

**MEALS ON WHEELS PLUS
OF MANATEE, INC.**

FINANCIAL REPORT

DECEMBER 31, 2016

MEALS ON WHEELS PLUS OF MANATEE, INC.

FINANCIAL REPORT DECEMBER 31, 2016

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Meals on Wheels PLUS of Manatee, Inc.
Bradenton, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of Meals on Wheels PLUS of Manatee, Inc. (a non-profit organization) (the "Organization"), which comprise the statement of financial position as of December 31, 2016, and the related statements of activities, functional expenses 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 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 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 financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2016, 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.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information, including the accompanying schedule of expenditures of Federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 23 2017, on our consideration of the Organization'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 the 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 the Organization's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Bradenton, Florida
May 23, 2017

MEALS ON WHEELS PLUS OF MANATEE, INC.

STATEMENT OF FINANCIAL POSITION DECEMBER 31, 2016

ASSETS	
CURRENT ASSETS	
Cash	\$ 4,843
Grants and accounts receivable	253,022
Promises to give	752
Bequest receivable	635,600
Inventories	429,742
Prepaid expenses	10,541
	<u>1,334,500</u>
INVESTMENTS AND OTHER ASSETS	
Endowment fund	<u>216,623</u>
PROPERTY AND EQUIPMENT, at cost, net	<u>4,343,649</u>
	<u><u>\$ 5,894,772</u></u>
LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES	
Accounts payable	\$ 135,610
Accumulated paid time off	115,904
Accrued expenses	43,958
Current portion of long-term debt	47,281
Line of credit	180,000
	<u>522,753</u>
LONG-TERM LIABILITIES	
Long-term debt, less current maturities and unamortized debt issuance costs	<u>1,516,871</u>
NET ASSETS	
Unrestricted	3,618,525
Unrestricted, board designated	112,602
Total unrestricted	<u>3,731,127</u>
Temporarily restricted	45,246
Permanently restricted	78,775
	<u>3,855,148</u>
	<u><u>\$ 5,894,772</u></u>

See Notes to Financial Statements.

MEALS ON WHEELS PLUS OF MANATEE, INC.

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2016

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Program revenue				
Federal grants	\$ 1,328,189	\$ -	\$ -	\$ 1,328,189
State grants	98,880	-	-	98,880
County grants	120,112	-	-	120,112
Project income	352,940	-	-	352,940
Contributions	343,313	20,000	-	363,313
Special events, net of expense	304,000	-	-	304,000
United Way	60,157	-	-	60,157
Meals sold	935,272	-	-	935,272
Other grants	938,616	-	-	938,616
In-kind contributions	6,718,979	-	-	6,718,979
Net assets released from restrictions	12,462	(12,462)	-	-
Total program revenue	11,212,920	7,538	-	11,220,458
Other revenue				
Rental income	3,227	-	-	3,227
Interest income	9	-	-	9
Net unrealized gain on investments	4,908	3,705	-	8,613
Gain on sale of assets	2,515	-	-	2,515
Miscellaneous income	44,295	-	-	44,295
Total other revenue	54,954	3,705	-	58,659
Total revenue	11,267,874	11,243	-	11,279,117
Expenses				
Program services				
Food bank	7,152,376	-	-	7,152,376
Home delivered meals	1,348,882	-	-	1,348,882
Adult daycare	465,368	-	-	465,368
Renaissance on 9th	1,366,550	-	-	1,366,550
Congregate dining	162,716	-	-	162,716
Passenger transportation	517,198	-	-	517,198
Respite	77,314	-	-	77,314
Other miscellaneous programs	22,900	-	-	22,900
Total program services	11,113,304	-	-	11,113,304
Supporting services				
Management and general	290,837	-	-	290,837
Fundraising	298,587	-	-	298,587
Total supporting services	589,424	-	-	589,424
Total expenses	11,702,728	-	-	11,702,728
Change in net assets	(434,854)	11,243	-	(423,611)
Net assets, beginning of year	4,165,981	34,003	78,775	4,278,759
Net assets, end of year	\$ 3,731,127	\$ 45,246	\$ 78,775	\$ 3,855,148

See Notes to Financial Statements.

MEALS ON WHEELS PLUS OF MANATEE, INC.

STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Passenger Transportation</u>	<u>Congregate Dining</u>	<u>Home Delivered Meals</u>	<u>Adult Daycare</u>	<u>Nutrition Counseling</u>
Salaries	\$ 268,016	\$ 83,858	\$ 366,375	\$ 286,912	\$ 1,182
Payroll taxes and benefits	55,733	24,212	63,890	40,773	200
Travel	-	316	37,039	25	-
Communications and postage	2,422	1	834	4,571	-
Utilities	-	2,400	-	10,446	-
Printing and supplies	2,537	4,254	3,480	9,450	-
Food and food supplies	-	-	-	-	-
Maintenance and repairs	59,999	4,295	-	19,634	-
Professional fees	5,358	798	5,303	11,758	1,838
Advertising	50	-	25	-	-
Insurance	22,169	5,400	-	3,872	-
In-kind volunteer mileage	-	-	91,697	-	-
In-kind occupancy	-	4,386	-	-	-
In-kind miscellaneous	-	-	-	340	-
Depreciation	97,483	6,301	8,427	20,640	-
Amortization of deferred loan costs	-	-	-	2,825	-
Food bank food distributed	-	-	-	-	-
Other	3,431	3,003	3,701	31,890	-
	<u>517,198</u>	<u>139,224</u>	<u>580,771</u>	<u>443,136</u>	<u>3,220</u>
Meal cost allocated	-	23,492	768,111	22,232	-
Total expenses	<u>\$ 517,198</u>	<u>\$ 162,716</u>	<u>\$ 1,348,882</u>	<u>\$ 465,368</u>	<u>\$ 3,220</u>

See Notes to Financial Statements.

MEALS ON WHEELS PLUS OF MANATEE, INC.

STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED DECEMBER 31, 2016

Respite	Outreach	Food Bank	Renaissance on 9th	Meal Production	Total Program Services
\$ 65,984	\$ 12,663	\$ 303,323	\$ 540,881	\$ 217,051	\$ 2,146,245
9,830	3,100	70,394	107,537	45,812	421,481
-	2,119	753	686	395	41,333
-	878	8,890	8,151	5,691	31,438
-	1,863	23,495	63,601	26,290	128,095
-	2,226	30,716	5,638	4,886	63,187
-	-	-	-	427,048	427,048
-	14	44,468	45,966	16,157	190,533
-	(22)	11,193	22,794	11,741	70,761
-	1,290	4,694	5,158	25	11,242
1,500	-	14,702	22,784	6,102	76,529
-	-	-	-	-	91,697
-	-	-	-	-	4,386
-	-	510	10,240	510	11,600
-	-	68,009	201,221	29,851	431,932
-	-	-	26,523	-	29,348
-	-	6,540,335	-	-	6,540,335
-	-	30,894	305,370	17,825	396,114
77,314	24,131	7,152,376	1,366,550	809,384	11,113,304
-	-	-	-	(813,835)	-
<u>\$ 77,314</u>	<u>\$ 24,131</u>	<u>\$ 7,152,376</u>	<u>\$ 1,366,550</u>	<u>\$ (4,451)</u>	<u>\$ 11,113,304</u>

MEALS ON WHEELS PLUS OF MANATEE, INC.

STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Expenses</u>
Salaries	\$ 145,944	\$ 110,389	\$ 2,402,578
Payroll taxes and benefits	29,114	12,696	463,291
Travel	1,140	766	43,239
Communications and postage	4,328	4,193	39,959
Utilities	3,050	1,863	133,008
Printing and supplies	2,955	2,261	68,403
Food and food supplies	-	-	427,048
Maintenance and repairs	3,667	495	194,695
Professional fees	37,105	129,199	237,065
Advertising	10,009	4,445	25,696
Insurance	3,664	-	80,193
In-kind volunteer mileage	-	-	91,697
In-kind occupancy	-	-	4,386
In-kind miscellaneous	-	-	11,600
Depreciation	13,905	9,147	454,984
Amortization of deferred loan costs	-	-	29,348
Food bank food distributed	-	-	6,540,335
Other	35,956	23,133	455,203
	<u>290,837</u>	<u>298,587</u>	<u>11,702,728</u>
Meal cost allocated	<u>-</u>	<u>-</u>	<u>-</u>
Total expenses	<u>\$ 290,837</u>	<u>\$ 298,587</u>	<u>\$ 11,702,728</u>

MEALS ON WHEELS PLUS OF MANATEE, INC.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2016

