

**ALAMEDA COUNTY MEALS ON WHEELS, INC.**  
Financial Statements  
June 30, 2017

**ALAMEDA COUNTY MEALS ON WHEELS, INC.**

Financial Statements

June 30, 2017

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## **Independent Auditor's Report**

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

### ***Report on the Financial Statements***

I have audited the accompanying financial statements of Alameda County Meals On Wheels, Inc. (a California non-profit corporation), which comprise the statement of financial position as of June 30, 2017 and the related statements of activities 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***

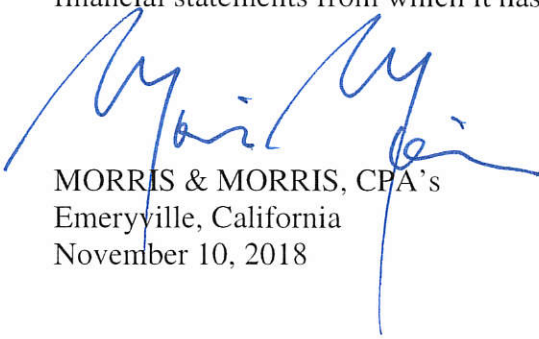
My responsibility is to express an opinion on these financial statements based on my audits. I conducted my audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

***Opinion***

In my 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, 2017, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Report on Summarized Comparative Information***

I have previously audited Alameda County Meals On Wheels, Inc.'s 2016 financial statements, and I expressed an unmodified audit opinion on those audited financial statements in my report dated May 25, 2017. In my opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2016, is consistent, in all material respects, with the audited financial statements from which it has been derived.

A handwritten signature in blue ink, appearing to read "Morris", is written over the printed text of the firm name and date.

MORRIS & MORRIS, CPA's  
Emeryville, California  
November 10, 2018

**ALAMEDA COUNTY MEALS ON WHEELS, INC.**

Statement of Financial Position

June 30, 2017

(With Comparative Totals at June 30, 2016)

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	<u>2017</u>	<u>2016</u>
<b>ASSETS</b>		
Current Assets		
Cash and Equivalents	\$ 687,693	\$ 448,753
Grants and Pledges Receivable	7,000	14,250
Prepaid Expenses	-	771
Deposits	<u>-</u>	<u>400</u>
Total Current Assets	<u>694,693</u>	<u>464,174</u>
Noncurrent Assets		
Property and Equipment – Net	<u>166</u>	<u>277</u>
Total Noncurrent Assets	<u>166</u>	<u>277</u>
Total Assets	<u>\$ 694,859</u>	<u>\$ 464,451</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Current Liabilities		
Accounts Payable		\$ 3,065
Program Payable	\$ 100,173	<u>-</u>
Total Current Liabilities	<u>100,173</u>	<u>3,065</u>
<b>NET ASSETS</b>		
Unrestricted	594,686	461,386
Temporarily Restricted	<u>-</u>	<u>-</u>
Total Net Assets	<u>594,686</u>	<u>461,386</u>
Total Liabilities and Net Assets	<u>\$ 694,859</u>	<u>\$ 464,451</u>

**ALAMEDA COUNTY MEALS ON WHEELS, INC.**

Statement of Activities

For the Year Ended June 30, 2017

(With Comparative Totals at June 30, 2016)

	<u>Unrestricted</u>	<u>Temporary Restricted</u>	<u>Total 2017</u>	<u>Total 2016</u>
<b>REVENUE</b>				
Grants and Contributions	\$ 668,403	\$ -	\$ 668,403	\$ 678,837
Grants and Contributions - Senior Service Coalition	197,920	-	197,920	163,210
	<u>866,323</u>	<u>-</u>	<u>866,323</u>	<u>842,047</u>
Contributions and Net Revenue from Special Events:				
Contributions	202,692	-	202,692	165,648
Donated Goods and Services	63,337	-	63,337	58,521
Special Event Revenue	101,022	-	101,022	98,605
Net Special Events	<u>367,051</u>	<u>-</u>	<u>367,051</u>	<u>322,774</u>
Other Revenue:				
Interest Income	114	-	114	105
Other	7,061	-	7,061	23,621
Net Other Revenue	<u>7,175</u>	<u>-</u>	<u>7,175</u>	<u>23,726</u>
Total Revenue	<u>1,240,549</u>	<u>-</u>	<u>1,240,549</u>	<u>1,188,547</u>
<b>EXPENSES</b>				
Program	671,611	-	671,611	649,327
General and Administrative	71,445	-	71,445	58,374
Fundraising	336,323	-	336,323	312,002
Total Expenses	<u>1,079,379</u>	<u>-</u>	<u>1,079,379</u>	<u>1,019,703</u>
Change in Net Assets	161,170	-	161,170	168,844
NET ASSETS, Beginning of Year	<u>461,386</u>	<u>-</u>	<u>461,386</u>	<u>262,750</u>
Prior Period Adjustment	<u>(27,870)</u>	<u>-</u>	<u>(27,870)</u>	<u>29,792</u>
NET ASSETS, End of Year	<u>\$ 594,686</u>	<u>\$ -</u>	<u>\$ 594,686</u>	<u>\$ 461,386</u>

