

ALAMEDA COUNTY MEALS ON WHEELS, INC.
Financial Statements
June 30, 2016

ALAMEDA COUNTY MEALS ON WHEELS, INC.

Financial Statements

June 30, 2016

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Board of Directors
ALAMEDA COUNTY MEALS ON WHEELS
P.O. Box 14002
Oakland, Ca 94614

Report on the Financial Statements

We have audited the accompanying financial statements of ALAMEDA COUNTY MEALS ON WHEELS which comprise the balance sheets as of June 30, 2016 and June 30, 2015 and the related statements of income, changes in stockholders' equity, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor

considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of ALAMEDA COUNTY MEALS ON WHEELS as of June 30, 2016 and June 30, 2015, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

MORRIS & MORRIS, CPA's
Emeryville, California
May 12, 2017

ALAMEDA COUNTY MEALS ON WHEELS, INC.
Statement of Financial Position
June 30, 2016
(With Comparative Totals at June 30, 2015)

	2016	2015
ASSETS		
Current Assets		
Cash and Equivalents	\$ 448,753	\$ 254,444
Grants and Pledges Receivable	14,250	28,569
Prepaid Expenses	771	400
Deposits	400	400
Total Current Assets	464,174	283,813
Noncurrent Assets		
Property and Equipment – Net	277	-
Total Noncurrent Assets	277	-
Total Assets	\$ 464,451	\$ 283,813
LIABILITIES AND NET ASSETS		
LIABILITIES		
Current Liabilities		
Accounts Payable	\$ 3,065	\$ 14,933
Program Payable		
Accrued Expenses		6,130
Total Current Liabilities	3,065	21,063
NET ASSETS		
Unrestricted	461,386	262,750
Temporarily Restricted	-	-
Total Net Assets	461,386	262,750
Total Liabilities and Net Assets	\$ 464,451	\$ 283,813

ALAMEDA COUNTY MEALS ON WHEELS, INC.
Statement of Activities
For the Year Ended June 30, 2016
(With Comparative Totals at June 30, 2015)

	<u>Unrestricted</u>	<u>Temporary Restricted</u>	<u>Total 2016</u>	<u>Total 2015</u>
REVENUE				
Grants and Contributions	\$ 678,837	\$ -	\$ 678,837	\$ 685,161
Grants and Contributions - Senior Service Coalition	<u>163,210</u>	<u>-</u>	<u>163,210</u>	<u>89,141</u>
	<u>842,047</u>	<u>-</u>	<u>842,047</u>	<u>774,302</u>
Contributions and Net Revenue from				
Special Events:				
Contributions	224,169	-	224,169	193,352
Special Event Revenue	<u>98,605</u>	<u>-</u>	<u>98,605</u>	<u>93,911</u>
Net Special Events	<u>322,774</u>	<u>-</u>	<u>322,774</u>	<u>287,263</u>
Other Revenue:				
Interest Income	105	-	105	210
Other	<u>23,621</u>	<u>-</u>	<u>23,621</u>	<u>14,500</u>
Net Other Revenue	<u>23,726</u>	<u>-</u>	<u>23,726</u>	<u>14,710</u>
Total Revenue	<u>1,188,547</u>	<u>-</u>	<u>1,188,547</u>	<u>1,076,275</u>
EXPENSES				
Program	649,327	-	649,327	710,041
General and Administrative	58,374	-	58,374	60,355
Fundraising	199,435	-	199,435	191,976
Direct Benefits to Donors	<u>112,567</u>	<u>-</u>	<u>112,567</u>	<u>116,789</u>
Total Expenses	<u>1,019,703</u>	<u>-</u>	<u>1,019,703</u>	<u>1,079,161</u>
Change in Net Assets	168,844		168,844	(2,886)
NET ASSETS, Beginning of Year	<u>262,750</u>	<u>-</u>	<u>262,750</u>	<u>265,636</u>
Prior Period Adjustment	<u>29,792</u>	<u>-</u>	<u>29,792</u>	<u>-</u>
NET ASSETS, End of Year	<u>\$ 461,386</u>	<u>\$ -</u>	<u>\$ 461,386</u>	<u>\$ 262,750</u>

ALAMEDA COUNTY MEALS ON WHEELS, INC.
Statement of Functional Expenses
For the Year Ended June 30, 2016
(With Comparative Totals at June 30, 2015)