CASH FLOWS FROM OPERATING ACTIVITIES	
Decrease in net assets	\$ (423,611)
Adjustments to reconcile decrease in net assets to net cash provided by operating activities	
Depreciation and amortization	484,332
Gain on sale of property and equipment	(2,515)
Change in fair value of the endowment fund	(8,613)
Change in assets and liabilities	
Decrease in grants and accounts receivable	250,323
Decrease in promises to give	53
Decrease in bequest receivable	170,000
(Increase) in inventories	(90,202)
(Increase) in prepaid expenses	(1,082)
Increase in accounts payable	10,327
Increase in accumulated paid time off	12,061
(Decrease) in accrued expenses	(3,109)
Net cash provided by operating activities	<u>397,964</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of property and equipment	(204,846)
Proceeds from the sale of property and equipment	2,515
Purchase of investments	(84,999)
Net cash (used in) investing activities	<u>(287,330)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Payments on line of credit, net	(50,000)
Payments on long-term debt	(57,385)
Net cash (used in) financing activities	<u>(107,385)</u>
Net increase in cash	3,249
Cash, beginning of year	<u>1,594</u>
Cash, end of year	<u>\$ 4,843</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION	
Cash payments for interest	<u>\$ 114,382</u>

See Notes to Financial Statements.

MEALS ON WHEELS PLUS OF MANATEE, INC.

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2016

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Meals on Wheels PLUS of Manatee, Inc. (the "Organization") is a not-for-profit organization that was formed to provide nutritional assistance and other supportive services in homes or in centers to needy people of Manatee County, Florida.

Significant accounting policies are as follows:

Basis of Accounting

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

The accompanying financial statements have been prepared in conformity with the disclosure and display requirements of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, *Not-for-Profit Entities*. Accordingly, net assets are reported in each of the following three classes: (1) unrestricted net assets, (2) temporarily restricted net assets, and (3) permanently restricted net assets.

Net assets of the two restricted classes are created only by donor-imposed restrictions on their use. All other net assets, including board-designated or appropriated amounts, are legally unrestricted and are reported as part of the unrestricted class.

Support and Revenue

The Organization receives substantially all grant and contract revenue from Federal, state and local agencies. Federal, state and local government and public grants are recorded as support when performance occurs under the terms of the grant agreement.

Grant and contracts awarded to the Organization by Federal, state and local agencies are on a standard rate basis. Accordingly, revenues are recognized as units of service are delivered on these contracts.

Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

MEALS ON WHEELS PLUS OF MANATEE, INC.

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2016

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Grants and Accounts Receivable

Grants and accounts receivable are recorded at their net realizable value. Grants and accounts receivable are based on services performed prior to year end, but not collected as of the statement of financial position date. Management considers all such amounts to be fully collectible.

Bequest Receivable

The bequest receivable is recorded based on an estimate of its net realizable value and management considers the amount recorded to be fully collectible.

Allowance for Doubtful Accounts

The Organization uses the allowance method to account for uncollectible grants and accounts receivable and promises to give. As of December 31, 2016, all receivables are considered fully collectible.

Cash and Cash Equivalents

The Organization considers all unrestricted, highly liquid investments with an initial maturity of three months or less to be cash equivalents.

The Organization maintains its cash in bank accounts which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts. The Organization believes it is not exposed to any significant credit risk on cash and cash equivalents.

Contributions

Unconditional promises to give cash and other assets are reported at estimated fair value at the date the promise is received. Conditional promises to give are recognized when the conditions are substantially met, and indications of intentions to give are reported at fair value at the date the gift is received. The gifts are reported as either temporarily or permanently 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 time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Contributions with donor-imposed restrictions that are met in the same reporting period are reported as unrestricted support.

MEALS ON WHEELS PLUS OF MANATEE, INC.

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2016

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Inventories

Inventories consist of donated food and kitchen supplies. Kitchen supplies are stated at the lower of cost or market determined by the first-in, first-out method. Donated food is included in inventory at an industry standard valuation.

Property and Equipment

Property and equipment acquisitions in excess of \$500 are recorded at cost, estimated cost, or if donated, at fair value on the date of donation. Depreciation is provided over the estimated useful life of each class of depreciable assets and is computed using the straight-line method.

	<u>Years</u>
Buildings and improvements	7-25
Furniture and fixtures	3-10
Vehicles	5

Maintenance and repairs of property and equipment are charged to operations and major improvements are capitalized. Depreciation expense for the year ended December 31, 2016, was \$454,984.

Donated Materials, Dining Facilities and Services

All contributions are considered available for unrestricted use unless specifically restricted by the donor. Noncash contributions have been treated as in-kind contributions for purposes of meeting Federal or state matching requirements. Donated materials, consisting primarily of food, are reflected in the accompanying financial statements at their estimated fair value at date of receipt. Donated building space is recorded at the fair rental value of comparable spaces. Volunteer mileage donated in connection with the home delivered meals program is recorded at the Organization's regular mileage reimbursement rate.

Numerous volunteers have donated significant amount of time to the Organization's various programs. No amounts have been recognized in the accompanying statement of activities because the criteria for recognition under generally accepted accounting principles have not been satisfied. Although no amounts have been reflected in the financial statements, management estimates the fair value of those services to be \$992,988 for the year ended December 31, 2016.

