

ALAMEDA COUNTY MEALS ON WHEELS, INC.
Financial Statements
June 30, 2012

ALAMEDA COUNTY MEALS ON WHEELS, INC.

Financial Statements

June 30, 2012

TABLE OF CONTENTS

Independent Auditor's Report	1
Financial Statements:	
Statement of Financial Position.....	2
Statement of Activities	3
Statement of Functional Expenses	4
Statement of Cash Flows.....	5
Notes to Financial Statements	6

September 9, 2012

Independent Auditor's Report

Board of Directors
Alameda County Meals on Wheels, Inc.

We have audited the accompanying statement of financial position of Alameda County Meals on Wheels, Inc. (a nonprofit corporation) as of June 30, 2012, and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. My responsibility is to express an opinion on these financial statements based on my audit. The prior-year summarized comparative information has been derived from the Organization's financial statements for the fiscal year ended June 30, 2011, and in that report dated September 9, 2011, the prior-year auditor expressed an unqualified opinion on those financial statements.

We conducted the audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Alameda County Meals on Wheels, Inc. as of June 30, 2012, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

MORRIS & MORRIS, CPAs

ALAMEDA COUNTY MEALS ON WHEELS, INC.

Statement of Financial Position

June 30, 2012

(With Comparative Totals at June 30, 2011)

	<u>2012</u>	<u>2011</u>
ASSETS		
Current Assets		
Cash and Equivalents	\$ 321,772	\$ 354,024
Grants and Pledges Receivable	1,655	70,855
Prepaid Expenses	7,267	5,604
Deposits	<u>400</u>	<u>400</u>
Total Current Assets	<u>\$ 331,094</u>	<u>\$ 430,883</u>
Noncurrent Assets		
Property and Equipment – Net	\$ -	\$ -
Property and Equipment – Net	<u>-</u>	<u>606</u>
Total Noncurrent Assets	<u>\$ -</u>	<u>\$ 606</u>
Total Assets	<u>\$ 331,094</u>	<u>\$ 431,489</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Current Liabilities		
Accounts Payable	\$ 1,650	\$ 2,288
Accrued Expenses	4,455	5,892
Deferred Revenue	<u>3,310</u>	<u>4,699</u>
Total Current Liabilities	<u>\$ 9,415</u>	<u>\$ 12,879</u>
NET ASSETS		
Unrestricted	\$ 321,679	\$ 308,133
Temporarily Restricted	<u>-</u>	<u>110,477</u>
Total Net Assets	<u>\$ 321,679</u>	<u>\$ 418,610</u>
Total Liabilities and Net Assets	<u>\$ 331,094</u>	<u>\$ 431,489</u>

ALAMEDA COUNTY MEALS ON WHEELS, INC.

Statement of Activities

For the Year Ended June 30, 2012

(With Comparative Totals at June 30, 2011)

	<u>Unrestricted</u>	<u>Temporary Restricted</u>	<u>Total 2012</u>	<u>Total 2011</u>
REVENUE				
Grants and Contributions	\$ 586,338	\$ -	\$ 586,388	\$ 664,168
Grants and Contributions - Senior Service Coalition	80,306	-	80,306	36,699
	<u>666,694</u>	<u>-</u>	<u>666,694</u>	<u>700,867</u>
Contributions and Net Revenue from Special Events:				
Contributions	135,526	-	135,526	118,526
Special Event Revenue	105,938	-	105,938	96,483
Less: Cost of Direct Benefits to Donors				
Donated Products and Services	(50,721)	-	(50,721)	(48,759)
Other	<u>(32,815)</u>	<u>-</u>	<u>(32,815)</u>	<u>(28,290)</u>
Net Special Events	<u>157,928</u>	<u>-</u>	<u>157,928</u>	<u>137,960</u>
Other Revenue:				
Interest Income	632	-	632	1,210
Other	11,999	-	11,999	7,635
Net Other Revenue	<u>12,631</u>	<u>-</u>	<u>12,631</u>	<u>8,845</u>
Total Revenue	<u>\$ 837,253</u>	<u>\$ -</u>	<u>\$ 837,253</u>	<u>\$ 847,672</u>
EXPENSES				
Program	\$ 722,290	\$ -	\$ 722,290	\$ 612,576
General and Administrative	46,639	-	46,639	53,234
Fundraising	165,255	-	165,255	138,150
Total Expenses	<u>\$ 934,184</u>	<u>\$ -</u>	<u>\$ 934,184</u>	<u>\$ 803,960</u>
Change in Net Assets	\$ (96,931)	\$ -	\$ (96,931)	\$ 43,712
NET ASSETS, Beginning of Year	<u>\$ 418,610</u>	<u>\$ -</u>	<u>\$ 418,610</u>	<u>\$ 374,898</u>
NET ASSETS, End of Year	<u>\$ 321,679</u>	<u>\$ -</u>	<u>\$ 321,679</u>	<u>\$ 418,610</u>