	<u>Program</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Direct Benefits to Donors</u>	<u>2016</u>	<u>Total 2015</u>
Salaries	\$ 26,637	\$ 17,306	\$ 56,296	\$ -	\$ 100,239	\$ 133,676
Payroll Taxes and Benefits	<u>6,446</u>	<u>6,395</u>	<u>13,684</u>	<u>-</u>	<u>26,525</u>	<u>23,299</u>
	33,083	23,701	69,980	-	126,764	156,975
Disbursements to Local Meals on Wheels Programs	464,242				464,242	579,390
Professional Fees – Senior Services Coalition	147,116				147,116	86,743
Donated Materials, Facilities and Services				58,521	58,521	67,350
Production				51,856	51,856	55,226
Wheels for Meals			12,761		12,761	42,967
Campaign Expenses			96,687		96,687	
Postage						8,288
Office Supplies and Expense	1,018	27,033	2,831		30,882	18,470
Event Coordinator			12,750		12,750	12,000
Cost of Dinner				2,190	2,190	3,948
Mailhouse						9,892
Printing			1,186		1,186	12,459
Accounting and Audit Fees		3,295			3,295	13,018
Occupancy	1,218	1,080	3,240		5,538	5,400
Insurance	2,650	940			3,590	2,400
Retreats						4,635
Depreciation		69			69	
Misc		<u>2,256</u>			<u>2,256</u>	
Total Expenses	<u>649,327</u>	<u>58,374</u>	<u>199,435</u>	<u>112,567</u>	<u>1,019,703</u>	<u>1,079,161</u>
Total Expenses Included in Expenses on Statement of Activities	<u>\$ 649,327</u>	<u>\$ 58,374</u>	<u>\$ 199,435</u>	<u>\$ 112,567</u>	<u>\$ 1,019,703</u>	<u>\$ 1,079,161</u>

ALAMEDA COUNTY MEALS ON WHEELS, INC.
Statement of Cash Flows
For the Year Ended June 30, 2016
(With Comparative Totals at June 30, 2015)

	<u>2016</u>	<u>2015</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 168,844	\$ (2,886)
Adjustments to Reconcile Change in Net Assets to Cash Provided (Used) by Operations		
Prior Period Adjustment	29,792	
Depreciation	69	
(Increase) Decrease in Operating Assets		
Grants and Pledges Receivable	14,319	(15,634)
Prepaid Expenses	(371)	7,088
Deposits	-	-
Increase (Decrease) in Operating Liabilities		
Accounts Payable	(11,868)	12,953
Program Payable		(72,312)
Accrued Expense	(6,130)	1,662
Deferred Revenue		(3,770)
Net Cash Provided (Used) by Operating Activities	<u>194,655</u>	<u>(72,899)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase in Purchases of Property, Equipment & Software	(346)	-
Net Cash Used by Investing Activities	(346)	-
NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS	194,309	(72,899)
CASH AND EQUIVALENTS, Beginning of Year	254,444	327,343
CASH AND EQUIVALENTS, End of Year	\$ 448,753	\$ 254,444

ALAMEDA COUNTY MEALS ON WHEELS, INC.
Notes to Financial Statements
June 30, 2016

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, 2016
(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, 2016
(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, 2016, 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. FAIR VALUE MEASUREMENTS

Fair Value Hierarchy - Fair value is defined in the accounting guidance as the exchange price that would be received to sell an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the assets or liability in an orderly transaction between market participants at the measurement date. Under this guidance, a three-level hierarchy is used for fair value measurements which are based on the transparency of information, such as the pricing source, used in the valuation of an asset or liability as of the measurement date. Financial instruments measured and reported at fair value are classified and disclosed in one of the following three categories.

Level 1 - Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity can access at the measurement date.

Level 2 - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. This includes quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, or market corroborated inputs.

ALAMEDA COUNTY MEALS ON WHEELS, INC.

Notes to Financial Statements

June 30, 2016

(Continued)

3. FAIR VALUE MEASUREMENTS (Continued)

Level 3 - Inputs are unobservable for the asset or liability. Unobservable inputs reflect assumptions that market participants would use in pricing the asset or liability (including assumptions about risk), using the best information available in the circumstances, which may include using the reporting entity's own data.

Valuation Techniques and Inputs

Level 1 - Level 1 assets include investments in domestic and international equities and fixed income corporate bonds and notes for which quoted prices are readily available.

Level 2 - Level 2 assets include investments in cash and short-term investments (consisting primarily of money market funds) as these funds are not traded on a regular basis.

Level 3 - Level 3 assets include beneficial interest in funds held by others for which quoted prices are not readily available. The fair values are based on a combination of Level 2 inputs (interest rates and yield curves) and significant unobservable inputs (individual or entity specific estimates of cash flows). The fair values are measured at the present value of the future distributions the Organization expects to receive over the term of the agreements.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the level in the fair value hierarchy within which the fair value measurement in its entirety falls has been determined based on the lowest level input that is significant to the fair value measurement in its entirety.

The assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the asset or liability. While 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 estimate of fair value at the reporting date.

The following table presents information about the Organization's assets measured at fair value on a recurring basis as of June 30, 2016 based upon the three-level hierarchy:

ASSETS	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Cash and short-term investments	\$ 448,753	-	\$ 448,753	-

ALAMEDA COUNTY MEALS ON WHEELS, INC.

Notes to Financial Statements

June 30, 2016

(Continued)

4. PROPERTY and EQUIPMENT

Property and Equipment consists of the following:

Office equipment	\$	7,268
Accumulated depreciation		<u>(6,991)</u>
	\$	277

5. CONTRIBUTED MATERIALS, FACILITIES and SERVICES

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

Taste Event		
Food and beverages, venue & others	\$	58,521

6. RELATED PARTIES

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

7. 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.

8. SUBSEQUENT EVENTS

In preparing these financial statements, Management has evaluated events and transactions for potential recognition or disclosure through May 12, 2017, the date the financial statements were available to be issued.