MEALS ON WHEELS PLUS OF MANATEE, INC.

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2016

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The Organization qualifies as a charitable organization as defined by Internal Revenue Code Section 501(c)(3) and, accordingly is exempt from federal income taxes under Internal Revenue Code Section 501(a).

It is the Organization's policy to account for any uncertainties in income tax law in accordance with FASB ASC 740-10 *Accounting for Uncertainty in Income Taxes*. ASC 740-10 clarifies the accounting for uncertain income tax positions and requires that the Organization recognize the impact of such a tax position in its financial statements if, upon ultimate settlement, that position is more-likely-than-not to be sustained. Management has evaluated the Organization's tax positions and concluded that the Organization has maintained its tax-exempt status and has taken no uncertain tax positions that require adjustment to the financial statements. As a result, no provision or liability for income taxes has been included in the financial statements.

Fair Value of Financial Instruments

The Organization has adopted FASB's fair value measurement and disclosure guidance, which provides a framework for measuring fair value under generally accepted accounting principles. This guidance applies to all financial instruments that are being measured and reported on a fair value basis.

Functional Allocation of Expenses

The costs of providing various programs and other activities and the administration of the Organization have been summarized on a functional basis in the Statement of Activities. Salaries and other expenses which are associated with a specific program are charged directly to that program. Administrative and general expenses and other expenses which benefit more than one program are allocated to the various programs based on the relative benefit provided.

Advertising

The Organization expenses advertising costs in the period incurred. For the year ended December 31, 2016, advertising costs totaled \$25,696.

MEALS ON WHEELS PLUS OF MANATEE, INC.

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2016

NOTE 2. PROMISES TO GIVE

Promises to give at December 31, 2016 are all due in less than one year and are recorded at their expected collectible value. Promises to give at December 31, 2016, totaled \$752.

NOTE 3. PROPERTY AND EQUIPMENT

Property and equipment consists of the following at December 31, 2016:

Land	\$	785,823
Buildings and improvements		5,348,652
Furniture, fixtures and equipment		1,169,639
Vehicles		999,834
		<u>8,303,948</u>
Less accumulated depreciation		3,960,299
	\$	<u><u>4,343,649</u></u>

NOTE 4. FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the Organization may use various methods including market, income and cost approaches. Based on these approaches, the Organization utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated or generally unobservable inputs. The Organization utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used in the valuation techniques, the Organization is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values.

MEALS ON WHEELS PLUS OF MANATEE, INC.

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2016

NOTE 4. FAIR VALUE MEASUREMENTS (CONTINUED)

Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

- Level 1 Valuations for assets and liabilities traded in active exchange markets, such as the New York Stock Exchange. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.
- Level 2 Valuations for assets and liabilities traded in less active dealer or broker markets. Valuations are obtained from third-party pricing services for identical or similar assets or liabilities.
- Level 3 Valuations for assets and liabilities that are derived from other valuation methodologies, including option pricing models, discounted cash flow models and similar techniques, and not based on market exchange, dealer or broker traded transactions. Level 3 valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets or liabilities.

The level within the fair value hierarchy within which a fair measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

Following is a description of the valuation methodologies used for assets and liabilities measured at fair value:

Endowment Fund

Common stocks, mutual funds, bond funds, and commodities: Valued based on quoted market prices, when available, or market prices provided by recognized broker dealers. If listed prices or quotes are not available, fair value is based upon externally developed models that use unobservable inputs due to the limited market activity of the instrument.

Private equity funds and alternative investments: Valued based on unobservable inputs (assumptions that market participants would use in pricing an asset) that reflects assumptions based on the best information available.

MEALS ON WHEELS PLUS OF MANATEE, INC.

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2016

NOTE 4. FAIR VALUE MEASUREMENTS (CONTINUED)

The following table presents the Organization's financial instruments measured at fair value on a recurring basis at December 31, 2016:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Endowment				
Cash and cash equivalents	\$ 5,468	\$ -	\$ -	\$ 5,468
Common stock and equity mutual funds	124,695	-	-	124,695
Fixed income investments	55,564	-	-	55,564
ETF, commodity	2,456	-	-	2,456
Real estate funds	8,191	-	-	8,191
Private equity funds	-	-	2,439	2,439
Other alternatives	-	-	17,810	17,810
	<u>\$ 196,374</u>	<u>\$ -</u>	<u>\$ 20,249</u>	<u>\$ 216,623</u>