ALAMEDA COUNTY MEALS ON WHEELS, INC.

Statement of Functional Expenses

For the Year Ended June 30, 2012

(With Comparative Totals at June 30, 2012)

	<u>Program</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Direct Benefits to Donors</u>	<u>2012</u>	<u>Total 2011</u>
Salaries	\$ 25,285	\$ 26,324	\$ 72,559	\$ -	\$ 124,168	\$ 111,958
Payroll Taxes and Benefits	<u>3,143</u>	<u>5,196</u>	<u>9,430</u>	<u>-</u>	<u>17,769</u>	<u>16,079</u>
	28,428	31,520	81,989	-	141,937	128,037
Disbursements to Local Meals on Wheels Programs	594,714	-	-	-	594,714	508,867
Professional Fees -- Senior Services Coalition	87,112	-	-	-	87,112	71,769
Donated Materials, Facilities and Services	4,131	1,568	4,708	50,721	61,128	53,903
Production	-	-	-	21,486	21,486	19,176
Wheels for Meals	-	-	20,816	-	20,816	15,786
Strategic Planning Consultant	-	-	-	-	-	13,525
Postage	-	-	15,808	-	15,808	12,068
Office Supplies and Expense	6,865	3,912	8,650	-	19,427	10,366
Event Coordinator	-	-	10,000	-	10,000	10,000
Cost of Dinner	-	-	-	11,329	11,329	9,114
Mailhouse	-	-	14,236	-	14,236	9,045
Printing	-	-	5,679	-	5,679	5,943
Accounting and Audit Fees	-	5,848	-	-	5,848	5,575
Occupancy	1,040	1,040	3,120	-	5,200	3,200
Insurance	-	1,952	-	-	1,952	2,218
Retreats	-	193	-	-	193	1,659
Depreciation	-	606	-	-	606	427
Merchant Fees	-	-	249	-	249	331
Total Expenses	\$ 722,290	\$ 46,639	\$ 165,255	\$ 83,536	\$ 1,017,720	\$ 881,009
Less Expenses Included with Revenues on the Statement of Activities	\$ -	\$ -	\$ -	\$ (83,536)	\$ (83,536)	\$ (77,049)
Total Expenses Included in Expenses on Statement of Activities	\$ 722,290	\$ 46,639	\$ 165,255	\$ -	\$ 934,184	\$ 803,960

ALAMEDA COUNTY MEALS ON WHEELS, INC.

Statement of Cash Flows

For the Year Ended June 30, 2012

(With Comparative Totals at June 30, 2012)

2012 2011

	<u>2012</u>	<u>2011</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (96,931)	\$ 43,712
Adjustments to Reconcile Change in Net Assets to Cash Provided (Used) by Operations		
Depreciation	606	427
(Increase) Decrease in Operating Assets		
Grants and Pledges Receivable	69,200	25,301
Prepaid Expenses	(1,663)	(4,277)
Deposits	-	(400)
Increase (Decrease) in Operating Liabilities		
Accounts Payable	(638)	(11,462)
Accrued Vacation	(1,437)	(1,384)
Deferred Revenue	(1,389)	3,637
Net Cash Provided (Used) by Operating Activities	<u>\$ (32,252)</u>	<u>\$ 55,554</u>
NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS	\$ (32,252)	\$ 55,554
CASH AND EQUIVALENTS, Beginning of Year	\$ <u>354,024</u>	\$ <u>298,470</u>
CASH AND EQUIVALENTS, End of Year	\$ <u>321,772</u>	\$ <u>354,024</u>

ALAMEDA COUNTY MEALS ON WHEELS, INC.

