income	-	-	-	-	-	-	16	108,920	108,936
Program service fees	8,093	48,318	1,685	50,940	-	7,416	-	375	116,827
Total Support and Revenue	1,786,563	1,183,091	666,930	499,300	244,772	9,929	487,560	258,785	5,136,930
EXPENSES									
Personnel costs	387,741	578,681	470,491	280,668	114,772	94,749	258,930	148,534	2,334,566
Meals	-	447,067	3,581	42,019	5,150	-	-	-	497,817
Supplies	273,699	124,553	22,227	20,584	5,824	10,708	3,508	17,190	478,293
Occupancy	7,057	8,899	36,358	29,587	1,136	19,365	3,920	35,279	141,601
Travel	10,828	11,075	7,763	21,403	22,434	27	1,715	571	75,816
Insurance	1,787	2,254	6,436	7,492	288	4,904	993	8,932	33,086
Telephone	4,587	10,418	12,945	5,045	586	362	1,124	7,614	42,681
Professional fees and contract labor	795,291	95,901	45,447	36,193	5,421	2,998	37,709	101,684	1,120,644
Volunteer stipends	-	-	1,129	-	116,869	-	-	-	117,998
Interest expense and bank fees	16	16	-	16	33,000	-	-	16,738	49,786
Miscellaneous	27,640	51,819	14,457	32,331	19,771	1,828	51,534	46,786	246,166
Total expenses before depreciation	1,508,646	1,330,683	620,834	475,338	325,251	134,941	359,433	383,328	5,138,454
Depreciation	16,142	53,831	11,471	23,467	232	147,198	672	9,747	262,760
Total Expenses	1,524,788	1,384,514	632,305	498,805	325,483	282,139	360,105	393,075	5,401,214
Change in Net Assets	261,775	(201,423)	34,625	495	(80,711)	(272,210)	127,455	(134,290)	(264,284)
Net Assets, beginning of year	(44,076)	380,648	445,983	794,423	(168,336)	(733,287)	320,238	3,008,974	4,004,567
Net Assets, end of year	\$ 217,699	\$ 179,225	\$ 480,608	\$ 794,918	\$ (249,047)	\$ (1,005,497)	\$ 447,693	\$ 2,874,684	\$ 3,740,283

**MEALS ON WHEELS ATLANTA, INC.
AND AFFILIATE**

**COMBINED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS BY PROGRAM AND FACILITY OPERATIONS
YEAR ENDED JUNE 30, 2016**

	Homes	Home Delivered Meals	Senior Center Management	Adult Day Care	Volunteer Services	Facility Operations	Development Program	Other	Totals
SUPPORT AND REVENUE									
State revenue	\$ -	\$ 7,500	\$ -	\$ 118,123	\$ 192,192	\$ -	\$ -	\$ -	\$ 317,815
City of Atlanta revenue	90,861	23,476	102,143	20,000	-	-	-	-	236,480
County revenue	267,868	335,473	553,707	300,776	-	-	-	-	1,457,824
Other revenue	-	436	5	21	35,830	68	-	718	37,078
General contributions	672,595	240,889	9,035	750	20	-	488,194	35,747	1,447,230
United Way	-	57,221	-	29,624	-	-	-	26,099	112,944
Special events, benefit donations and other, net of expenses	-	572,778	-	-	-	-	34,787	-	607,565
In-kind contributions	32,669	-	-	-	-	-	-	-	32,669
Investment (loss)	-	-	-	-	-	-	-	(9,357)	(9,357)
Program service fees	14,830	44,086	8,001	47,022	-	32,245	-	-	146,184
Total Support and Revenue	<u>1,078,823</u>	<u>1,281,859</u>	<u>672,891</u>	<u>516,316</u>	<u>228,042</u>	<u>32,313</u>	<u>522,981</u>	<u>53,207</u>	<u>4,386,432</u>
EXPENSES									
Personnel costs	270,124	514,262	476,501	238,463	147,122	72,885	274,889	158,373	2,152,619
Meals	-	411,424	2,851	7,739	2,578	238	441	514	425,785
Supplies	131,044	130,830	13,486	17,017	2,946	738	6,847	4,492	307,400
Occupancy	17,745	67,269	44,262	33,126	5,916	2,546	5,070	45,632	221,566
Travel	6,504	8,642	3,455	15,029	22,495	21	131	940	57,217
Insurance	3,454	8,060	3,454	7,648	1,151	461	987	8,882	34,097
Telephone	4,711	12,189	12,654	5,208	542	450	1,182	9,452	46,388
Professional fees and contract labor	547,439	84,729	46,812	45,893	121,774	2,315	7,569	42,956	899,487
Interest expense and bank fees	363	927	91	363	36	36	76	15,258	17,150
Miscellaneous	48,481	27,095	18,081	23,354	15,721	625	117,721	53,238	304,316
Total expenses before depreciation	<u>1,029,865</u>	<u>1,265,427</u>	<u>621,647</u>	<u>393,840</u>	<u>320,281</u>	<u>80,315</u>	<u>414,913</u>	<u>339,737</u>	<u>4,466,025</u>
Depreciation	10,504	50,720	9,764	20,472	305	141,136	442	6,412	239,755
Total Expenses	<u>1,040,369</u>	<u>1,316,147</u>	<u>631,411</u>	<u>414,312</u>	<u>320,586</u>	<u>221,451</u>	<u>415,355</u>	<u>346,149</u>	<u>4,705,780</u>
Change in Net Assets	38,454	(34,288)	41,480	102,004	(92,544)	(189,138)	107,626	(292,942)	(319,348)
Net Assets, beginning of year	(82,530)	414,936	404,503	692,419	(75,792)	(544,149)	212,612	3,301,916	4,323,915
Net Assets, end of year	<u>\$ (44,076)</u>	<u>\$ 380,648</u>	<u>\$ 445,983</u>	<u>\$ 794,423</u>	<u>\$ (168,336)</u>	<u>\$ (733,287)</u>	<u>\$ 320,238</u>	<u>\$ 3,008,974</u>	<u>\$ 4,004,567</u>