The endowment assets are held in an investment pool with the Manatee Community Foundation (Community Foundation). Like the other assets in the investment pool, the Level 3 assets were allocated to the Organization's endowment based on their proportion of the entire investment pool. The following is a reconciliation of the endowment assets in which significant unobservable inputs (Level 3) were used in determining their value at December 31, 2016:

Fair value, beginning of the year	\$ 11,912
Change in value of endowment assets	8,337
	<u>\$ 20,249</u>

NOTE 5. LINE OF CREDIT

During the year, the Organization has a line of credit agreement which has an available balance in the amount of \$500,000 with an interest rate at prime (3.75% at December 31, 2016) plus .50% with a floor of 4.25%. This line of credit expired January 7, 2017 and was secured by a blanket lien on business real and personal property. At December 31, 2016, \$180,000 was outstanding on the line of credit. Subsequent to year end the Organization refinanced the line of credit with a different local financial institution with similar terms to the expired line of credit.

MEALS ON WHEELS PLUS OF MANATEE, INC.

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2016

NOTE 6. LONG-TERM DEBT

Long-term debt consisted of the following at December 31, 2016:

Long-term debt modified for an additional advance of \$650,000 which is due in monthly installments of \$8,427 including interest at 4.69% through September 2025. Collateral is certain assets of the organization.	\$ 1,251,166
Long-term debt due in monthly installments of \$3,386 including interest at 4.66% through September 2021, with a balloon payment due in October 2021. Debt is secured by a mortgage on adult day care center.	487,545
	<u>1,738,711</u>
Less current maturities	47,281
Less unamortized debt issuance costs	174,559
	<u>\$ 1,516,871</u>

In 2016, the Organization adopted the requirements of FASB ASC 835-30 to present debt issuance costs as a reduction of the carrying amount of the debt rather than as an asset. Amortization of the deferred loan costs are reported as such on the statement of activities.

Total interest expense for the year ended December 31, 2016, was \$97,509.

The modified loan agreement above contains a financial covenant related to debt service coverage. The Organization was in violation of that covenant at December 31, 2016, and the bank did not waive this violation. Subsequent to year end the Organization refinanced the above loans with another local financial institution. Those loans also contain certain financial covenants related to debt service coverage but the Organization is not required to meet those covenants until December 31, 2017.

Aggregate maturities on the long-term debt at December 31, 2016, are as follows:

2017	\$ 47,281
2018	65,267
2019	67,559
2020	69,776
2021	72,384
Thereafter	1,416,444
	<u>\$ 1,738,711</u>

MEALS ON WHEELS PLUS OF MANATEE, INC.

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2016

NOTE 7. RESTRICTIONS ON NET ASSETS

Temporarily restricted net assets at December 31, 2016, consist of the following:

Produce capacity initiative	\$	5,000
Summer backpack		15,000
Endowment earnings		25,246
	\$	<u>45,246</u>

Temporarily restricted net assets consist of \$20,000 in cash and \$25,246 of endowment earnings.

NOTE 8. NET ASSETS RELEASED FROM RESTRICTIONS

Net assets were released from donor restrictions during 2016 by incurring expenses satisfying the restricted purposes specified by donors as follows:

Purpose restrictions accomplished:

Aging mastery program course	\$	7,500
Media center equipment		2,500
Two automated external defibrillators		2,462
	\$	<u>12,462</u>

NOTE 9. ENDOWMENTS

The Organization's endowment consists of one fund established for the needs of the Organization. The fund includes both donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments. As required by accounting principles generally accepted in the United States (GAAP), net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Organization has interpreted the Florida Uniform Prudent Management of Institutional Funds Act (FUPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as permanently restricted net assets: (a) the original value of the gift donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by FUPMIFA.

MEALS ON WHEELS PLUS OF MANATEE, INC.

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2016

NOTE 9. ENDOWMENTS (CONTINUED)

In accordance with FUPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulated donor-restricted endowment funds:

1. The duration and preservation of the fund;
2. The purposes of the Organization and the donor-restricted endowment fund;
3. General economic conditions;
4. The possible effect of inflation and deflation;
5. The expected total return from income and the appreciation of investments;
6. Other resources of the Organization;
7. The investment policies of the Organization.

