

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

FINANCIAL REPORT

DECEMBER 31, 2018

MEALS ON WHEELS PLUS OF MANATEE, INC.

FINANCIAL REPORT DECEMBER 31, 2018

TABLE OF CONTENTS

Page

INDEPENDENT AUDITOR'S REPORT.....	1 and 2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5 - 7
Statement of Cash Flows	8
Notes to Financial Statements.....	9 - 20
SUPPLEMENTARY INFORMATION	
Schedule of Expenditures of Federal Awards	21
Notes to Schedule of Expenditures of Federal Awards	22
Schedule of Functional Expenses as Required by the Department of Elder Affairs.....	23 and 24
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	25 and 26
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 <i>Government Auditing Standards</i>	27 and 28
Summary Schedule of Prior Audit Findings.....	29
Schedule of Findings and Questioned Costs	30



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, 2018, 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, 2018, 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, 2019, 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 solely 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 effectiveness of the Organization's 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, 2019

MEALS ON WHEELS PLUS OF MANATEE, INC.

STATEMENT OF FINANCIAL POSITION DECEMBER 31, 2018

ASSETS	
CURRENT ASSETS	
Cash	\$ 21,016
Grants and accounts receivable	335,794
Promises to give	726
Bequest receivable	480,600
Inventories	319,078
Prepaid expenses	24,072
	<u>1,181,286</u>
INVESTMENTS AND OTHER ASSETS	
Endowment fund	<u>215,835</u>
PROPERTY AND EQUIPMENT, at cost, net	<u>3,953,627</u>
	<u>\$ 5,350,748</u>
LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES	
Accounts payable	\$ 179,481
Accumulated paid time off	103,606
Accrued expenses	41,559
Current portion of long-term debt	67,559
	<u>392,205</u>
LONG-TERM LIABILITIES	
Line of credit	75,000
Long-term debt, less current maturities and unamortized debt issuance costs	1,586,899
	<u>1,661,899</u>
NET ASSETS	
Without donor restrictions	
Undesignated	3,067,987
Designated by the Board for future projects	113,275
	<u>3,181,262</u>
With donor restrictions	
Time or purpose	36,607
Perpetual	78,775
	<u>3,296,644</u>
	<u>\$ 5,350,748</u>

See Notes to Financial Statements.

MEALS ON WHEELS PLUS OF MANATEE, INC.

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2018

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions		Total
		Time or Purpose	Perpetual	
Program revenue				
Federal grants	\$ 1,342,358	\$ -	\$ -	\$ 1,342,358
State grants	101,068	-	-	101,068
County grants	130,302	-	-	130,302
Project income	306,151	-	-	306,151
Contributions	712,112	13,000	-	725,112
Special events, net of expense	380,945	-	-	380,945
United Way	25,000	-	-	25,000
Meals sold	302,408	-	-	302,408
Other grants	371,537	-	-	371,537
In-kind contributions	5,962,378	-	-	5,962,378
Net assets released from restrictions	55,179	(55,179)	-	-
Total program revenue	9,689,438	(42,179)	-	9,647,259
Other revenue				
Rental income	119,187	-	-	119,187
Interest income	29	-	-	29
Net unrealized loss on investments	(9,955)	(5,010)	-	(14,965)
Loss on sale of assets	(45,226)	-	-	(45,226)
Miscellaneous income	7,745	-	-	7,745
Total other revenue	71,780	(5,010)	-	66,770
Total revenue	9,761,218	(47,189)	-	9,714,029
Expenses				
Program services				
Food bank	6,818,633	-	-	6,818,633
Home delivered meals	1,424,673	-	-	1,424,673
Adult daycare	536,158	-	-	536,158
Renaissance on 9th	377,298	-	-	377,298
Congregate dining	84,901	-	-	84,901
Passenger transportation	375,076	-	-	375,076
Respite	82,328	-	-	82,328
Other miscellaneous programs	28,324	-	-	28,324
Total program services	9,727,391	-	-	9,727,391
Supporting services				
Management and general	291,926	-	-	291,926
Fundraising	257,473	-	-	257,473
Total supporting services	549,399	-	-	549,399
Total expenses	10,276,790	-	-	10,276,790
Change in net assets	(515,572)	(47,189)	-	(562,761)
Net assets, beginning of year	3,696,834	83,796	78,775	3,859,405
Net assets, end of year	\$ 3,181,262	\$ 36,607	\$ 78,775	\$ 3,296,644

See Notes to Financial Statements.

MEALS ON WHEELS PLUS OF MANATEE, INC.

STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Passenger Transportation</u>	<u>Congregate Dining</u>	<u>Home Delivered Meals</u>	<u>Adult Daycare</u>	<u>Nutrition Counseling</u>
Salaries	\$ 179,073	\$ 30,827	\$ 396,371	\$ 332,348	\$ 1,125
Payroll taxes and benefits	33,422	16,229	80,904	55,145	161
Travel	-	-	17,783	313	-
Communications and postage	951	1	3,953	5,671	-
Utilities	-	62	14,677	10,027	-
Printing and supplies	1,370	918	1,355	8,721	-
Food and food supplies	-	-	901	-	-
Maintenance and repairs	46,651	3,251	11,625	26,100	-
Professional fees	2,630	315	11,855	7,606	3,573
Advertising	-	-	160	529	-
Insurance	17,685	-	10,824	6,306	-
In-kind volunteer mileage	-	-	107,180	-	-
In-kind occupancy	-	12,208	-	-	-
In-kind miscellaneous	-	-	510	340	-
Depreciation	90,434	-	21,560	19,788	-
Food bank food distributed	-	-	-	-	-
Other	2,860	89	22,509	26,391	-
	<u>375,076</u>	<u>63,900</u>	<u>702,167</u>	<u>499,285</u>	<u>4,859</u>
Meal cost allocated	<u>-</u>	<u>21,001</u>	<u>722,506</u>	<u>36,873</u>	<u>-</u>
Total expenses	<u>\$ 375,076</u>	<u>\$ 84,901</u>	<u>\$ 1,424,673</u>	<u>\$ 536,158</u>	<u>\$ 4,859</u>

See Notes to Financial Statements.

MEALS ON WHEELS PLUS OF MANATEE, INC.

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2018**

<u>Respite</u>	<u>Outreach</u>	<u>Food Bank</u>	<u>Renaissance on 9th</u>	<u>Meal Production</u>	<u>Total Program Services</u>
\$ 74,063	\$ 13,588	\$ 397,387	\$ 59,517	\$ -	\$ 1,484,299
8,201	3,314	74,972	8,679	-	281,027
-	123	671	-	-	18,890
-	1,448	13,486	2,979	-	28,489
-	2,965	44,659	(600)	-	71,790
-	1,940	36,608	1,356	-	52,268
-	-	-	-	780,380	781,281
-	-	125,838	10,959	-	224,424
-	12	11,490	6,162	-	43,643
-	-	8,617	-	-	9,306
-	-	20,996	18,267	-	74,078
-	-	-	-	-	107,180
-	-	-	-	-	12,208
-	-	510	10,240	-	11,600
-	-	60,564	172,116	-	364,462
-	-	6,009,146	-	-	6,009,146
64	75	13,689	87,623	-	153,300
<u>82,328</u>	<u>23,465</u>	<u>6,818,633</u>	<u>377,298</u>	<u>780,380</u>	<u>9,727,391</u>
-	-	-	-	(780,380)	-
<u>\$ 82,328</u>	<u>\$ 23,465</u>	<u>\$ 6,818,633</u>	<u>\$ 377,298</u>	<u>\$ -</u>	<u>\$ 9,727,391</u>

MEALS ON WHEELS PLUS OF MANATEE, INC.

STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Expenses</u>
Salaries	\$ 174,664	\$ 139,031	\$ 1,797,994
Payroll taxes and benefits	19,704	16,786	317,517
Travel	1,151	3,389	23,430
Communications and postage	3,147	6,361	37,997
Utilities	2,851	4,671	79,312
Printing and supplies	4,395	5,985	62,648
Food and food supplies	-	-	781,281
Maintenance and repairs	2,743	206	227,373
Professional fees	34,186	32,858	110,687
Advertising	2,643	14,553	26,502
Insurance	5,930	-	80,008
In-kind volunteer mileage	-	-	107,180
In-kind occupancy	-	-	12,208
In-kind miscellaneous	30	-	11,630
Depreciation	14,906	2,955	382,323
Food bank food distributed	-	-	6,009,146
Other	25,576	30,678	209,554
	<u>291,926</u>	<u>257,473</u>	<u>10,276,790</u>
Meal cost allocated	<u>-</u>	<u>-</u>	<u>-</u>
Total expenses	<u>\$ 291,926</u>	<u>\$ 257,473</u>	<u>\$ 10,276,790</u>

MEALS ON WHEELS PLUS OF MANATEE, INC.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2018

CASH FLOWS FROM OPERATING ACTIVITIES	
Decrease in net assets	\$ (562,761)
Adjustments to reconcile decrease in net assets to net cash provided by operating activities	
Depreciation and amortization	401,365
Loss on sale of property and equipment	45,226
Change in fair value of the endowment fund	965
Change in assets and liabilities	
Decrease in grants and accounts receivable	122,865
Decrease in bequest receivable	225,000
Decrease in inventories	52,223
(Increase) in prepaid expenses	(9,016)
Increase in accounts payable	105,607
(Decrease) in accumulated paid time off	(63)
Increase in accrued expenses	3,746
Net cash provided by operating activities	<u>385,157</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of property and equipment	(297,630)
Proceeds from the sale of property and equipment	25,927
Purchase of investments	(106,000)
Net cash (used in) investing activities	<u>(377,703)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from line of credit, net	75,000
Payments for debt issuance costs	(6,019)
Payments on long-term debt	(65,303)
Net cash provided by financing activities	<u>3,678</u>
Net increase in cash	11,132
Cash, beginning of year	<u>9,884</u>
Cash, end of year	<u>\$ 21,016</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION	
Cash payments for interest	<u>\$ 80,623</u>

See Notes to Financial Statements.

MEALS ON WHEELS PLUS OF MANATEE, INC.

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2018

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 two classes: (1) net assets without donor restrictions, and (2) net assets with donor restrictions.

Net assets with donor restrictions 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 net assets without donor restrictions.

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, 2018

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, 2018, 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 support with donor restrictions 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), net assets with donor restrictions are reclassified as net assets without donor restrictions 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 support with donor restrictions.

MEALS ON WHEELS PLUS OF MANATEE, INC.

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2018

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 \$1,000 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, 2018, was \$382,323.

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 \$890,953 for the year ended December 31, 2018.

MEALS ON WHEELS PLUS OF MANATEE, INC.

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2018

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, 2018, advertising costs totaled \$26,502.

MEALS ON WHEELS PLUS OF MANATEE, INC.

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2018

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

Board Designated Net Assets

The Organization's board of directors has established an endowment fund with the objective of setting funds aside to be drawn upon in the event of financial distress or an immediate liquidity need. The board designated endowment fund totaled \$113,275 at December 31, 2018.

Change in Accounting Principle

On August 18, 2016, FASB issued Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Organization has implemented ASU 2016-14 and has adjusted the presentation in these financial statements accordingly.

NOTE 2. LIQUIDITY AND AVAILABILITY

The Organization's working capital and cash flows have seasonal variations during the year attributable to the cash receipts for grants, special events and contributions. The Organization manages liquidity during the year by utilizing the following strategies: operating with a balanced budget which assumes collection of sufficient revenue via contributions, grants, and other sources to cover operating expenditures not covered by donor-restricted resources, regular analysis of actual operating results versus budget, and utilizing the line of credit when necessary.

The following table reflects the Organization's total financial assets as of December 31, 2018, and the amounts of those financial assets that could be made available within 12 months to meet operating expenditures:

Financial assets available to meet operating expenditures over the next 12 months	
Cash	\$ 21,016
Grants and accounts receivable	335,794
Promises to give	726
Board designated endowment	113,275
Less: purpose restrictions included in cash	<u>(12,822)</u>
Financial assets available to meet operating expenditures	<u>\$ 457,989</u>

MEALS ON WHEELS PLUS OF MANATEE, INC.

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2018

NOTE 3. PROMISES TO GIVE

Promises to give at December 31, 2018, are all due in less than one year and are recorded at their expected collectible value. Promises to give at December 31, 2018, totaled \$726.

NOTE 4. PROPERTY AND EQUIPMENT

Property and equipment consists of the following at December 31, 2018:

Land	\$	808,430
Buildings and improvements		5,461,891
Furniture, fixtures and equipment		957,075
Vehicles		915,335
		<u>8,142,731</u>
Less accumulated depreciation		4,189,104
	\$	<u>3,953,627</u>

NOTE 5. 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, 2018

NOTE 5. 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, 2018

NOTE 5. FAIR VALUE MEASUREMENTS (CONTINUED)

The following table presents the Organization's financial instruments measured at fair value on a recurring basis at December 31, 2018:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Endowment				
Cash and cash equivalents	\$ 4,416	\$ -	\$ -	\$ 4,416
Common stock and equity mutual funds	123,336	-	-	123,336
Debt	58,877	-	-	58,877
Commodities	6,445	-	-	6,445
Absolute return	693	-	-	693
Real estate funds	9,481	-	-	9,481
Private equity funds	-	-	1,890	1,890
Public/hedged equity	-	-	-	-
Other alternatives	-	-	10,697	10,697
	<u>\$ 203,248</u>	<u>\$ -</u>	<u>\$ 12,587</u>	<u>\$ 215,835</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, 2018:

Fair value, beginning of the year	\$ 9,648
Change in value of endowment assets	2,939
	<u>\$ 12,587</u>

NOTE 6. LINE OF CREDIT

In May 2018, the Organization established a permanent line of credit signed on May 2, 2018, with a maturity date of May 1, 2020. The new permanent line of credit has an available balance of \$500,000 with an interest rate of prime minus .425%. This line is secured by a blanket lien on business real and personal property. At December 31, 2018, there was an outstanding balance on the line of credit of \$75,000.

MEALS ON WHEELS PLUS OF MANATEE, INC.

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2018

NOTE 7. LONG-TERM DEBT

Long-term debt consisted of the following at December 31, 2018:

Long-term debt due in monthly installments of \$7,513 including interest at 3.41% through February 2027, with a balloon payment due in March 2027. Debt is secured by a mortgage on the Renaissance on 9th building.	\$ 1,218,716
Long-term debt due in monthly installments of \$2,890 including interest at 3.41% through February 2027, with a balloon payment due in March 2027. Debt is secured by a mortgage on adult day care center.	468,737
	<u>1,687,453</u>
Less current maturities	67,559
Less unamortized debt issuance costs	32,995
	<u><u>\$ 1,586,899</u></u>

Total interest expense for the year ended December 31, 2018, was \$80,623.

The loan agreement above contains a financial covenant related to debt service coverage. The Organization was in violation of this covenant at December 31, 2018. The bank waived this covenant violation.

Aggregate maturities on the long-term debt at December 31, 2018, are as follows:

2019	\$ 67,559
2020	69,776
2021	72,384
2022	74,926
2023	77,558
Thereafter	1,325,250
	<u><u>\$ 1,687,453</u></u>

NOTE 8. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions of time or purpose at December 31, 2018, consist of the following:

Produce on Wheels	\$ 12,822
Endowment earnings	23,785
	<u><u>\$ 36,607</u></u>

Net assets with donor restrictions of time or purpose consist of \$12,822 in cash and \$23,785 of endowment earnings.

MEALS ON WHEELS PLUS OF MANATEE, INC.

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2018

NOTE 9. NET ASSETS RELEASED FROM RESTRICTIONS

Net assets were released from donor restrictions during 2018 by incurring expenses satisfying the restricted purposes specified by donors as follows:

Purpose restrictions accomplished:

Produce Capacity Initiative	\$	5,000
Food Bank Refrigerated Truck		50,000
Produce on Wheels		179
	\$	<u>55,179</u>

NOTE 10. 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 net assets with donor restrictions: (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 net assets with donor restrictions - perpetual is classified as net assets without donor restrictions - time and purpose until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by FUPMIFA.

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.

MEALS ON WHEELS PLUS OF MANATEE, INC.

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2018

NOTE 10. ENDOWMENTS (CONTINUED)

Endowment net asset composition by type of fund as of December 31, 2018, is as follows:

	Without Donor Restrictions	With Donor Restrictions		
		Time or Purpose	Perpetuity	Total
Donor-restricted endowment funds	\$ -	\$ 23,785	\$ 78,775	\$ 102,560
Board designated endowment funds	113,275	-	-	113,275
	<u>\$ 113,275</u>	<u>\$ 23,785</u>	<u>\$ 78,775</u>	<u>\$ 215,835</u>

Changes in endowment net assets for the year ended December 31, 2018, are as follows:

	Without Donor Restrictions	With Donor Restrictions		
		Time or Purpose	Perpetuity	Total
Endowment net assets, beginning of year	\$ 3,229	\$ 28,796	\$ 78,775	\$ 110,800
Investment return				
Interest and dividend income	3,075	1,702	-	4,777
Realized gains	1,333	738	-	2,071
Unrealized losses	(13,312)	(7,369)	-	(20,681)
Total investment return	<u>(8,904)</u>	<u>(4,929)</u>	<u>-</u>	<u>(13,833)</u>
Contributions and other income	120,000	-	-	120,000
Disbursements	(903)	-	-	(903)
Administrative fees	(147)	(82)	-	(229)
	<u>\$ 113,275</u>	<u>\$ 23,785</u>	<u>\$ 78,775</u>	<u>\$ 215,835</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, 2018.

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 11. 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, 2018, the Organization made \$7,067 in matching contributions to the plan.

MEALS ON WHEELS PLUS OF MANATEE, INC.

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2018

NOTE 12. DONATED MATERIALS, FACILITIES AND SERVICES

Donated items are included in revenues as follows:

Vehicles	\$	(5,594)
Food to food bank		5,837,409
Kitchen		-
Adult day care		341
Congregate dining program		14,748
Home delivered meals		105,234
Senior enrichment center		10,240
	\$	<u>5,962,378</u>

NOTE 13. 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, 2018, local matching requirements were met.

NOTE 14. MAJOR SUPPORTER

For the year ended December 31, 2018, the Organization received approximately 14% 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, 2018, accounts receivable from the federal government was \$266,491.

NOTE 15. SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through May 23, 2019, the date which the financial statements were available to be issued.

On February 1, 2019, the Organization purchased real estate next to its existing facility in order to expand operations. The purchase was financed with a line of credit from the Manatee Community Foundation. The line has maximum borrowing of \$125,000 with annual interest payments at 3% and matures March 28, 2024.

SUPPLEMENTARY INFORMATION

MEALS ON WHEELS PLUS OF MANATEE, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED DECEMBER 31, 2018

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-2018-MOW	\$ 219,383
OAA Title IIIB Transportation	93.044	OAA-2018-MOW	167,508
OAA Title IIIB Outreach	93.044	OAA-2018-MOW	35,751
OAA Title IIIC-1 Congregate Meals	93.045	OAA-2018-MOW	26,269
OAA Title IIIC-1 Nutrition Counseling	93.045	OAA-2018-MOW	325
OAA Title IIIC-2 Home Delivered Meals	93.045	OAA-2018-MOW	567,184
OAA Title IIIC-2 Nutrition Counseling	93.045	OAA-2018-MOW	4,628
Nutrition Services Incentive Program	93.053	NSIP-2018 -MOW	104,370
Subtotal, Aging Cluster			1,125,418
OAA Title IIIE Respite In-Facility	93.052	OAA-2018-MOW	83,598
Hurricane Irma Disaster Relief	59.008	Department of Elder Affairs	5,000
Total U.S. Department of Health and Human Services			1,214,016
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	56,975
The Emergency Food Assistance Program, Commodities	10.569	12840 and 16959	536,239
Total U.S. Department of Agriculture			593,214
U. S. Department of Transportation, Federal Transit Administration			
Section 5310, Enhanced Mobility of Seniors and Individuals with Disabilities	20.521	435861-1-1-84-03 (GOL21)	24,363
Section 5310, Enhanced Mobility of Seniors and Individuals with Disabilities	20.521		(5,594)
Total U.S. Department of Transportation			18,769
U.S. Department of Homeland Security			
Passed through Emergency Food and Shelter National Program	97.024	Phase 35	52,004
U.S. Department of Housing and Urban Development			
Passed through City of Bradenton - CDBG Program	14.225	B-11-UC-12-0018	20,000
Passed through Manatee County - CDBG Program	14.218	B-11-UC-12-0018	65,783
Passed through Manatee County - CDBG Program	14.218	B-11-UC-12-0018	48,703
Total U.S. Department of Housing and Urban Development			134,486
Total Expenditures of Federal Awards			\$ 2,012,489

MEALS ON WHEELS PLUS OF MANATEE, INC.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED DECEMBER 31, 2018

NOTE 1. 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, 2018. The information in the 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 2. 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, 2018**

	Passenger Transportation	Congregate Dining	Home Delivered Meals	Adult Daycare	Nutrition Counseling	Respite In Facility	Outreach	Non-DOEA Services	Total Program Services
Salaries	\$ 146,862	\$ 25,614	\$ 275,123	\$ 182,078	\$ 1,667	\$ 82,705	\$ 26,642	\$ 394,100	\$ 1,134,791
Payroll taxes and benefits	26,513	4,624	49,669	32,871	301	14,931	4,810	71,148	204,867
Travel	-	-	17,783	313	-	-	123	671	18,890
Communications and postage	951	1	3,952	5,671	-	-	1,448	16,465	28,488
Utilities	-	63	12,678	10,027	-	2,000	2,965	44,056	71,789
Advertising	-	-	160	530	-	-	-	8,618	9,308
Insurance	17,685	-	9,324	6,306	-	1,500	-	39,263	74,078
Gas, maintenance and repairs	46,652	3,251	10,125	26,100	-	1,500	-	136,797	224,425
Printing and supplies	1,370	918	1,356	8,722	-	-	1,939	37,965	52,270
Professional fees	2,630	983	11,854	7,605	2,905	-	12	17,652	43,641
Staff training	-	-	-	-	-	-	-	-	-
Depreciation	90,434	-	21,560	19,788	-	-	-	232,680	364,462
Food and food supplies	-	21,001	723,406	36,874	-	-	-	-	781,281
Fundraising	-	-	-	-	-	-	-	-	-
Other in-kind expenses	-	12,207	107,690	340	-	-	-	6,019,897	6,140,134
Other	2,860	89	22,509	26,391	-	64	75	101,312	153,300
	335,957	68,751	1,267,189	363,616	4,873	102,700	38,014	7,120,624	9,301,724
Management and general allocated	25,868	5,294	97,571	27,998	375	7,908	2,927	548,273	716,213
Total expenses	\$ 361,825	\$ 74,045	\$ 1,364,759	\$ 391,614	\$ 5,248	\$ 110,608	\$ 40,941	\$ 7,668,896	\$ 10,017,936
Total units	13,146	3,385	109,910	29,610	72	8,046	1,020	N/A	
Rate per unit	\$ 27.52	\$ 21.87	\$ 12.42	\$ 13.23	\$ 72.89	\$ 13.75	\$ 40.14	\$ N/A	

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, 2018**

	Management and General	Fundraising	Unallowable Expenses	Total Support Services	Total Expenses
Salaries	\$ 541,892	\$ 115,316	\$ -	\$ 657,208	\$ 1,791,999
Payroll taxes and benefits	97,829	20,818	-	118,647	323,514
Travel	1,151	3,389	-	4,540	23,430
Communications and postage	3,147	6,361	-	9,508	37,996
Utilities	2,851	4,672	-	7,523	79,312
Advertising	85	17,110	-	17,195	26,503
Insurance	5,929	-	-	5,929	80,007
Maintenance and repairs	2,742	206	-	2,948	227,373
Printing and supplies	4,395	5,985	-	10,380	62,650
Professional fees	34,186	32,858	-	67,044	110,685
Staff training	-	-	-	-	-
Depreciation	14,906	2,954	-	17,860	382,322
Food and food supplies	-	-	-	-	781,281
Fundraising	-	-	-	-	-
Other in-kind expenses	30	-	-	30	6,140,164
Other	25,576	30,678	-	56,254	209,554
	<u>734,719</u>	<u>240,347</u>	<u>-</u>	<u>975,066</u>	<u>10,276,790</u>
Management and general allocated	<u>(734,719)</u>	<u>18,506</u>	<u>-</u>	<u>(716,213)</u>	<u>-</u>
Total expenses	<u>\$ -</u>	<u>\$ 258,854</u>	<u>\$ -</u>	<u>\$ 258,854</u>	<u>\$ 10,276,790</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, 2018. 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, 2018.

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.

Mauldin & Jenkins, LLC

Bradenton, Florida
May 23, 2019



**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, 2018, 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, 2019.

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, 2019

Mauldin & Jenkins, LLC

MEALS ON WHEELS PLUS OF MANATEE, INC.

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2018**

There were no findings requiring disclosure in the December 31, 2017, financial statements.

MEALS ON WHEELS PLUS OF MANATEE, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED DECEMBER 31, 2018

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

Noncompliance material to financial statements noted? ___ yes X no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? ___ yes X no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? ___ yes X 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 X no

Identification of major programs:

CFDA Number 93.044, 93.045, 93.052

Name of Federal Program or Cluster OAA Title III (Cluster)

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

Auditee qualified as low-risk auditee? X yes ___ no

Section II – Financial Statement Findings

No matters reported.

Section III – Federal Award Findings and Questioned Costs

No matters reported.