**MEALS ON WHEELS ATLANTA, INC.
AND AFFILIATE**

**COMBINING STATEMENT OF FINANCIAL POSITION
JUNE 30, 2017**

<u>ASSETS</u>				
	<u>Meals on Wheels Atlanta</u>	<u>Senior Citizens Foundation</u>	<u>Eliminations</u>	<u>Total</u>
<u>Current Assets</u>				
Cash and cash equivalents	\$ 387,897	\$ 17,451	\$ -	\$ 405,348
Accounts receivable				
Grants and contracts receivable	455,386	-	(379)	455,007
Promises to give, net	66,364	-	-	66,364
Accrued interest receivable	-	1,424	-	1,424
Prepaid expenses and deposits	45,116	-	-	45,116
Investments	-	954,411	-	954,411
Total current assets	<u>954,763</u>	<u>973,286</u>	<u>(379)</u>	<u>1,927,670</u>
<u>Investments, long-term</u>	<u>37,000</u>	<u>-</u>	<u>-</u>	<u>37,000</u>
<u>Property and equipment, net of accumulated depreciation</u>	<u>2,033,464</u>	<u>-</u>	<u>-</u>	<u>2,033,464</u>
Total Assets	<u><u>\$ 3,025,227</u></u>	<u><u>\$ 973,286</u></u>	<u><u>\$ (379)</u></u>	<u><u>\$ 3,998,134</u></u>
<u>LIABILITIES AND NET ASSETS</u>				
<u>Current Liabilities</u>				
Accounts payable	\$ 214,026	\$ 379	\$ (379)	\$ 214,026
Accrued expenses and other liabilities	43,825	-	-	43,825
Total current liabilities	<u>257,851</u>	<u>379</u>	<u>(379)</u>	<u>257,851</u>
 Total liabilities	<u>257,851</u>	<u>379</u>	<u>(379)</u>	<u>257,851</u>
<u>Net Assets</u>				
Unrestricted	2,572,988	972,907	-	3,545,895
Temporarily restricted	194,388	-	-	194,388
Total net assets	<u>2,767,376</u>	<u>972,907</u>	<u>-</u>	<u>3,740,283</u>
Total Liabilities and Net Assets	<u><u>\$ 3,025,227</u></u>	<u><u>\$ 973,286</u></u>	<u><u>\$ (379)</u></u>	<u><u>\$ 3,998,134</u></u>

**MEALS ON WHEELS ATLANTA, INC.
AND AFFILIATE**

**COMBINING STATEMENT OF FINANCIAL POSITION
JUNE 30, 2016**

<u>ASSETS</u>				
	Meals on Wheels Atlanta	Senior Citizens Foundation	Eliminations	Total
<u>Current Assets</u>				
Cash and cash equivalents	\$ 237,149	\$ 249,367	\$ -	\$ 486,516
Accounts receivable				
Grants and contracts receivable	532,718	-	(1,219)	531,499
Promises to give, net	91,425	-	-	91,425
Accrued interest receivable	-	1,212	-	1,212
Prepaid expenses and deposits	79,268	-	-	79,268
Investments	-	699,660	-	699,660
Total current assets	<u>940,560</u>	<u>950,239</u>	<u>(1,219)</u>	<u>1,889,580</u>
<u>Promises to give, long-term, net</u>	<u>72,653</u>	<u>-</u>	<u>-</u>	<u>72,653</u>
<u>Investments, long-term</u>	<u>37,000</u>	<u>-</u>	<u>-</u>	<u>37,000</u>
<u>Property and equipment, net of accumulated depreciation</u>	<u>2,188,641</u>	<u>-</u>	<u>-</u>	<u>2,188,641</u>
Total Assets	<u>\$ 3,238,854</u>	<u>\$ 950,239</u>	<u>\$ (1,219)</u>	<u>\$ 4,187,874</u>
<u>LIABILITIES AND NET ASSETS</u>				
<u>Current Liabilities</u>				
Accounts payable	\$ 99,853	\$ 1,219	\$ (1,219)	\$ 99,853
Accrued expenses and other liabilities	44,287	-	-	44,287
Total current liabilities	<u>144,140</u>	<u>1,219</u>	<u>(1,219)</u>	<u>144,140</u>
<u>Noncurrent Liabilities</u>				
Line of credit	39,167	-	-	39,167
Total liabilities	<u>183,307</u>	<u>1,219</u>	<u>(1,219)</u>	<u>183,307</u>
<u>Net Assets</u>				
Unrestricted	2,856,141	949,020	-	3,805,161
Temporarily restricted	199,406	-	-	199,406
Total net assets	<u>3,055,547</u>	<u>949,020</u>	<u>-</u>	<u>4,004,567</u>
Total Liabilities and Net Assets	<u>\$ 3,238,854</u>	<u>\$ 950,239</u>	<u>\$ (1,219)</u>	<u>\$ 4,187,874</u>

**MEALS ON WHEELS ATLANTA, INC.
AND AFFILIATE**

**COMBINING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2017**

	<u>Meals on Wheels Atlanta</u>		<u>Senior Citizens Foundation</u>		
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Unrestricted</u>	<u>Eliminations</u>	<u>Totals</u>
SUPPORT AND REVENUE					
Government fees, grants and contracts	\$ 2,519,318	\$ -	\$ -	\$ -	\$ 2,519,318
General contributions	1,678,666	-	-	(77,777)	1,600,889
United Way	108,231	-	-	-	108,231
Special events, benefit donations and other, net of \$251,303 in expenses	573,915	-	-	-	573,915
Program service fees	116,827	-	-	-	116,827
Other	106,220	-	-	-	106,220
In-kind contributions	2,594	-	-	-	2,594
Investment income	736	-	108,200	-	108,936
Net assets released from restrictions	5,018	(5,018)	-	-	-
Total Support and Revenue	<u>5,111,525</u>	<u>(5,018)</u>	<u>108,200</u>	<u>(77,777)</u>	<u>5,136,930</u>
EXPENSES					
Marketing/fundraising	360,107	-	-	-	360,107
Supporting services	349,346	-	84,313	(77,777)	355,882
Program services	4,685,225	-	-	-	4,685,225
Total Expenses	<u>5,394,678</u>	<u>-</u>	<u>84,313</u>	<u>(77,777)</u>	<u>5,401,214</u>
Change in Net Assets	(283,153)	(5,018)	23,887	-	(264,284)
Net Assets, beginning of year	<u>2,856,141</u>	<u>199,406</u>	<u>949,020</u>	<u>-</u>	<u>4,004,567</u>
Net Assets, end of year	<u>\$ 2,572,988</u>	<u>\$ 194,388</u>	<u>\$ 972,907</u>	<u>\$ -</u>	<u>\$ 3,740,283</u>

**MEALS ON WHEELS ATLANTA, INC.
AND AFFILIATE**

**COMBINING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2016**

	<u>Meals on Wheels Atlanta</u>		<u>Senior Citizens Foundation</u>		
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Unrestricted</u>	<u>Eliminations</u>	<u>Totals</u>
SUPPORT AND REVENUE					
Government fees, grants and contracts	\$ 2,012,119	\$ -	\$ -	\$ -	\$ 2,012,119
General contributions	1,483,449	-	-	(36,219)	1,447,230
United Way	112,944	-	-	-	112,944
Special events, benefit donations and other, net of \$221,822 in expenses	607,565	-	-	-	607,565
Program service fees	146,184	-	-	-	146,184
Other	37,078	-	-	-	37,078
In-kind contributions	32,669	-	-	-	32,669
Investment income (loss)	487	-	(9,844)	-	(9,357)
Net assets released from restrictions	267,611	(267,611)	-	-	-
Total Support and Revenue	<u>4,700,106</u>	<u>(267,611)</u>	<u>(9,844)</u>	<u>(36,219)</u>	<u>4,386,432</u>
EXPENSES					
Marketing/fundraising	415,356	-	-	-	415,356
Supporting services	341,170	-	41,199	(36,219)	346,150
Program services	3,944,274	-	-	-	3,944,274
Total Expenses	<u>4,700,800</u>	<u>-</u>	<u>41,199</u>	<u>(36,219)</u>	<u>4,705,780</u>
Change in Net Assets	(694)	(267,611)	(51,043)	-	(319,348)
Net Assets, beginning of year	<u>2,856,835</u>	<u>467,017</u>	<u>1,000,063</u>	<u>-</u>	<u>4,323,915</u>
Net Assets, end of year	<u>\$ 2,856,141</u>	<u>\$ 199,406</u>	<u>\$ 949,020</u>	<u>\$ -</u>	<u>\$ 4,004,567</u>