**ALAMEDA COUNTY MEALS ON WHEELS, INC.**

Statement of Functional Expenses

For the Year Ended June 30, 2017

(With Comparative Totals at June 30, 2016)

	<u>Program</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>2017</u>	<u>2016</u>
Salaries	\$ 23,005	\$ 11,699	\$ 73,645	\$ 108,349	\$ 100,239
Payroll Taxes and Benefits	2,038	1,036	6,523	9,597	26,525
Disbursements to Local Meals on Wheels Programs	504,703			504,703	464,242
Professional Fees – Senior Services Coalition	140,345			140,345	147,116
Donated Materials, Facilities and Services			63,337	63,337	58,521
Event Production			46,761	46,761	54,046
Wheels for Meals			39,051	39,051	12,761
Campaign Expenses			80,763	80,763	96,687
Outside Service		3,941		3,941	-
Office Supplies and Expense		48,687	1,762	50,449	30,882
Event Coordinator			19,921	19,921	12,750
Printing				-	1,186
Accounting and Audit Fees		4,340		4,340	3,295
Occupancy	1,520	1,340	4,560	7,420	5,538
Insurance		291		291	3,590
Depreciation		111		111	69
Misc				-	2,256
Total Expenses	<u>\$ 671,611</u>	<u>\$ 71,445</u>	<u>\$ 336,323</u>	<u>\$ 1,079,379</u>	<u>\$ 1,019,703</u>

**ALAMEDA COUNTY MEALS ON WHEELS, INC.**  
Statement of Cash Flows  
For the Year Ended June 30, 2017  
(With Comparative Totals at June 30, 2016)

	2017	2016
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 161,170	\$ 168,844
Adjustments to Reconcile Change in Net Assets to Cash Provided (Used) by Operations		
Prior Period Adjustment	(27,870)	29,792
Depreciation	111	69
(Increase) Decrease in Operating Assets		
Grants and Pledges Receivable	7,250	14,319
Prepaid Expenses	771	(371)
Deposits	400	-
Increase (Decrease) in Operating Liabilities		
Accounts Payable	(3,065)	(11,868)
Program Payable	100,173	
Accrued Expense		(6,130)
	238,940	194,655
Net Cash Provided (Used) by Operating Activities	238,940	194,655
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Increase in purchases of property, equipment & software	-	(346)
Net Cash Used by Investing Activities	-	(346)
<b>NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS</b>	238,940	194,309
<b>CASH AND EQUIVALENTS, Beginning of Year</b>	448,753	254,444
<b>CASH AND EQUIVALENTS, End of Year</b>	\$ 687,693	\$ 448,753



**ALAMEDA COUNTY MEALS ON WHEELS, INC.**

Notes to Financial Statements

June 30, 2017

(Continued)

**1. SUMMARY OF ORGANIZATION**

Alameda County Meals on Wheels, Inc. (ACMOW) (the Organization) 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, 2017

(Continued)

**2. Summary of Significant Accounting Policies – continued**

***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.

***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.

**ALAMEDA COUNTY MEALS ON WHEELS, INC.**

Notes to Financial Statements

June 30, 2017

(Continued)

**2. Summary of Significant Accounting Policies - continued**

***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.

***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.

**ALAMEDA COUNTY MEALS ON WHEELS, INC.**

Notes to Financial Statements

June 30, 2017

(Continued)

**3. Fair Value Measurements (continued)**

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.

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.

**ALAMEDA COUNTY MEALS ON WHEELS, INC.**

Notes to Financial Statements

June 30, 2017

(Continued)

**3. Fair Value Measurements (continued)**

The following table presents information about the Organization's assets measured at fair value on a recurring basis as of June 30, 2017 based upon the three-level hierarchy:

	Total	Level 1	Level 2	Level 3
<b>ASSETS</b>				
Cash and short-term investments	\$687,693	\$687,693	-	-

**4. Property and Equipment**

Property and Equipment consists of the following:

Office equipment	\$ 7,268
Accumulated depreciation	(7,102)
	\$ 166

**5. Contributed Materials, Facilities and Services**

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

<u>Taste Event</u>	
Food and beverages, venue & others	\$ 63,337

**6. Related Parties**

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

**7. Subsequent Events**

In preparing these financial statements, Management has evaluated events and transactions for potential recognition or disclosure through November 10, 2018, the date the financial statements were available to be issued.