Endowment net asset composition by type of fund as of December 31, 2016, is as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment funds	\$ -	\$ 25,246	\$ 78,775	\$ 104,021
Board designated endowment funds	112,602	-	-	112,602
	<u>\$ 112,602</u>	<u>\$ 25,246</u>	<u>\$ 78,775</u>	<u>\$ 216,623</u>

Changes in endowment net assets for the year ended December 31, 2016, are as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ 22,695	\$ 21,541	\$ 78,775	\$ 123,011
Investment return				
Interest and dividend income	1,658	1,252	-	2,910
Realized gains	5,346	4,037	-	9,383
Unrealized losses	(1,517)	(1,145)	-	(2,662)
Total investment return	<u>5,487</u>	<u>4,144</u>	<u>-</u>	<u>9,631</u>
Contributions and other income	85,000	-	-	85,000
Administrative fees	(580)	(439)	-	(1,019)
	<u>\$ 112,602</u>	<u>\$ 25,246</u>	<u>\$ 78,775</u>	<u>\$ 216,623</u>

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or FUPMIFA requires the Organization to retain as a fund of perpetual duration. There were no such deficiencies as of December 31, 2016.

Subsequent to year end, due to the timing of the refinancing of the line of credit, the Organization needed short-term operating funds. With the approval of the Organization's Board of Directors and the Board of Directors of the Community Foundation, \$200,000 of the endowment fund was borrowed for use in operations, including approximately \$57,000 of permanently restricted funds. The Organization has a plan to repay the endowment fund for all borrowed permanently restricted funds by December 31, 2017. As of May 23, 2017, \$5,000 had been repaid to the endowment fund.

MEALS ON WHEELS PLUS OF MANATEE, INC.

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2016

NOTE 9. ENDOWMENTS (CONTINUED)

The endowment fund is held by the Community Foundation. The Community Foundation invests the assets pursuant to its investment policy guidelines. Income is distributed to the Organization from time to time to be used as determined by the Organization's Board of Directors or reinvested into the endowment fund.

NOTE 10. EMPLOYEE BENEFIT PLANS

The Organization participates in a 401(k) employer defined contribution plan. Permanent employees who are at least 21 years old and who have met all eligibility requirements are eligible to participate. The percentage of employer contributions is approved annually by the Board of Directors. For the year ended December 31, 2016, the Organization made \$8,854 in matching contributions to the plan.

NOTE 11. DONATED MATERIALS, FACILITIES AND SERVICES

Donated items are included in revenues as follows:

Food to food bank	\$ 6,600,190
Kitchen	510
Adult day care	1,651
Congregate dining program	4,134
Home delivered meals	80,849
Senior enrichment center	10,240
Vehicles	21,405
	<u>\$ 6,718,979</u>

NOTE 12. MATCH REQUIREMENTS

The Organization received a substantial portion of its support from the State of Florida, Department of Elder Affairs, under the Title III Older American Act Agreement (B, C-1, C-2 and E), providing transportation, congregate dining, adult day care, home delivered meals and family caregivers program to the elderly. This contract is renegotiated annually. Although a maximum amount is established during the negotiation process, revenue is earned on units of service provided and income can be recognized to the extent of the units provided. The contract required a 10% local match for certain services for the elderly. During the year ended December 31, 2016, local matching requirements were met.

MEALS ON WHEELS PLUS OF MANATEE, INC.

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2016

NOTE 13. MAJOR SUPPORTER

For the year ended December 31, 2016, the Organization received approximately 12% of the total revenue, gains and other support from the Federal government, primarily The U.S. Department of Health and Human Services. At December 31, 2016, accounts receivable from the Federal government was \$146,711.

NOTE 14. COMMITMENTS

The Organization has a contract for fundraising services with a consulting firm. The contract is for a total of \$192,000 to be paid over eighteen months. The Organization paid \$84,000 under this contract during 2016. The contract can be cancelled by either party with a thirty (30) day notice.

NOTE 15. SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through May 23, 2017, the date which the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

MEALS ON WHEELS PLUS OF MANATEE, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED DECEMBER 31, 2016

Federal Grantor/Pass Through Grantor/Program or Cluster Title	Federal CFDA Number	Contract or Project Number	Federal Expenditures
U. S. Department of Health and Human Services			
Passed through the Florida Department of Elder Affairs/Passed through the West Central Florida Area Agency on Aging			
OAA Title IIIB Adult Day Care	93.044	OAA-2016-MOW	\$ 207,791
OAA Title IIIB Transportation	93.044	OAA-2016-MOW	218,754
OAA Title IIIB Outreach	93.044	OAA-2016-MOW	25,086
OAA Title IIIC-1 Congregate Meals	93.045	OAA-2016-MOW	51,690
OAA Title IIIC-1 Nutrition Counseling	93.045	OAA-2016-MOW	575
OAA Title IIIC-2 Home Delivered Meals	93.045	OAA-2016-MOW	495,958
OAA Title IIIC-2 Nutrition Counseling	93.045	OAA-2016-MOW	3,258
Nutrition Services Incentive Program	93.053	NSIP-14/15 & 15/16 -MOW	137,797
Subtotal, Aging Cluster			1,140,909
OAA Title IIIE Respite In-Facility	93.052	OAA-2016-MOW	72,146
Total U.S. Department of Health and Human Services			1,213,055
U. S. Department of Agriculture			
Passed through Florida Department of Agriculture and Consumer Services			
Emergency Food Assistance Program, Cluster			
The Emergency Food Assistance Program, Administrative Funds	10.568	12840 and 16959	43,163
The Emergency Food Assistance Program, Commodities	10.569	12840 and 16959	445,305
Total U.S. Department of Agriculture			488,468
U. S. Department of Transportation, Federal Transit Administration			
Section 5310, Enhanced Mobility of Seniors and Individuals with Disabilities	20.521	435961-1-1-84-01 (ARK48)	4,000
Section 5310, Enhanced Mobility of Seniors and Individuals with Disabilities	20.521	FL-16-0039	21,405
Total U.S. Department of Transportation			25,405
U.S. Department of Housing and Urban Development			
Passed through City of Bradenton - CDBG Program	14.225	B-11-UC-12-0018	16,265
U.S. Department of Homeland Security			
Passed through Emergency Food and Shelter National Program	97.024	Phase 33	51,706
Total Expenditures of Federal Awards			\$ 1,794,899

MEALS ON WHEELS PLUS OF MANATEE, INC.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE A. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes federal award activity of the Organization under programs of the federal government for the year ended December 31, 2016. 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 the Organization, it is not intended to and does not present the financial position, changes in net assets or cash flows of the Organization.

NOTE B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- (1) 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.
- (2) The Organization has elected to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

MEALS ON WHEELS PLUS OF MANATEE, INC.

**SCHEDULE OF FUNCTIONAL EXPENSES
AS REQUIRED BY THE DEPARTMENT OF ELDER AFFAIRS
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Passenger Transportation	Congregate Dining	Home Delivered Meals	Adult Daycare	Nutrition Counseling	Respite	Outreach	Non-DOEA Services	Total Program Services
Salaries	\$ 129,941	\$ 63,381	\$ 286,394	\$ 159,932	\$ 2,983	\$ 80,615	\$ 13,820	\$ 1,095,687	\$ 1,832,753
Payroll taxes and benefits	25,064	12,231	55,178	30,855	556	15,567	2,687	211,308	353,446
Travel	-	316	37,038	26	-	-	2,120	1,835	41,335
Communications and postage	200	125	75	170	-	-	-	1,918	2,488
Utilities	2,422	1	834	15,017	-	-	2,740	136,119	157,133
Advertising	-	2,401	-	-	-	-	-	-	2,401
Insurance	50	-	25	-	-	-	1,290	9,877	11,242
Gas, maintenance and repairs	22,169	5,400	-	3,872	-	1,500	-	43,587	76,528
Printing and supplies	59,999	4,295	-	19,634	-	-	14	106,591	190,533
Professional fees	2,537	4,253	3,481	9,449	-	-	2,225	41,240	63,185
Staff training	5,358	798	5,303	11,758	1,838	-	(22)	45,728	70,761
Depreciation	97,483	6,301	8,427	23,464	-	-	-	325,604	461,279
Food and food supplies	-	23,492	768,111	22,231	-	-	-	(386,786)	427,048
Fundraising	-	-	-	-	-	-	-	-	-
Other in-kind expenses	-	4,386	91,697	340	-	-	-	6,551,596	6,648,019
Other	3,232	2,878	3,626	31,719	-	-	-	352,171	393,626
	<u>348,456</u>	<u>130,258</u>	<u>1,260,189</u>	<u>328,467</u>	<u>5,377</u>	<u>97,682</u>	<u>24,875</u>	<u>8,536,475</u>	<u>10,731,778</u>
Management and general allocated	22,407	8,376	81,034	21,122	346	6,281	1,600	548,924	690,090
Total expenses	<u>\$ 370,863</u>	<u>\$ 138,634</u>	<u>\$ 1,341,223</u>	<u>\$ 349,589</u>	<u>\$ 5,723</u>	<u>\$ 103,963</u>	<u>\$ 26,475</u>	<u>\$ 9,085,399</u>	<u>\$ 11,421,868</u>
Total units	<u>19,900</u>	<u>6,597</u>	<u>163,960</u>	<u>27,305</u>	<u>52</u>	<u>7,039</u>	<u>726</u>	<u>N/A</u>	
Rate per unit	<u>\$ 18.64</u>	<u>\$ 21.01</u>	<u>\$ 8.18</u>	<u>\$ 12.80</u>	<u>\$ 110.06</u>	<u>\$ 14.77</u>	<u>\$ 36.47</u>	<u>\$ N/A</u>	

MEALS ON WHEELS PLUS OF MANATEE, INC.

**SCHEDULE OF FUNCTIONAL EXPENSES
AS REQUIRED BY THE DEPARTMENT OF ELDER AFFAIRS
FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>Management and General</u>	<u>Fundraising</u>	<u>Unallowable Expenses</u>	<u>Total Support Services</u>	<u>Total Expenses</u>
Salaries	\$ 495,705	\$ 74,117	\$ -	\$ 569,822	\$ 2,402,575
Payroll taxes and benefits	95,577	14,269	-	109,846	463,293
Travel	1,140	765	-	1,905	43,240
Communications and postage	2,725	175	-	2,900	5,388
Utilities	7,378	6,055	-	13,433	170,566
Advertising	-	-	-	-	2,401
Insurance	10,009	4,445	-	14,454	25,696
Maintenance and repairs	3,664	-	-	3,664	80,192
Printing and supplies	3,668	495	-	4,163	194,696
Professional fees	2,954	2,261	-	5,215	68,400
Staff training	37,104	129,200	-	166,304	237,065
Depreciation	13,905	9,147	-	23,052	484,331
Food and food supplies	-	-	-	-	427,048
Fundraising	-	-	-	-	-
Other in-kind expenses	-	-	-	-	6,648,019
Other	33,230	22,962	-	56,192	449,818
	<u>707,059</u>	<u>263,891</u>	<u>-</u>	<u>970,950</u>	<u>11,702,728</u>
Management and general allocated	<u>(707,059)</u>	<u>16,969</u>	<u>-</u>	<u>(690,090)</u>	<u>-</u>
Total expenses	<u>\$ -</u>	<u>\$ 280,860</u>	<u>\$ -</u>	<u>\$ 280,860</u>	<u>\$ 11,702,728</u>

OTHER AUDITOR'S REPORTS



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

**Board of Directors
Meals on Wheels PLUS of Manatee, Inc.
Bradenton, Florida**

Report on Compliance for the Major Federal Program

We have audited Meals on Wheels PLUS of Manatee, Inc.'s (the "Organization") compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on the Organization's major Federal program for the year ended December 31, 2016. The Organization's major Federal program is 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 its federal awards applicable to its Federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Organization'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 the Organization'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 the major Federal program. However, our audit does not provide a legal determination of the Organization's compliance.

Opinion on the Major Federal Program

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major Federal program for the year ended December 31, 2016.

Report on Internal Control Over Compliance

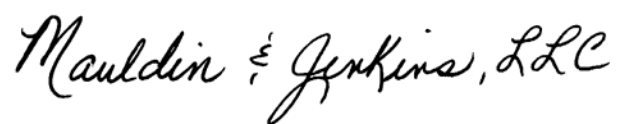
Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the 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 the Organization'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.

Bradenton, Florida
May 23, 2017





**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**

Board of Directors

Meals on Wheels PLUS of Manatee, Inc.

Bradenton, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Meals on Wheels PLUS of Manatee, Inc. (the "Organization"), which comprise the statement of financial position as of December 31, 2016, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated May 23, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization'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 the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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.

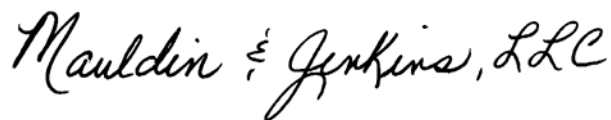
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization'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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Bradenton, Florida
May 23, 2017

A handwritten signature in cursive script that reads "Mauldin & Jenkins, LLC".

MEALS ON WHEELS PLUS OF MANATEE, INC.

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2016**

There were no findings requiring disclosure in the December 31, 2015, financial statements.

MEALS ON WHEELS PLUS OF MANATEE, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED DECEMBER 31, 2016

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued Unmodified

Internal control over financial reporting:

- Material weakness(es) identified yes no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? yes none reported

Noncompliance material to financial statements noted? yes no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? yes none reported

Type of auditor’s report issued on compliance for major programs. Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)? yes no

Identification of major programs:

CFDA Number 10.568 and 10.569

Name of Federal Program or Cluster Emergency Food Assistance Program (Cluster)

Dollar threshold used to distinguish between Type A and Type B programs \$750,000

Auditee qualified as low-risk auditee? yes no

Section II – Financial Statement Findings

No matters reported.

Section III – Federal Award Findings and Questioned Costs

No matters reported.