



MEALS ON WHEELS OF TAMPA, INC.

FINANCIAL STATEMENTS

JUNE 30, 2016 AND 2015



CLEARWATER, FLORIDA

MEALS ON WHEELS OF TAMPA, INC.
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Meals on Wheels of Tampa, Inc.
Tampa, FL

We have audited the accompanying financial statements of Meals on Wheels of Tampa, Inc. (the Organization), which comprise the statements of financial position as of June 30, 2016 and 2015, and the related statements of activities and cash flows for the years then ended, and the statement of functional expenses for the year ended June 30, 2016, 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 Meals on Wheels of Tampa, Inc. as of June 30, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

CONTINUED

INDEPENDENT AUDITOR'S REPORT - CONTINUED

Other Matters

Report on Summarized Comparative Information

We have previously audited the Organization's 2015 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 22, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2015 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Clearwater, Florida
September 20, 2016

**MEALS ON WHEELS OF TAMPA, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2016 AND 2015**

	<u>2016</u>	<u>2015</u>
<u>ASSETS</u>		
Current assets		
Cash and cash equivalents	\$ 1,323,327	\$ 1,109,504
Restricted cash	88,753	64,598
Accounts receivable, net of allowance for doubtful accounts of \$2,550 and \$3,043, respectively	114,345	100,128
Contributions receivable, net - current portion	136,092	132,843
Inventory	23,945	19,374
Prepaid expenses	73,124	24,747
	1,759,586	1,451,194
Total current assets		
Other assets		
Contributions receivable, net - long-term portion	424,855	402,191
Beneficial interest in funds held by others	22,967	24,265
Property and equipment, net	690,211	699,011
	\$ 2,897,619	\$ 2,576,661
Total Assets		
<u>LIABILITIES AND NET ASSETS</u>		
Current liabilities		
Accounts payable and accrued liabilities	\$ 171,518	\$ 82,488
Deferred revenue	92,049	68,959
	263,567	151,447
Total current liabilities		
Net assets		
Unrestricted	2,050,138	1,865,915
Temporarily restricted	583,914	559,299
	2,634,052	2,425,214
Total net assets		
Total Liabilities and Net Assets	\$ 2,897,619	\$ 2,576,661

See accompanying notes to financial statements

MEALS ON WHEELS OF TAMPA, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2016
(WITH COMPARATIVE TOTALS FOR 2015)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2016 Total</u>	<u>2015 Total</u>
Public Support and Revenue				
Contributions	\$ 363,647	\$ 309,165	\$ 672,812	\$ 627,654
Program services	1,273,047	-	1,273,047	1,056,096
In-kind contributions	15,605	-	15,605	33,317
Special events, net of \$27,241 of direct expenses	428,793	-	428,793	367,801
Change in value in funds held by others	-	(1,298)	(1,298)	(2,355)
Investment income	2,815	-	2,815	1,541
Net assets released from restrictions	283,252	(283,252)	-	-
Total public support and revenue	<u>2,367,159</u>	<u>24,615</u>	<u>2,391,774</u>	<u>2,084,054</u>
Expenses				
Program services	1,848,388	-	1,848,388	1,651,130
Administration	175,678	-	175,678	156,446
Fundraising	158,870	-	158,870	139,541
Total expenses	<u>2,182,936</u>	<u>-</u>	<u>2,182,936</u>	<u>1,947,117</u>
Change in Net Assets	184,223	24,615	208,838	136,937
Net Assets at Beginning of Year	<u>1,865,915</u>	<u>559,299</u>	<u>2,425,214</u>	<u>2,288,277</u>
Net Assets at End of Year	<u>\$ 2,050,138</u>	<u>\$ 583,914</u>	<u>\$ 2,634,052</u>	<u>\$ 2,425,214</u>

See accompanying notes to financial statements

**MEALS ON WHEELS OF TAMPA, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2015**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Public Support and Revenue			
Contributions	\$ 370,007	\$ 257,647	\$ 627,654
Program services	1,056,096	-	1,056,096
In-kind contributions	33,317	-	33,317
Special events, net of \$26,818 of direct expenses	367,801	-	367,801
Change in value in funds held by others	-	(2,355)	(2,355)
Investment income	1,541	-	1,541
Net assets released from restrictions	288,457	(288,457)	-
	<hr/>	<hr/>	<hr/>
Total public support and revenue	2,117,219	(33,165)	2,084,054
	<hr/>	<hr/>	<hr/>
Expenses			
Program services	1,651,130	-	1,651,130
Administration	156,446	-	156,446
Fundraising	139,541	-	139,541
	<hr/>	<hr/>	<hr/>
Total expenses	1,947,117	-	1,947,117
	<hr/>	<hr/>	<hr/>
Change in Net Assets	170,102	(33,165)	136,937
	<hr/>	<hr/>	<hr/>
Net Assets at Beginning of Year	1,695,813	592,464	2,288,277
	<hr/>	<hr/>	<hr/>
Net Assets at End of Year	<u>\$ 1,865,915</u>	<u>\$ 559,299</u>	<u>\$ 2,425,214</u>

See accompanying notes to financial statements

**MEALS ON WHEELS OF TAMPA, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2016 AND 2015**

	<u>2016</u>	<u>2015</u>
Cash Flows from Operating Activities:		
Change in net assets	\$ 208,838	\$ 136,937
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	68,683	55,041
Change in value in beneficial interest in funds held by others	1,298	2,355
Loss on disposal of assets	-	735
In-kind contribution of vehicle	-	(16,725)
Decrease (Increase) in:		
Restricted cash	(24,155)	(64,598)
Accounts receivable	(14,217)	(33,496)
Contributions receivable	(25,913)	30,810
Inventory	(4,571)	(2,437)
Prepaid expenses	(48,377)	6,796
Increase (Decrease) in:		
Accounts payable and accrued expenses	89,030	(6,026)
Deferred revenue	23,090	68,214
	273,706	177,606
Net cash provided by operating activities	273,706	177,606
Cash Flows from Investing Activities:		
Proceeds from sale of equipment	-	1,500
Cash paid for equipment purchases	(59,883)	(45,203)
	(59,883)	(43,703)
Net cash used in investing activities	(59,883)	(43,703)
Net Increase in Cash and Cash Equivalents	213,823	133,903
Cash and Cash Equivalents at Beginning of Year	1,109,504	975,601
Cash and Cash Equivalents at End of Year	\$ 1,323,327	\$ 1,109,504

See accompanying notes to financial statements

**MEALS ON WHEELS OF TAMPA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2016
(WITH COMPARATIVE TOTALS FOR 2015)**

	Program Services			Supporting Services		Total	
	Home Bound Meals	Nonprofits Helping Nonprofits	Total Program Services	Administration	Fundraising	2016	2015
Salaries and payroll taxes	\$ 541,726	\$ 127,041	\$ 668,767	\$ 108,932	\$ 98,475	\$ 876,174	\$ 763,016
Employee benefits	57,402	27,756	85,158	13,871	12,539	111,568	100,309
Food and packaging expenses	539,031	200,032	739,063	-	-	739,063	612,691
Transportation	21,301	4,005	25,306	-	-	25,306	29,862
Depreciation	33,016	19,409	52,425	8,539	7,719	68,683	55,041
Insurance	21,222	12,476	33,698	5,489	4,962	44,149	42,573
In-kind expenses	10,143	3,020	13,163	1,255	1,188	15,606	16,593
Office expense	15,725	8,579	24,304	3,959	3,579	31,842	31,503
Utilities	23,436	13,777	37,213	6,062	5,480	48,755	46,118
Bad debts	36,940	-	36,940	6,017	5,439	48,396	55,996
Professional fees	10,404	7,356	17,760	2,893	2,615	23,268	31,995
Conferences and meetings	2,030	-	2,030	331	299	2,660	3,485
Postage and printing	24,370	10,512	34,882	5,682	5,136	45,700	69,635
Repairs and maintenance	17,507	10,292	27,799	4,528	4,093	36,420	35,224
Travel and meals	4,203	45	4,248	692	626	5,566	4,690
Telephone	3,211	1,888	5,099	830	751	6,680	6,253
Licenses and fees	1,291	759	2,050	334	302	2,686	2,472
Marketing	596	351	947	154	139	1,240	1,876
Program supplies	23,617	165	23,782	3,874	3,502	31,158	25,215
Bank charges	10,693	-	10,693	1,742	1,575	14,010	10,643
Miscellaneous	2,302	759	3,061	494	451	4,006	1,927
	<u>\$ 1,400,166</u>	<u>\$ 448,222</u>	<u>\$ 1,848,388</u>	<u>\$ 175,678</u>	<u>\$ 158,870</u>	<u>\$ 2,182,936</u>	<u>\$ 1,947,117</u>

See accompanying notes to financial statements

**MEALS ON WHEELS OF TAMPA, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015**

NOTE A - NATURE OF ORGANIZATION

Meals on Wheels of Tampa, Inc. (the Organization) was established in Tampa, Florida on April 7, 1976, as a not-for-profit corporation under the laws of the State of Florida. The Organization is privately funded and its mission is to nourish and enrich the independent lives of homebound and senior individuals throughout the Tampa area. This is accomplished through daily home delivery of a hot, fresh and nutritious meal to homebound and senior individuals by caring volunteers each weekday throughout the year. The Organization also provides food service to several other not-for-profit entities through its "Non Profit Helping Non Profit" program, the proceeds from which help to fund food delivery for members of the community who are unable to contribute to the cost of their meals. The Organization is a member organization of Meals on Wheels America (MOWA) and Meals on Wheels Association of Florida. The Organization has been recognized as a "MOWA Magnet Accredited Program" for demonstrating excellence in the provision of nutrition services and meeting the national standards required for such accreditation.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (US GAAP).

The Organization presents information regarding its financial position and activities according to three classes of net assets described as follows:

- Unrestricted Net Assets - All resources over which the governing board has discretionary control. The governing board of the Organization may elect to designate such resources for specific purposes. This designation may be removed at the Board's discretion.
- Temporarily Restricted Net Assets - Resources accumulated through donations or grants for a specific operating or capital purpose or having restrictions related to timing. Such resources will become unrestricted when the requirements of the donor or grantee have been satisfied through expenditure for the specified purpose or program or through the passage of time.
- Permanently Restricted Net Assets - Resources accumulated through donations or grants that are subject to the restriction in perpetuity that the principal be invested. These net assets include the original value of the gift, plus any subsequent additions. The Organization has no permanently restricted net assets at June 30, 2016 and 2015, respectively.

**MEALS ON WHEELS OF TAMPA, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015**

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Use of Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates. Significant estimates include the collectability of contributions and accounts receivable, determination of the useful lives of the property and equipment, and the allocation of functional expenses.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on deposit with financial institutions, short-term certificates of deposit, and money market mutual fund accounts. The Organization considers all highly liquid assets with an initial maturity of three months or less as cash.

Financial instruments which potentially subject the Organization to concentrations of credit risk consist principally of cash held in financial institutions in excess of federally-insured limits. From time to time throughout the years ended June 30, 2016 and 2015, the Organization's cash balance may have exceeded the federally insured limit. However, the Organization has not experienced and does not expect to incur any losses in such accounts.

Restricted cash consists of amounts on deposit at a bank that are required to be deposited in a separate account in accordance with a grant agreement.

Accounts Receivable

Accounts receivable consists of amounts due from meal recipients and others for meals provided. Management evaluates the collectability of receivables based on their age and charges uncollectible accounts to operations. Allowance for doubtful accounts is estimated based on prior years' experience and management's analysis of specific accounts.

Contributions Receivable

Unconditional promises to give that are expected to be collected within one year are recorded as contributions receivable at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated cash flows. Conditional promises to give are not included as support until the conditions are substantially met.

The Organization uses the allowance method to determine uncollectible unconditional promises. The allowance is based on prior years' experience and management's analysis of specific promises made.

Inventory

Inventory consists of food and kitchen supplies. Inventory is stated at the lower of cost or market. Cost is determined principally on the first-in, first-out method.

**MEALS ON WHEELS OF TAMPA, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015**

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Property and Equipment

Property and equipment are stated at cost, if purchased, or at estimated fair value at the date of receipt, if acquired by gift. Depreciation is calculated using the straight-line method over the estimated useful lives of the respective assets ranging from 3 - 40 years. Major renewals and betterments are capitalized. Maintenance, repairs, and minor renewals are expensed as incurred. It is the Organization's policy to capitalize all items which have a unit cost greater than \$1,000.

Deferred Revenue

Deferred revenue represents funds received by the Organization, but not earned for financial reporting purposes. Such amounts are recognized as revenue during the period service is performed.

Revenue Recognition

Contributions received are recorded as increases in unrestricted, temporarily restricted, or permanently restricted net assets, depending on the existence and/or nature of any donor restrictions.

All donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or the purpose of the restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire or are otherwise satisfied in the fiscal year in which the contributions are recognized.

Program service revenue is recognized at the time that the services are provided.

Grants are recognized as support when performance occurs pursuant to the contract agreement. Grants are recorded in contributions on the statement of activities.

Donated Services and Materials

The Organization records the value of donated materials when there is an objective basis available to measure their value. These contributions are considered to be available for unrestricted use, unless specifically restricted by the donor, and have been treated as in-kind contributions.

Donated materials are recorded as support at their fair value at the date of donation.

Contributions of services are recorded as support at their estimated fair value if the services received create or enhance non-financial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

**MEALS ON WHEELS OF TAMPA, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015**

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Donated Services and Materials - Continued

The Organization also receives donated services from a variety of volunteers assisting in various fundraising and program services. No amounts for volunteer services have been recognized in the accompanying statements of activities and changes in net assets since these services do not meet the requirements for recognition in the financial statements. The Organization tracks donated volunteer services for reporting to funding entities and to measure overall community support.

The Organization reports gifts of equipment as unrestricted support unless donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with specific restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent the explicit donor stipulations about how these long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Functional Allocation of Expenses

The cost of providing the Organization's various programs and other activities has been summarized on a functional basis in the accompanying statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supportive services benefited.

Program and supporting expenses, when specifically identifiable, are classified to the function which incurred the expense. Certain expenses are allocated to each function based on management's estimate of time spent within each category.

Income Tax Status

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been recorded. However, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income.

Uncertain Tax Positions

The Organization accounts for the effect of any uncertain tax positions based on a "more likely than not" threshold to the recognition of the tax positions being sustained based on the technical merits of the position under scrutiny by the applicable taxing authority. If a tax position or positions are deemed to result in uncertainties of those positions, the unrecognized tax benefit is estimated based on a "cumulative probability assessment" that aggregates the estimated tax liability for all uncertain tax positions. The Organization has identified its tax status as a tax-exempt entity as its only significant tax position; however, the Organization has determined that such tax position does not result in an uncertainty requiring recognition. The Organization is not currently under examination by any taxing jurisdiction. The Organization's federal returns are generally open for examination for three years following the date filed.

**MEALS ON WHEELS OF TAMPA, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015**

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Comparative Financial Information

The accompanying financial statements include certain prior year summarized comparative total amounts. Such information does not include sufficient detail to constitute a presentation in conformity with US GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2015.

NOTE C - PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at June 30, 2016 and 2015:

	<u>2016</u>	<u>2015</u>
Land	\$ 125,000	\$ 125,000
Building	349,718	352,797
Capital improvements	558,908	512,895
Furniture and fixtures	27,818	30,479
Office equipment	40,620	24,500
Kitchen equipment	191,886	203,774
Meals delivery equipment	23,882	23,882
Vehicles	<u>157,293</u>	<u>157,291</u>
	1,475,125	1,430,618
Less accumulated depreciation	<u>(784,914)</u>	<u>(731,607)</u>
	<u>\$ 690,211</u>	<u>\$ 699,011</u>

NOTE D - CONTRIBUTIONS RECEIVABLE

Contributions receivable related to amounts pledged to the Organization during its annual fundraising campaigns are presented net of management's estimate of uncollectible amounts, and are discounted to present value at rates between 2% and 4%.

Contributions receivable at June 30, 2016 and 2015 are summarized as follows:

	<u>2016</u>	<u>2015</u>
Contributions receivable	\$ 632,005	\$ 603,225
Less allowance for uncollectible contributions receivable	(31,057)	(31,411)
Less unamortized discount to present value	<u>(40,001)</u>	<u>(36,780)</u>
	560,947	535,034
Current portion	<u>(136,092)</u>	<u>(132,843)</u>
Long-term portion	<u>\$ 424,855</u>	<u>\$ 402,191</u>

**MEALS ON WHEELS OF TAMPA, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015**

NOTE D - CONTRIBUTIONS RECEIVABLE - CONTINUED

Anticipated collection periods of contributions receivable at June 30, 2016 and 2015 are summarized as follows:

	<u>2016</u>	<u>2015</u>
Within one year	\$ 136,092	\$ 132,843
One to five years	491,313	453,082
After five years	<u>4,600</u>	<u>17,300</u>
	632,005	603,225
Less allowance for uncollectible contributions receivable	(31,057)	(31,411)
Less unamortized discount to present value	<u>(40,001)</u>	<u>(36,780)</u>
	<u>\$ 560,947</u>	<u>\$ 535,034</u>

NOTE E - BENEFICIAL INTEREST IN A PERPETUAL TRUST

The Organization has a beneficial interest in assets held by the Community Foundation of Tampa Bay, Inc. (CFTB) with balances of \$22,967 and \$24,265 for the years ended June 30, 2016 and 2015, respectively. This balance is included in temporarily restricted net assets. Earnings on the endowment funds are distributed to the Organization semi-annually at a distribution rate between 5% - 7% of the fund's balance as of December 31 of the year preceding the distribution. Distributions from CFTB are made as set forth in the agreement and recognized as unrestricted contributions upon receipt by the Organization. The fair value of the beneficial interest approximates its recorded value as of June 30, 2016 and 2015.

NOTE F - BENEFICIAL INTEREST IN A DESIGNATED FUND

The Organization has a beneficial interest in certain designated funds held by the CFTB. These designated funds came from sources other than the Organization that had explicitly granted variance power to CFTB, so it is not recorded on the Organization's statements of financial position as an asset. Earnings on the endowment funds are distributed to the Organization semi-annually and are recognized as unrestricted contributions in the statements of activities.

**MEALS ON WHEELS OF TAMPA, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015**

NOTE G - FAIR VALUE MEASUREMENT

The Organization's investments are reported at fair value in the accompanying statements of financial position. Following is a description of valuation methodologies used for investments measured at fair value:

Beneficial interest in a perpetual trust - the investments are managed by a third party which is unrelated to this Organization. The trust assets are valued based upon the third party information without adjustment. The Organization does not develop nor are they provided with the quantitative inputs used to develop the fair market values.

Fair Value Measurements as June 30, 2016

Description:	Quoted Prices In Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3	Total Fair Value
Assets:				
Beneficial interest	\$ -	\$ -	\$ 22,967	\$ 22,967
Total assets at fair value	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,967</u>	<u>\$ 22,967</u>

Fair Value Measurements as June 30, 2015

Description:	Quoted Prices In Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3	Total Fair Value
Assets:				
Beneficial interest	\$ -	\$ -	\$ 24,265	\$ 24,265
Total assets at fair value	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,265</u>	<u>\$ 24,265</u>

**MEALS ON WHEELS OF TAMPA, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015**

NOTE G - FAIR VALUE MEASUREMENT - CONTINUED

The following table illustrates a roll-forward for all assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the years ended June 30, 2016 and 2015:

	<u>2016</u>	<u>2015</u>
Beneficial interest in funds held by others at beginning of year	\$ 24,265	\$ 26,620
Additions	-	-
Realized and unrealized (losses) gains, net	(1,298)	(2,355)
Distributions	-	-
Beneficial interest in funds held by others at end of year	<u>\$ 22,967</u>	<u>\$ 24,265</u>

NOTE H - LINE-OF-CREDIT

The Organization has a \$150,000 line-of-credit with a bank. The line-of-credit is unsecured, bears interest at the bank's prime rate plus 1% (4.50% and 4.25% at June 30, 2016 and 2015, respectively), and expires on August 1, 2017. There was no balance outstanding on the line-of-credit at June 30, 2016 and 2015.

NOTE I - TEMPORARILY RESTRICTED NET ASSETS

Net assets released from restrictions amounted to \$283,252 and \$288,457 for the years ended June 30, 2016 and 2015, respectively, and in general, are due to the collection of contributions receivable.

Temporarily restricted net assets consist of the following as of June 30, 2016:

Contributions receivable, net	\$ 560,947
Beneficial interest in funds held by others	<u>22,967</u>
	<u>\$ 583,914</u>

Temporarily restricted net assets consist of the following as of June 30, 2015:

Contributions receivable, net	\$ 535,034
Beneficial interest in funds held by others	<u>24,265</u>
	<u>\$ 559,299</u>

MEALS ON WHEELS OF TAMPA, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

NOTE J - COMMITMENTS

Annuity Plan

The Organization sponsors a tax deferred annuity plan covering all eligible employees. Contributions to the plan are discretionary and are determined by the Board of Directors. The Organization matches contributions to the plan up to 50% of employees' elective deferrals up to 2% of eligible gross wages. In addition, the Board, at its discretion, may make an additional percentage-based contribution to each eligible employee's account after the end of each plan year. The Organization made discretionary contributions of approximately \$19,894 and \$17,541 to the plan for the years ended June 30, 2016 and 2015, respectively.

Contractual Commitments

The Organization has various contract commitments to institutions and not-for-profit organizations to provide and deliver meals to certain institutionalized individuals and others. Terms of these contracts are generally one year, subject to cancellation on sufficient notice.

NOTE K - OPERATING LEASES

The Organization leases office equipment under a non-cancelable operating lease. Lease expense for the years ended June 30, 2016 and 2015 approximated \$9,000.

Based on the terms of the agreement, the future minimum payments due on the lease are as follows:

Years Ending <u>June 30,</u>	
2017	\$ 8,098
2018	<u>1,350</u>
	<u><u>\$ 9,448</u></u>

NOTE L - SUBSEQUENT EVENTS

The Organization has evaluated all subsequent events through September 20, 2016, the date the financial statements were available and issued. The Organization is not aware of any subsequent events which would require recognition or disclosure in the financial statements.