Notes to Financial Statements

June 30, 2012

1. Summary of Organization

Alameda County Meals on Wheels, Inc. (ACMOW) is a non-profit organization whose mission is to enable frail seniors to maintain their independence at home by providing them with high quality, nutritious meals that are cost effective, prepared in Alameda County, delivered by caring drivers and administered by local community organizations. ACMOW accomplishes this mission by developing resources to support and expand the work of local Meals on Wheels Programs, providing coordination of services and facilitating countywide strategic planning.

ACMOW is fiscal agent for the Senior Services Coalition of Alameda County, which is committed to establishing a coordinated system of medical, social and supportive care that will enable vulnerable Alameda County elders to maintain a high quality of life in the least restrictive environment possible.

2. Summary of Significant Accounting Policies

Method of Accounting

The Organization's assets, liabilities, and net assets are presented on the accrual basis of accounting.

Basis of Presentation

ACMOW is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Pledges Receivable

Pledges receivable are stated at unpaid balances. ACMOW considers accounts receivable to be fully collectible at year-end. Accordingly, no allowance for doubtful accounts has been recorded.

Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

ALAMEDA COUNTY MEALS ON WHEELS, INC.

Notes to Financial Statements

June 30, 2012

(Continued)

2. Summary of Significant Accounting Policies – continued

Property and Equipment

The Organization capitalizes all expenditures for property and equipment in excess of \$1,500. Purchased property and equipment are carried at cost. Donated property and equipment are carried at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method.

Donated Property and Equipment

Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the agency reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The agency reclassifies temporarily restricted net assets to unrestricted net assets at that time.

Contributions

The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated purpose restriction is accomplished, temporary net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Donated Services

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization.

Use of Estimates

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

Reclassifications

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

ALAMEDA COUNTY MEALS ON WHEELS, INC.

Notes to Financial Statements

June 30, 2012

(Continued)

2. Summary of Significant Accounting Policies - continued

Fair Value of Financial Instruments

The carrying amounts of cash and cash equivalents, accounts receivable, prepaid expenses, other assets, accounts payable and accrued expenses, none of which are held for trading purposes, approximate the fair value due to the short-term nature of these instruments.

Comparative Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2011, from which the summarized information was derived.

Income Taxes

The Organization is a public charity exempt from taxation under Internal Revenue Code Section 501(c)(3) and California Revenue and Tax Code Section 23701d. The Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2). ACMOW recognizes the effect of income tax positions only if those positions are more likely than not to be sustained. ACMOW does not believe its financial statements include any uncertain tax positions.

3. Property and Equipment

Property and Equipment consists of the following:

Office equipment	\$ 6,922
Accumulated depreciation	<u>6,922</u>
	<u>\$ 0</u>

4. Contributed Materials, Facilities and Services

The Organization received donated materials, facilities and services for the following purposes:

Five Star Night	
Food and beverages	\$ 30,660
Venue and tent	13,311
Professional chefs	<u>6,750</u>
	\$ 50,721
Office space and supplies	<u>10,411</u>
	<u>\$ 61,132</u>

ALAMEDA COUNTY MEALS ON WHEELS, INC.

Notes to Financial Statements

June 30, 2012

(Continued)

5. Related Parties

Some members of the Board of Directors are also directors of supported Meals on Wheels organizations.

6. Concentrations of Credit Risk Due to Temporary Cash Investments and Promises to Give Receivable

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of temporary cash investments and grants and pledges receivable. The Organization places its temporary cash investments with financial institutions and limits the amount of credit exposure to any one financial institution. Grants and pledges receivable consist primarily of a single grant from a major foundation.

7. Subsequent Events

In preparing these financial statements, Management has evaluated events and transactions for potential recognition or disclosure through September 9, 2012, the date the financial statements were available to be issued, and believes the following subsequent event require further disclosure: