

Meals on Wheels of Tampa, Inc.

Financial Statements

June 30, 2017 and 2016



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, Florida

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, 2017 and 2016, and the related statements of activities and cash flows for the years then ended, the statement of functional expenses for the year ended June 30, 2017, 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, 2017 and 2016, 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 2016 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 20, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2016 is consistent, in all material respects, with the audited financial statements from which it has been derived.

PDR CPAs + Advisors, Inc

Oldsmar, Florida
September 19, 2017

**MEALS ON WHEELS OF TAMPA, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
<u>ASSETS</u>		
Current Assets		
Cash and cash equivalents	\$ 1,810,769	\$ 1,323,327
Restricted cash	55,358	88,753
Accounts receivable, net of allowance for doubtful accounts of \$2,150 and \$2,550, respectively	123,678	114,345
Contributions receivable, net - current portion	132,114	136,092
Inventory	31,956	23,945
Prepaid expenses	27,485	73,124
Total current assets	2,181,360	1,759,586
Other Assets		
Contributions receivable, net - long-term portion	466,043	424,855
Beneficial interest in funds held by others	49,677	22,967
Property and equipment, net	1,118,323	690,211
Total Assets	\$ 3,815,403	\$ 2,897,619
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 178,074	\$ 171,518
Deferred revenue	73,973	92,049
Total current liabilities	252,047	263,567
Net Assets		
Unrestricted	2,915,522	2,050,138
Temporarily restricted	647,834	583,914
Total net assets	3,563,356	2,634,052
Total Liabilities and Net Assets	\$ 3,815,403	\$ 2,897,619

See accompanying notes to financial statements

**MEALS ON WHEELS OF TAMPA, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2017
(WITH COMPARATIVE TOTALS FOR 2016)**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2017 Total</u>	<u>2016 Total</u>
Public Support and Revenue				
Contributions	\$ 869,149	\$ 350,210	\$ 1,219,359	\$ 672,812
Program services	1,633,453	-	1,633,453	1,273,047
In-kind contributions	11,529	-	11,529	15,605
Special events, net of \$28,166 of direct expenses	427,725	-	427,725	428,793
Change in value in funds held by others	-	1,710	1,710	(1,298)
Investment income	3,340	-	3,340	2,815
Rental income	4,919	-	4,919	-
Net assets released from restrictions	288,000	(288,000)	-	-
Total public support and revenue	<u>3,238,115</u>	<u>63,920</u>	<u>3,302,035</u>	<u>2,391,774</u>
Expenses				
Program services	1,957,641	-	1,957,641	1,848,388
Administration	195,807	-	195,807	175,678
Fundraising	219,283	-	219,283	158,870
Total expenses	<u>2,372,731</u>	<u>-</u>	<u>2,372,731</u>	<u>2,182,936</u>
Change in Net Assets	865,384	63,920	929,304	208,838
Net Assets at Beginning of Year	<u>2,050,138</u>	<u>583,914</u>	<u>2,634,052</u>	<u>2,425,214</u>
Net Assets at End of Year	<u>\$ 2,915,522</u>	<u>\$ 647,834</u>	<u>\$ 3,563,356</u>	<u>\$ 2,634,052</u>

See accompanying notes to financial statements

**MEALS ON WHEELS OF TAMPA, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2016**

	Unrestricted	Temporarily Restricted	Total
Public Support and Revenue			
Contributions	\$ 363,647	\$ 309,165	\$ 672,812
Program services	1,273,047	-	1,273,047
In-kind contributions	15,605	-	15,605
Special events, net of \$27,241 of direct expenses	428,793	-	428,793
Change in value in funds held by others	-	(1,298)	(1,298)
Investment income	2,815	-	2,815
Net assets released from restrictions	283,252	(283,252)	-
	2,367,159	24,615	2,391,774
Expenses			
Program services	1,848,388	-	1,848,388
Administration	175,678	-	175,678
Fundraising	158,870	-	158,870
	2,182,936	-	2,182,936
Change in Net Assets	184,223	24,615	208,838
Net Assets at Beginning of Year	1,865,915	559,299	2,425,214
Net Assets at End of Year	\$ 2,050,138	\$ 583,914	\$ 2,634,052

See accompanying notes to financial statements

**MEALS ON WHEELS OF TAMPA, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2017 AND 2016**

	2017	2016
Cash Flows from Operating Activities:		
Change in net assets	\$ 929,304	\$ 208,838
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	63,742	68,683
Change in value in beneficial interest in funds held by others	(26,710)	1,298
Decrease (Increase) in:		
Restricted cash	33,395	(24,155)
Accounts receivable	(9,333)	(14,217)
Contributions receivable	(37,210)	(25,913)
Inventory	(8,011)	(4,571)
Prepaid expenses	45,639	(48,377)
Increase (Decrease) in:		
Accounts payable and accrued expenses	6,556	89,030
Deferred revenue	(18,076)	23,090
	979,296	273,706
Net cash provided by operating activities		
Cash Flows from Investing Activities:		
Cash paid for property and equipment purchases	(491,854)	(59,883)
	487,442	213,823
Net Increase in Cash and Cash Equivalents		
Cash and Cash Equivalents at Beginning of Year	1,323,327	1,109,504
Cash and Cash Equivalents at End of Year	\$ 1,810,769	\$ 1,323,327

See accompanying notes to financial statements

**MEALS ON WHEELS OF TAMPA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2017
(WITH COMPARATIVE TOTALS FOR 2016)**

	Program Services			Supporting Services		Total	
	Home Bound Meals	Nonprofits Helping Nonprofits	Total Program Services	Administration	Fundraising	2017	2016
Salaries and payroll taxes	\$ 532,615	\$ 155,751	\$ 688,366	\$ 122,220	\$ 109,812	\$ 920,398	\$ 876,174
Employee benefits	62,986	28,151	91,137	16,182	14,539	121,858	111,568
Food and packaging expenses	602,606	224,125	826,731	-	-	826,731	739,063
Depreciation	29,703	17,970	47,673	8,464	7,605	63,742	68,683
Insurance	20,439	12,366	32,805	5,825	5,233	43,863	44,149
In-kind expenses	8,028	-	8,028	1,425	1,281	10,734	15,606
Office expense	23,621	12,353	35,974	6,387	5,739	48,100	31,842
Utilities	25,243	15,272	40,515	7,194	6,463	54,172	48,755
Bad debts	28,881	-	28,881	5,128	4,607	38,616	48,396
Professional fees	10,457	6,639	17,096	3,035	46,083	66,214	23,268
Conferences and meetings	3,461	-	3,461	615	552	4,628	2,660
Postage and printing	16,308	6,021	22,329	3,965	3,562	29,856	45,700
Repairs and maintenance	14,172	8,574	22,746	4,039	3,629	30,414	36,420
Travel and meals	2,524	540	3,064	544	489	4,097	5,566
Telephone	3,062	1,852	4,914	872	784	6,570	6,680
Licenses and fees	1,544	934	2,478	440	395	3,313	2,686
Marketing	617	373	990	176	158	1,324	1,240
Program supplies	37,565	137	37,702	6,694	6,014	50,410	31,158
Bank charges	12,067	-	12,067	2,142	1,925	16,134	14,010
Miscellaneous	2,017	569	2,586	460	413	3,459	4,006
Transportation	23,024	5,074	28,098	-	-	28,098	25,306
	<u>\$ 1,460,940</u>	<u>\$ 496,701</u>	<u>\$ 1,957,641</u>	<u>\$ 195,807</u>	<u>\$ 219,283</u>	<u>\$ 2,372,731</u>	<u>\$ 2,182,936</u>

See accompanying notes to financial statements

**MEALS ON WHEELS OF TAMPA, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016**

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, 2017 and 2016, respectively.

**MEALS ON WHEELS OF TAMPA, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016**

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 pledges 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 twelve 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, 2017 and 2016, 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 consist 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, 2017 AND 2016**

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 statements of activities.

The Organization is receiving income for a short-term rental of certain property it owns. Rent revenue is recognized as it is earned.

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, 2017 AND 2016**

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 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 statement 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, 2017 AND 2016**

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, 2016.

Impairment of Long-Lived Assets

Management reviews all long-lived assets, which consist primarily of land and buildings, for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to a real property appraisal. If the carrying amount of an asset exceeds its appraisal value, an impairment charge is recognized for the amount by which the carrying amount of the asset exceeds the fair value of the assets.

NOTE C - PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at June 30, 2017 and 2016:

	<u>2017</u>	<u>2016</u>
Land	\$ 596,633	\$ 125,000
Building	349,718	349,718
Capital improvements	557,908	558,908
Furniture and fixtures	27,818	27,818
Office equipment	51,211	40,620
Kitchen equipment	198,729	191,886
Meals delivery equipment	27,669	23,882
Vehicles	<u>157,293</u>	<u>157,293</u>
	1,966,979	1,475,125
Less accumulated depreciation	<u>(848,656)</u>	<u>(784,914)</u>
	<u>\$ 1,118,323</u>	<u>\$ 690,211</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%.

**MEALS ON WHEELS OF TAMPA, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016**

NOTE D - CONTRIBUTIONS RECEIVABLE - CONTINUED

Contributions receivable at June 30, 2017 and 2016 are summarized as follows:

	<u>2017</u>	<u>2016</u>
Contributions receivable	\$ 673,563	\$ 632,005
Less allowance for uncollectible contributions receivable	(30,500)	(31,057)
Less unamortized discount to present value	<u>(44,906)</u>	<u>(40,001)</u>
	598,157	560,947
Current portion	<u>(132,114)</u>	<u>(136,092)</u>
Long-term portion	<u>\$ 466,043</u>	<u>\$ 424,855</u>

Anticipated collection periods of contributions receivable at June 30, 2017 and 2016 are summarized as follows:

	<u>2017</u>	<u>2016</u>
Within one year	\$ 132,114	\$ 136,092
One to five years	530,849	491,313
After five years	<u>10,600</u>	<u>4,600</u>
	673,563	632,005
Less allowance for uncollectible contributions receivable	(30,500)	(31,057)
Less unamortized discount to present value	<u>(44,906)</u>	<u>(40,001)</u>
	<u>\$ 598,157</u>	<u>\$ 560,947</u>

NOTE E - BENEFICIAL INTEREST IN FUNDS HELD BY OTHERS

The Organization has a beneficial interest in assets held by the Community Foundation of Tampa Bay, Inc. (CFTB) with balances of \$49,677 and \$22,967 for the years ended June 30, 2017 and 2016, respectively. This balance is included in temporarily restricted net assets. Typically, earnings on the endowment funds are distributed to the Organization quarterly 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. Subsequent to year-end, the Organization has requested that distributions be re-invested in the funds. The fair value of the beneficial interest approximates its recorded value as of June 30, 2017 and 2016.

**MEALS ON WHEELS OF TAMPA, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016**

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 quarterly and are recognized as unrestricted contributions in the statements of activities.

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 funds held by others - 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, 2017

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	\$ -	\$ -	\$ 49,677	\$ 49,677
Total assets at fair value	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 49,677</u>	<u>\$ 49,677</u>

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>

**MEALS ON WHEELS OF TAMPA, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016**

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, 2017 and 2016:

	<u>2017</u>	<u>2016</u>
Beneficial interest in funds held by others at beginning of year	\$ 22,967	\$ 24,265
Additions	25,000	-
Realized and unrealized (losses) gains, net	1,710	(1,298)
Distributions	-	-
Beneficial interest in funds held by others at end of year	<u>\$ 49,677</u>	<u>\$ 22,967</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% (5.25% and 4.50% at June 30, 2017 and 2016, respectively), and expires on August 1, 2018. There was no balance outstanding on the line-of-credit at June 30, 2017 and 2016.

NOTE I - TEMPORARILY RESTRICTED NET ASSETS

Net assets released from restrictions amounted to \$288,000 and \$283,252 for the years ended June 30, 2017 and 2016, respectively, and in general, are due to the collection of contributions receivable.

Temporarily restricted net assets consist of the following as of June 30, 2017:

Contributions receivable, net	\$ 598,157
Beneficial interest in funds held by others	<u>49,677</u>
	<u>\$ 647,834</u>

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>

MEALS ON WHEELS OF TAMPA, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017 AND 2016

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 \$27,561 and \$19,894 to the plan for the years ended June 30, 2017 and 2016, 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, 2017 and 2016 approximated \$8,400 and \$9,000, respectively.

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

<u>Years Ending June 30,</u>	<u>Amount</u>
2018	\$ 4,485
2019	4,485
2020	4,485
2021	4,485
2022	3,737
	<hr/>
	\$ 21,677

NOTE L - SUBSEQUENT EVENTS

The Organization has evaluated all subsequent events through September 19, 2017, 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.