

MEALS ON WHEELS AND MORE, INC.
AND RELATED ENTITY

SEPTEMBER 30, 2015 AND 2014

MEALS ON WHEELS AND MORE, INC. AND RELATED ENTITY

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Independent Auditors' Report

Board of Directors
Meals on Wheels and More, Inc. and Related Entity
Austin, Texas

Report on the Financial Statements

We have audited the accompanying combined financial statements of Meals on Wheels and More, Inc. and related entity, which comprise the combined statements of financial position as of September 30, 2015 and 2014, and the related combined statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the combined financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these combined 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 combined financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these combined financial statements based on our audits. We conducted our audits 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 audits to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the combined 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 combined 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 combined financial statements referred to above present fairly, in all material respects, the combined financial position of Meals on Wheels and More, Inc. and related entity as of September 30, 2015 and 2014, and the combined changes in their net assets and their combined cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Our audits were conducted for the purpose of forming an opinion on the combined financial statements as a whole. The accompanying combining statement of financial position as of September 30, 2015, and the combining statement of activities for the year then ended are presented for the purpose of additional analysis and are not a required part of the financial statements. The Schedule of Expenditures of Federal and State Awards, as required by U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, Uniform Guidance, and the State of Texas Single Audit Circular, is presented for purposes of additional analysis and is not a required part of the combined 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 combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined 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 combined 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 March 16, 2016, on our consideration of Meals on Wheels and More, Inc. and related entity's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Meals on Wheels and More, Inc. and related entity's internal control over financial reporting and compliance.

Atchley & Associates, LLP

Austin, Texas
March 16, 2016

FINANCIAL STATEMENTS

MEALS ON WHEELS AND MORE, INC. AND RELATED ENTITY
 COMBINED STATEMENTS OF FINANCIAL POSITION
 SEPTEMBER 30, 2015 AND 2014

	2015	2014
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 2,160,733	\$ 2,042,271
Investments	435,490	483,937
Receivables		
Grants and Contracts	1,029,537	848,970
Other	273	225
Prepaid Items and Other Current Assets	90,819	60,862
Total Current Assets	3,716,852	3,436,265
Non-Current Assets		
Fixed Assets, net	5,239,302	5,423,516
Total Non-Current Assets	5,239,302	5,423,516
TOTAL ASSETS	\$ 8,956,154	\$ 8,859,781
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts Payable	\$ 456,566	\$ 278,218
Accrued Payroll Liabilities	73,593	75,088
Liability for Compensated Absences	75,000	75,000
Deferred Revenue	333,611	243,796
Current Portion of Long-Term Debt	127,457	123,797
Total Current Liabilities	1,066,227	795,899
Non-Current Liabilities		
Long-Term Debt	2,816,422	2,938,825
Total Non-Current Liabilities	2,816,422	2,938,825
Total Liabilities	3,882,649	3,734,724
Net Assets		
Unrestricted		
Undesignated	4,314,509	4,258,278
Designated for Endowment Fund	442,119	489,654
Designated for Debt	316,877	377,125
Total Unrestricted Net Assets	5,073,505	5,125,057
TOTAL LIABILITIES AND NET ASSETS	\$ 8,956,154	\$ 8,859,781

The accompanying notes are an integral part of these financial statements.

MEALS ON WHEELS AND MORE, INC. AND RELATED ENTITY
 COMBINED STATEMENTS OF ACTIVITIES
 YEARS ENDED SEPTEMBER 30, 2015 AND 2014

UNRESTRICTED NET ASSETS	2015	2014
SUPPORT AND REVENUE		
Grants and Contracts	\$ 7,357,891	\$ 6,557,678
Public Contributions	2,762,183	2,965,251
United Way	18,266	14,057
Capital Campaign	-	-
Special Fund Raising Events	147,432	146,655
Other Revenue	53,907	35,928
Total Support and Revenue	10,339,679	9,719,569
EXPENSES		
Program Services	8,666,462	7,822,462
Management and General	831,450	760,171
Fund Raising	872,567	839,804
Total Expenses	10,370,479	9,422,437
Revenues Over (Under) Expenses	(30,800)	297,132
Other Revenues and Expenses		
Investment Income	11,499	11,847
Realized Gains (Losses) on Investments	34	484
Unrealized Gains (Losses) on Investments	(31,830)	21,768
Gain (Loss) on Disposal of Fixed Assets	(1,870)	(3,695)
Bank Interest Income	1,415	1,617
Total Other Revenues and Expenses	(20,752)	32,021
Change in Unrestricted Net Assets	(51,552)	329,153
Net Assets, Beginning of Year	5,125,057	4,795,904
NET ASSETS, END OF YEAR	\$ 5,073,505	\$ 5,125,057

The accompanying notes are an integral part of these financial statements.

MEALS ON WHEELS AND MORE, INC. AND RELATED ENTITY
 COMBINED STATEMENT OF FUNCTIONAL EXPENSES
 YEAR ENDED SEPTEMBER 30, 2015

	Program Services			
	Meals on Wheels	Second Meals	Congregate	TDHCT Home Repair
EXPENSES				
Salaries	\$ 1,307,316	\$ 111,573	\$ 389,239	\$ 8,174
Payroll Taxes	107,647	8,511	29,935	586
Other Employee Benefits	230,558	20,300	60,323	530
Total Personnel	<u>1,645,521</u>	<u>140,384</u>	<u>479,497</u>	<u>9,290</u>
Recipient Meal Costs	1,318,993	111,764	232,329	-
Home Repair Construction Costs	-	-	-	13,310
Supplies	38,804	2,862	26,399	16
Postage	22,617	678	2,590	5
Printing	39,160	3,333	3,696	26
Occupancy	42,874	4,527	18,133	173
Utilities	56,865	6,093	22,405	23
Telephone	24,096	2,018	4,977	-
Professional Fees	35,461	2,982	12,007	3
Computer Software	2,147	181	700	-
Equipment Maintenance	42,764	3,661	10,284	6
Insurance	50,063	4,311	17,954	-
Service Delivery and Mileage	99,098	7,364	18,100	202
Dues and Subscriptions	2,243	247	768	-
Conferences/Training/Travel	4,844	547	2,618	-
Interest	33,536	3,580	14,548	-
Special Client Assistance/Aid	-	-	-	-
Promotional	365	28	2	-
Building Refinancing Costs	-	-	-	-
Volunteer Recognition/Recruitment	4,285	413	-	-
Miscellaneous	<u>19,372</u>	<u>1,706</u>	<u>5,990</u>	<u>11</u>
Total Expenses Before Depreciation	<u>3,483,108</u>	<u>296,679</u>	<u>872,997</u>	<u>23,065</u>
Depreciation	<u>197,483</u>	<u>14,560</u>	<u>52,705</u>	<u>-</u>
TOTAL EXPENSES	<u><u>\$ 3,680,591</u></u>	<u><u>\$ 311,239</u></u>	<u><u>\$ 925,702</u></u>	<u><u>\$ 23,065</u></u>

The accompanying notes are an integral part of these financial statements.

Program Services

Travis County Home Repair	Client Assistance	PALS Program	Groceries To Go	Handy Wheels	Country Wheels
\$ 59,897	\$ 91,988	\$ 46,899	\$ 27,302	\$ 26,207	\$ 70,838
4,318	7,068	3,631	2,091	1,853	5,500
10,201	15,451	11,313	3,386	5,559	15,912
<u>74,416</u>	<u>114,507</u>	<u>61,843</u>	<u>32,779</u>	<u>33,619</u>	<u>92,250</u>
-	-	-	-	-	77,273
369,609	-	-	-	938	-
1,012	39,843	16,422	397	11,198	1,680
296	536	297	185	159	458
415	717	637	627	214	715
2,192	3,733	1,739	1,155	990	3,056
2,355	4,282	2,122	1,340	1,144	4,250
1,777	993	853	310	264	2,408
1,340	2,476	17,173	775	811	2,127
80	1,432	73	46	39	122
730	1,341	661	417	357	3,065
1,615	3,118	1,486	932	798	7,116
2,600	2,568	1,244	176	31	18,197
81	-	78	49	40	145
151	622	862	95	102	249
1,619	3,003	1,489	937	801	2,582
-	-	-	-	-	-
1	16	59	2	1	-
-	-	-	-	-	-
-	-	1,015	-	72	-
<u>667</u>	<u>1,206</u>	<u>1,412</u>	<u>377</u>	<u>322</u>	<u>1,056</u>
<u>460,956</u>	<u>180,393</u>	<u>109,465</u>	<u>40,599</u>	<u>51,900</u>	<u>216,749</u>
<u>4,809</u>	<u>8,931</u>	<u>4,424</u>	<u>2,791</u>	<u>2,375</u>	<u>22,637</u>
<u>\$ 465,765</u>	<u>\$ 189,324</u>	<u>\$ 113,889</u>	<u>\$ 43,390</u>	<u>\$ 54,275</u>	<u>\$ 239,386</u>

The accompanying notes are an integral part of these financial statements.

MEALS ON WHEELS AND MORE, INC. AND RELATED ENTITY
 COMBINED STATEMENT OF FUNCTIONAL EXPENSES
 YEAR ENDED SEPTEMBER 30, 2015

	Program Services			
	Meals for Kids	Texas Veterans Food Program	Hope	Texas Veterans Home Repair
EXPENSES				
Salaries	\$ 30,277	\$ 100,838	\$ 21,397	\$ 51,316
Payroll Taxes	2,260	7,635	1,500	3,787
Other Employee Benefits	1,777	18,153	4,388	5,189
Total Personnel	<u>34,314</u>	<u>126,626</u>	<u>27,285</u>	<u>60,292</u>
Recipient Meal Costs	7,570	85,792	-	-
Home Repair Construction Costs	-	-	-	379,180
Supplies	455	2,060	1,057	445
Postage	88	678	125	156
Printing	245	2,531	759	173
Occupancy	644	4,302	680	902
Utilities	867	5,546	800	1,268
Telephone	164	1,634	183	301
Professional Fees	407	2,998	465	746
Computer Software	29	178	27	44
Equipment Maintenance	486	2,657	250	397
Insurance	1,072	4,035	560	901
Service Delivery and Mileage	2,683	4,208	144	4,095
Dues and Subscriptions	29	219	31	45
Conferences/Training/Travel	76	482	265	144
Interest	483	3,602	562	907
Special Client Assistance/Aid	-	-	-	-
Promotional	1	27	4	1
Building Refinancing Costs	-	-	-	-
Volunteer Recognition/Recruitment	-	160	235	-
Miscellaneous	204	1,557	226	349
Total Expenses Before Depreciation	<u>49,817</u>	<u>249,292</u>	<u>33,658</u>	<u>450,346</u>
Depreciation	3,038	12,395	1,665	2,702
TOTAL EXPENSES	<u>\$ 52,855</u>	<u>\$ 261,687</u>	<u>\$ 35,323</u>	<u>\$ 453,048</u>

The accompanying notes are an integral part of these financial statements.

Program Services

Home Repair	Respite Care	Barrier Removal	Home Repair Other	Holly Good- neighbor	Home Depot	Community Service
\$ 98,005	\$ 81,178	\$ 45,399	\$ -	\$ 790	\$ 7,395	\$ 46,507
7,505	6,067	3,037	-	58	525	3,277
16,276	8,833	3,035	-	-	-	6,244
121,786	96,078	51,471	-	848	7,920	56,028
-	9,673	-	-	-	-	-
940,097	-	232,239	8,950	-	157,881	2,000
2,326	3,953	221	-	-	135	466
510	363	94	-	-	-	139
602	519	115	-	-	-	181
3,016	2,673	641	-	-	-	972
4,137	2,968	758	-	-	-	3,784
2,817	675	442	-	-	-	258
2,412	3,488	440	-	-	-	13,343
145	100	26	-	-	-	37
1,465	1,036	236	-	-	-	6,242
3,047	2,027	528	-	-	-	779
2,344	143	2,626	-	-	760	329
645	104	27	-	-	-	414
1,733	223	133	-	-	76	744
2,930	2,035	534	-	-	-	784
-	-	-	-	-	-	-
2	1	-	-	-	-	-
-	-	-	-	-	-	-
-	305	-	-	-	-	-
1,143	819	210	-	-	-	374
1,091,157	127,183	290,741	8,950	848	166,772	86,874
8,713	6,195	1,581	-	-	-	10,167
<u>\$ 1,099,870</u>	<u>\$ 133,378</u>	<u>\$ 292,322</u>	<u>\$ 8,950</u>	<u>\$ 848</u>	<u>\$ 166,772</u>	<u>\$ 97,041</u>

The accompanying notes are an integral part of these financial statements.

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MEALS ON WHEELS AND MORE, INC. AND RELATED ENTITY
 COMBINED STATEMENT OF FUNCTIONAL EXPENSES
 YEAR ENDED SEPTEMBER 30, 2015

	<u>Program Services</u>		<u>Support Services</u>		<u>Total</u>
	<u>Legislative Activities</u>	<u>Total</u>	<u>Management and General</u>	<u>Fund Raising</u>	
EXPENSES					
Salaries	\$ 17,742	\$ 2,640,277	\$ 624,878	\$ 374,443	\$ 3,639,598
Payroll Taxes	-	206,791	41,661	28,862	277,314
Other Employee Benefits	-	437,428	89,421	54,716	581,565
Total Personnel	17,742	3,284,496	755,960	458,021	4,498,477
Recipient Meal Costs	-	1,843,394	-	-	1,843,394
Home Repair Construction Costs	-	2,104,204	-	-	2,104,204
Supplies	-	149,751	-	3,297	153,048
Postage	-	29,974	-	93,694	123,668
Printing	-	54,665	65	51,878	106,608
Occupancy	-	92,402	12,662	9,806	114,870
Utilities	-	121,007	16,788	11,005	148,800
Telephone	-	44,170	7,116	3,440	54,726
Professional Fees	-	99,454	7,557	72,665	179,676
Computer Software	-	5,406	-	3,760	9,166
Equipment Maintenance	-	76,055	-	3,433	79,488
Insurance	-	100,342	14,786	8,226	123,354
Service Delivery and Mileage	-	166,912	-	256	167,168
Dues and Subscriptions	-	5,165	1,293	814	7,272
Conferences/Training/Travel	-	13,966	2,129	3,175	19,270
Interest	-	73,932	9,904	7,670	91,506
Special Client Assistance/Aid	-	-	-	-	-
Promotional	-	510	350	1,728	2,588
Building Refinancing Costs	-	-	-	-	-
Volunteer Recognition/Recruitment	-	6,485	-	-	6,485
Miscellaneous	-	37,001	2,840	116,867	156,708
Total Expenses Before Depreciation	17,742	8,309,291	831,450	849,735	9,990,476
Depreciation	-	357,171	-	22,832	380,003
TOTAL EXPENSES	\$ 17,742	\$ 8,666,462	\$ 831,450	\$ 872,567	\$ 10,370,479

The accompanying notes are an integral part of these financial statements.

MEALS ON WHEELS AND MORE, INC. AND RELATED ENTITY
 COMBINED STATEMENT OF FUNCTIONAL EXPENSES
 YEAR ENDED SEPTEMBER 30, 2014

EXPENSES	Program Services		
	Meals on Wheels	Second Meals	Congregate
Salaries	\$ 1,354,913	\$ 105,066	\$ 353,694
Payroll Taxes	104,910	8,351	27,577
Other Employee Benefits	201,521	26,888	53,237
Total Personnel	1,661,344	140,305	434,508
Recipient Meal Costs	1,254,830	118,295	213,391
Home Repair Construction Costs	-	-	-
Supplies	24,338	1,942	18,492
Postage	26,643	1,211	2,799
Printing	33,919	2,864	2,744
Occupancy	36,544	3,379	13,280
Utilities	66,681	6,515	23,687
Telephone	23,862	2,064	5,658
Professional Fees	35,690	2,861	10,507
Computer Software	5,805	465	1,090
Equipment Maintenance	30,963	2,638	8,714
Insurance	59,462	4,222	15,505
Service Delivery and Mileage	108,435	7,488	19,410
Dues and Subscriptions	3,127	280	764
Conferences/Training/Travel	10,964	879	3,353
Interest	32,700	3,795	13,316
Special Client Assistance/Aid	-	-	-
Promotional	-	-	-
Building Refinancing Costs	-	-	-
Volunteer Recognition/Recruitment	7,525	712	-
Miscellaneous	17,178	1,377	3,903
Total Expenses Before Depreciation	3,440,010	301,292	791,121
Depreciation	202,392	15,405	49,744
TOTAL EXPENSES	\$ 3,642,402	\$ 316,697	\$ 840,865

The accompanying notes are an integral part of these financial statements.

Program Services

TDHCT Home Repair	Travis County Home Repair	Client Assistance	PALS Program	Groceries To Go	Handy Wheels
\$ 18,452	\$ 108,565	\$ 95,052	\$ 37,852	\$ 23,907	\$ 28,946
1,366	7,208	7,419	2,956	1,883	2,286
3,309	9,326	12,990	7,535	2,529	5,401
<u>23,127</u>	<u>125,099</u>	<u>115,461</u>	<u>48,343</u>	<u>28,319</u>	<u>36,633</u>
-	-	-	-	-	-
134,611	807,463	-	-	-	-
351	1,082	1,365	14,414	406	11,757
117	469	559	289	234	218
115	475	596	370	576	170
439	1,771	2,720	1,018	826	706
921	3,720	4,425	1,691	1,333	1,174
216	2,622	1,024	426	308	275
862	1,829	2,152	15,135	651	673
45	183	1,508	105	108	61
290	1,240	1,511	600	460	404
532	2,260	2,644	976	636	680
1,336	6,626	2,310	1,345	100	42
30	123	145	62	49	40
1,025	368	917	308	138	99
605	2,443	2,867	1,112	867	773
-	-	19,524	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	608	410	278
<u>172</u>	<u>679</u>	<u>802</u>	<u>1,096</u>	<u>269</u>	<u>219</u>
<u>164,794</u>	<u>958,452</u>	<u>160,530</u>	<u>87,898</u>	<u>35,690</u>	<u>54,202</u>
<u>1,900</u>	<u>7,654</u>	<u>9,007</u>	<u>3,486</u>	<u>2,707</u>	<u>2,418</u>
<u>\$ 166,694</u>	<u>\$ 966,106</u>	<u>\$ 169,537</u>	<u>\$ 91,384</u>	<u>\$ 38,397</u>	<u>\$ 56,620</u>

The accompanying notes are an integral part of these financial statements.

MEALS ON WHEELS AND MORE, INC. AND RELATED ENTITY
 COMBINED STATEMENT OF FUNCTIONAL EXPENSES
 YEAR ENDED SEPTEMBER 30, 2014

EXPENSES	Program Services			
	Country	Texas		
	Wheels	Meals for Kids	Veterans Food Program	Hope
Salaries	\$ 71,112	\$ 18,502	\$ 91,383	\$ 18,899
Payroll Taxes	5,608	756	7,323	1,500
Other Employee Benefits	10,896	2,214	11,412	3,370
Total Personnel	87,616	21,472	110,118	23,769
Recipient Meal Costs	82,474	11,198	86,686	-
Home Repair Construction Costs	-	-	-	-
Supplies	921	272	1,647	1,029
Postage	388	148	914	165
Printing	380	192	1,794	680
Occupancy	1,851	542	2,440	456
Utilities	3,607	1,005	5,215	756
Telephone	2,105	216	1,579	177
Professional Fees	1,573	453	2,561	376
Computer Software	151	58	352	57
Equipment Maintenance	1,489	379	2,129	265
Insurance	6,464	1,226	3,497	432
Service Delivery and Mileage	17,905	1,792	5,213	114
Dues and Subscriptions	113	36	218	31
Conferences/Training/Travel	301	94	634	245
Interest	2,184	595	3,405	492
Special Client Assistance/Aid	-	-	-	-
Promotional	-	-	-	-
Building Refinancing Costs	-	-	-	-
Volunteer Recognition/Recruitment	-	1	361	117
Miscellaneous	580	182	1,118	162
Total Expenses Before Depreciation	210,102	39,861	229,881	29,323
Depreciation	17,407	2,953	12,444	1,551
TOTAL EXPENSES	\$ 227,509	\$ 42,814	\$ 242,325	\$ 30,874

The accompanying notes are an integral part of these financial statements.

Program Services

Texas Veterans Home Repair		Respite Care	Barrier Removal	Community Service	Legislative Activities	Total
\$ 7,508	\$ 52,735	\$ 81,064	\$ 14,823	\$ 38,945	\$ 15,781	\$ 2,537,199
529	4,057	5,938	1,129	2,979	-	193,775
177	4,775	8,665	1,502	5,239	-	370,986
<u>8,214</u>	<u>61,567</u>	<u>95,667</u>	<u>17,454</u>	<u>47,163</u>	<u>15,781</u>	<u>3,101,960</u>
-	-	8,391	-	-	-	1,775,265
20,000	448,855	50	191,686	-	-	1,602,665
-	842	1,853	133	327	-	81,171
-	185	359	58	141	-	34,897
-	186	368	58	161	-	45,648
289	849	1,652	510	823	-	70,095
-	1,469	2,804	462	3,724	-	129,189
-	776	645	564	262	15	42,794
10	767	4,020	216	9,498	-	89,834
-	72	140	23	55	-	10,278
39	588	995	168	2,353	-	55,225
-	844	1,592	260	644	-	101,876
235	2,385	73	974	267	-	176,050
-	548	93	15	2,037	-	7,711
151	173	804	36	131	18	20,638
-	960	1,806	299	736	-	68,955
-	-	-	-	-	-	19,524
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	363	-	-	-	10,375
-	268	508	83	648	-	29,244
<u>28,938</u>	<u>521,334</u>	<u>122,183</u>	<u>212,999</u>	<u>68,970</u>	<u>15,814</u>	<u>7,473,394</u>
-	3,023	5,837	896	10,244	-	349,068
<u>\$ 28,938</u>	<u>\$ 524,357</u>	<u>\$ 128,020</u>	<u>\$ 213,895</u>	<u>\$ 79,214</u>	<u>\$ 15,814</u>	<u>\$ 7,822,462</u>

The accompanying notes are an integral part of these financial statements.

MEALS ON WHEELS AND MORE, INC. AND RELATED ENTITY
 COMBINED STATEMENT OF FUNCTIONAL EXPENSES
 YEAR ENDED SEPTEMBER 30, 2014

	<u>Support Services</u>		
	<u>Management and General</u>	<u>Fund Raising</u>	<u>Total</u>
EXPENSES			
Salaries	\$ 525,005	\$ 365,307	\$ 3,427,511
Payroll Taxes	38,265	27,847	259,887
Other Employee Benefits	78,679	51,819	501,484
Total Personnel	<u>641,949</u>	<u>444,973</u>	<u>4,188,882</u>
Recipient Meal Costs	-	-	1,775,265
Home Repair Construction Costs	-	-	1,602,665
Supplies	195	42,144	123,510
Postage	-	77,400	112,297
Printing	-	50,594	96,242
Occupancy	6,786	7,476	84,357
Utilities	12,383	12,695	154,267
Telephone	4,431	3,904	51,129
Professional Fees	8,378	59,156	157,368
Computer Software	-	901	11,179
Equipment Maintenance	-	8,879	64,104
Insurance	10,810	8,028	120,714
Service Delivery and Mileage	78	242	176,370
Dues and Subscriptions	534	1,179	9,424
Conferences/Training/Travel	1,049	2,649	24,336
Interest	14,368	8,421	91,744
Special Client Assistance/Aid	-	-	19,524
Promotional	-	-	-
Building Refinancing Costs	55,388	388	55,776
Volunteer Recognition/Recruitment	-	11	10,386
Miscellaneous	3,822	84,356	117,422
Total Expenses Before Depreciation	<u>760,171</u>	<u>813,396</u>	<u>9,046,961</u>
Depreciation	-	26,408	375,476
TOTAL EXPENSES	<u><u>\$ 760,171</u></u>	<u><u>\$ 839,804</u></u>	<u><u>\$ 9,422,437</u></u>

The accompanying notes are an integral part of these financial statements.

MEALS ON WHEELS AND MORE, INC. AND RELATED ENTITY
 COMBINED STATEMENTS OF CASH FLOWS
 YEARS ENDED SEPTEMBER 30, 2015 AND 2014

	2015	2014
Cash Flows From Operating Activities		
Change in Net Assets	\$ (51,552)	\$ 329,153
Adjustments to Reconcile Changes in Net Assets to Net Cash Provided (Used) by Operating Activities		
Depreciation	380,003	375,476
(Gain) Loss on Disposal of Fixed Assets	1,870	3,695
Realized Gain on Sale of Investments	(34)	(484)
Unrealized Gain on Investments	31,830	(21,768)
Change in Operating Assets and Liabilities -		
Grants Receivable	(180,567)	(106,415)
Other Receivable	(48)	-
Prepaid Items and Other Current Assets	(29,957)	8,895
Accounts Payable	178,348	(254,773)
Accrued Liabilities	(1,495)	22,804
Deferred Revenues	89,815	39,536
	418,213	396,119
Net Cash Flows From Operating Activities	418,213	396,119
Cash Flows from Investing Activities		
Proceeds from Sale of Investments	385,763	282,416
Purchase of Investments	(369,112)	(289,512)
Proceeds from the Sale of Fixed Assets	26,305	-
Acquisition of Fixed Assets	(223,964)	(209,191)
	(181,008)	(216,287)
Net Cash Flows From Investing Activities	(181,008)	(216,287)
Cash Flows from Financing Activities		
Payments on Long-Term Debt	(118,743)	(48,199)
	(118,743)	(48,199)
Net Cash Flows From Financing Activities	(118,743)	(48,199)
Net Change in Cash and Cash Equivalents	118,462	131,633
Cash and Cash Equivalents, Beginning of Year	2,042,271	1,910,638
Cash and Cash Equivalents, End of Year	\$ 2,160,733	\$ 2,042,271
Supplemental Disclosure of Cash Flow Information		
Cash Paid for Interest	\$ 91,507	\$ 91,745

The accompanying notes are an integral part of these financial statements.

MEALS ON WHEELS AND MORE, INC. AND RELATED ENTITY
NOTES TO COMBINED FINANCIAL STATEMENTS
SEPTEMBER 30, 2015 AND 2014

NOTE 1: ORGANIZATION BACKGROUND AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization - Meals on Wheels and More, Inc., (MOWAM) formerly known as United Austin for the Elderly, Inc., was founded in 1972 by a group of volunteers who created the Meals on Wheels program to help meet the nutritional needs of homebound elderly people in Austin and Travis County. MOWAM has grown to provide a variety of program services that are designed to enable the homebound elderly to remain independent and in their own homes. MOWAM depends significantly on third-party reimbursement arrangements to carry out its program services.

Nature of Organization and Basis of Consolidation - Included in the combined financial statements are the accounts of Austin Meals on Wheels Endowment Fund (the Endowment), which was established August 10, 1993, by the board of directors and designated for the purpose and intent of receiving, investing, and managing contributions received for the benefit of Meals on Wheels and More, Inc. The Endowment may distribute up to 5% of the average of the previous 12 quarters' ending market value. The withdrawals should never be such as to take the corpus below the inception money value plus net additions. There was a transfer to MOWAM from the Endowment of \$23,236 in 2015 and no transfer in 2014.

All funds in the Endowment represent discretionary transfers from unrestricted net assets and are therefore not restricted, but are designated for the purposes described above. The net assets of the Endowment are shown in the combined statements of financial position as Unrestricted, Designated for Endowment Fund, and totaled \$442,119 and \$489,654 at September 30, 2015 and 2014, respectively.

Method of Accounting - MOWAM and the Endowment (collectively, the Organizations) use the accrual basis method of accounting. Such method of accounting recognizes support, revenue and the related receivables as earned, regardless of when the cash is collected. Expenses and related payables are recognized as incurred, regardless of when the obligation is paid.

Financial Statement Presentation - To ensure that temporarily restricted grant funds are used for the purpose to which they are intended, MOWAM maintains its accounts in accordance with the principles of fund accounting. Funds are established for each of MOWAM's activities, based on their nature and purpose. Separate accounts are maintained for each fund. For financial statement purposes, the Organizations follow the requirements of Accounting Standards Codification (FASB ASC) 958, *Financial Statements of Not-for-Profit Organizations*.

The classification of the Organizations' net assets and their support, revenue and expenses are based on the existence or absence of donor-imposed restrictions. It requires that the amounts for each of the three classes of net assets - permanently restricted, temporarily restricted and unrestricted - be displayed in a statement of financial position and that the amounts of change in each of those classes of net assets be displayed in a statement of activities.

MEALS ON WHEELS AND MORE, INC. AND RELATED ENTITY
NOTES TO COMBINED FINANCIAL STATEMENTS
SEPTEMBER 30, 2015 AND 2014

NOTE 1: ORGANIZATION BACKGROUND AND SIGNIFICANT ACCOUNTING POLICIES,
CONTINUED

These classes are defined as follows:

Unrestricted - The part of net assets that is neither permanently nor temporarily restricted by donor imposed stipulations.

Temporarily Restricted - Net assets resulting from contributions and other inflows of assets whose use by the organization is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the organization pursuant to those stipulations. When such stipulations end or are fulfilled, such temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities and net assets released from restrictions.

Certain income received under grant agreements is temporarily restricted until the organization meets purpose restrictions by satisfying specified program initiatives. If the program restrictions are satisfied in the same period as the income received, the organization records the income as unrestricted revenues. Temporarily restricted income received that has not satisfied program restrictions is recorded as temporarily restricted until program restrictions are satisfied. The Organizations have no temporarily restricted net assets at September 30, 2015 and 2014.

Permanently Restricted - Net assets resulting from contributions and other inflows of assets whose use by the organization is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the organization. The Organizations have no permanently restricted net assets.

Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

Contributions - Grants and other contributions of cash and other assets are reported as temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets.

Annual campaign contributions are generally available for unrestricted use in the related campaign year unless specifically restricted by the donor. The majority of the contributions are from a broad base of contributions as a result of the annual campaign. Promises to give are typically neither received nor recorded by the Organizations.

Contributions of donated non-cash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance non-financial assets or that require specialized skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received. MOWAM did not receive any contributions of donated services in 2015 and 2014 that meet the criteria for recording in the financial statements.

MEALS ON WHEELS AND MORE, INC. AND RELATED ENTITY
NOTES TO COMBINED FINANCIAL STATEMENTS
SEPTEMBER 30, 2015 AND 2014

NOTE 1: ORGANIZATION BACKGROUND AND SIGNIFICANT ACCOUNTING POLICIES,
CONTINUED

Fair Value Measurement - The Organizations follow FASB Accounting Standards Codification 820, Fair Value Measurements and Disclosures, which establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organizations have the ability to access.

Level 2 - Inputs to the valuation methodology include:

Quoted prices for similar assets or liabilities in active markets;

Quoted prices for identical or similar assets or liabilities in inactive markets;

Inputs other than quoted prices that are observable for the asset or liability;

Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organizations believe the valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

MEALS ON WHEELS AND MORE, INC. AND RELATED ENTITY
NOTES TO COMBINED FINANCIAL STATEMENTS
SEPTEMBER 30, 2015 AND 2014

NOTE 1: ORGANIZATION BACKGROUND AND SIGNIFICANT ACCOUNTING POLICIES,
CONTINUED

Cash and Cash Equivalents - For the purposes of the combined statement of cash flows, cash is defined as cash held in checking and money market accounts and certificates of deposit with maturities of less than 90 days.

Investments - The Organizations' investments in equity securities with readily determinable fair value and all debt securities are reported at their fair value. Unrealized gains and losses arising from changes in the fair value of investments are reported in the statement of activities as increases or decreases in unrestricted net assets unless their use is temporarily or permanently restricted by donors to a specified purpose or future period.

Receivables - Grants and contract receivables represent expenses incurred, which will be offset by funds to be received. Receivables considered a problem to collect are reflected as an allowance for uncollectible accounts. At year-end, MOWAM considered all receivables to be fully collectible.

Fixed Assets - Generally, items with a cost or fair value over \$500 are capitalized as fixed assets and are stated at cost if purchased and fair value if donated. Depreciation is calculated by applying the straight-line method over the estimated useful lives of the assets of generally three to thirty years.

Income Taxes - MOWAM is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code for any income related to the organization's exempt purpose. The Internal Revenue Service classifies MOWAM as other than a private foundation. Additionally, the Endowment, under its own application, is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code for any income related to the Endowment's exempt purpose. The Internal Revenue Service classifies the Endowment as other than a private foundation.

The Organizations have adopted ASC 740, *Accounting for Uncertainty in Income Taxes*. That standard prescribes a minimum recognition threshold and measurement methodology that a tax position taken or expected to be taken in a tax return is required to meet before being recognized in financial statements. It also provided guidance for de-recognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition. The Organizations' federal exempt organization returns for the years ended September 30, 2012, 2013, and 2014, are subject to examination by the Internal Revenue Service.

Functional Expense Allocations - Functional expenses which are not specifically attributable to program services or supporting services are allocated by management based on various allocation factors.

Subsequent Events - Management of the Organizations has evaluated subsequent events for disclosure through the date of the Independent Auditors' Report, the date the financial statements were available to be issued.

MEALS ON WHEELS AND MORE, INC. AND RELATED ENTITY
NOTES TO COMBINED FINANCIAL STATEMENTS
SEPTEMBER 30, 2015 AND 2014

NOTE 2: INVESTMENTS

The following table sets forth by level, within the fair value hierarchy, the Organizations' assets measured at fair value as of September 30, 2015:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash and MM Accounts	\$ 10,547	\$ -	\$ -	\$ 10,547
U.S. Equities	230,883	-	-	230,883
International Equities	95,967	-	-	95,967
Fixed Income Bond Funds	96,636	-	-	96,636
Other	1,457	-	-	1,457
	<u>\$ 435,490</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 435,490</u>

The following table sets forth by level, within the fair value hierarchy, the Organizations' assets measured at fair value as of September 30, 2014:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash and MM Accounts	\$ 16,641	\$ -	\$ -	\$ 16,641
U.S. Equities	275,177	-	-	275,177
International Equities	104,637	-	-	104,637
Fixed Income Bond Funds	82,723	-	-	82,723
Other	4,759	-	-	4,759
	<u>\$ 483,937</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 483,937</u>

Investment income totaled \$12,914 and \$13,464 for the years ended September 30, 2015 and 2014, respectively, and is comprised of interest and dividends. See board designated restrictions set forth in Note 5.

MEALS ON WHEELS AND MORE, INC. AND RELATED ENTITY
NOTES TO COMBINED FINANCIAL STATEMENTS
SEPTEMBER 30, 2015 AND 2014

NOTE 3: FIXED ASSETS

Activity in fixed assets consists of the following:

	Balance 09/30/14	Additions	Retirements	Balance 09/30/15
Cost				
Land	169,032	\$ -	\$ -	\$ 169,032
Buildings	5,775,088	63,552	-	5,838,640
Automobiles	623,151	119,834	(103,295)	639,690
Furniture & Equipment	1,063,207	34,949	(2,366)	1,095,790
Kitchen Equipment	824,594	5,629	(11,797)	818,426
Total Cost	8,455,072	223,964	(117,458)	8,561,578
Accumulated Depreciation	3,031,556	380,003	(89,283)	3,322,276
	<u>\$ 5,423,516</u>	<u>\$ (156,039)</u>	<u>\$ (28,175)</u>	<u>\$ 5,239,302</u>

Certain real property owned by MOWAM is used to secure a loan payable to a bank. See Note 4.

NOTE 4: LONG-TERM DEBT

MOWAM maintains a line of credit in the amount of \$200,000. This line of credit has a variable interest rate (currently 5.5%). No borrowings were made on this line of credit during the years ended September 30, 2015 and 2014.

At September 30, 2015, MOWAM had a loan payable to a bank with a balance of \$2,943,879. Proceeds from the loan were used in prior years for the expansion of facilities located on East 5th Street. The promissory note had an initial amount of three million one hundred forty-six thousand six hundred and sixty-one dollars (\$3,146,661) and is secured by real property and capital campaign receipts. The note has a ten year term and a variable interest rate adjusted monthly to the lender's Prime Rate, which is calculated based on an indexed rate less 0.25%, but shall not be greater than 4.50% per year (Rate is 3.00% at September 30, 2015). MOWAM's monthly payments of \$17,521, including principal and interest, are due monthly until December 15, 2023, when all principal and unpaid interest will be due. Under the terms of the agreement, MOWAM is required to maintain the Organizations' primary depository account with the lender.

Maturities required on long-term debt in future years are as follows:

2016	\$ 127,457
2017	127,499
2018	131,377
2019	135,373
2020	139,491
Thereafter	2,282,682
	<u>\$ 2,943,879</u>

MEALS ON WHEELS AND MORE, INC. AND RELATED ENTITY
NOTES TO COMBINED FINANCIAL STATEMENTS
SEPTEMBER 30, 2015 AND 2014

NOTE 5: NET ASSETS DESIGNATED FOR SPECIFIC PURPOSES

MOWAM has designated that certain unrestricted net assets be used for specific purposes. The amounts and specific purposes are as follows:

	<u>2015</u>	<u>2014</u>
Designated for Endowment Fund	<u>\$ 442,119</u>	<u>\$ 489,654</u>
Designated for Debt	<u>\$ 316,877</u>	<u>\$ 377,125</u>

NOTE 6: PENSION PLAN

MOWAM maintains a 401(k) pension plan for all eligible employees. During the fiscal year ended September 30, 2015 and 2014, MOWAM contributed 4% of eligible salaries to the plan. Total contributions in 2015 amounted to \$222,289; \$110,693 by employees, and \$111,596 by MOWAM. Total contributions in 2014 amounted to \$217,847; \$112,694 by employees, and \$105,153 by MOWAM. Eligible employees may voluntarily contribute a portion of their salary to the plan as well. All eligible employees are fully vested in voluntary contributions and are fully vested in MOWAM's contributions after 5 years of service.

NOTE 7: GRANTS AND CONTRACTS

Grants and contracts reported in the accompanying combined financial statements represent 71% and 67% of total support and revenue for the years ended September 30, 2015 and 2014, respectively. Details of grants and contracts are as follows:

<u>Cost Reimbursement Contracts</u>	<u>2015</u>	<u>2014</u>
City of Austin Meals	\$ 394,803	\$ 394,803
Travis County, Texas Meals	167,376	180,579
City of Austin Home Repair Program	1,127,447	538,266
Texas Veterans Commission Housing Program	426,053	26,727
Texas Veterans Commission Food Program	114,193	110,147
State of Texas Barrier Removal Program	263,999	240,633
Federal Emergency Management Assistance	12,900	21,088
Travis County Home Repair Program	414,158	925,579
Travis County Congregate Meals	143,059	195,412
Seton Meal Program	35,270	70,075
<u>Grants</u>		
Texas Department of Agriculture - 1st Meals	422,048	418,157
Texas Department of Agriculture - 2nd Meals	38,695	38,393
<u>Unit Cost Reimbursement</u>		
Texas Department of Human Services:		
Title XX Meals on Wheels	711,280	697,797
Community Based Alternatives - Evercare	280,008	170,989

MEALS ON WHEELS AND MORE, INC. AND RELATED ENTITY
NOTES TO COMBINED FINANCIAL STATEMENTS
SEPTEMBER 30, 2015 AND 2014

NOTE 7: GRANTS AND CONTRACTS, CONTINUED

	2015	2014
Community Based Alternatives - Amerigroup	270,959	242,457
Texas Department on Aging:		
Title III C-1 - Congregate Meals	592,397	535,184
Title III C-2 - HDM	644,558	528,031
Title III C-2 - Rural Delivery	138,321	159,346
Title III B - Home Repair	8,950	-
City of Austin - Congregate Meals	15,000	15,000
Various Grants	1,136,417	1,049,015
	\$ 7,357,891	\$ 6,557,678

MOWAM also receives grants and contracts from others as follows:

	2015	2014
Capital Area United Way	\$ 6,001	\$ -
Round Rock United Way	12,265	14,057
	\$ 18,266	\$ 14,057

MOWAM operates under various grant agreements with government agencies which generally cover a one-year period, subject to annual renewals. The terms of these grants allow the grantors the right to audit the costs incurred there under. Any costs disallowed by the grantor would be absorbed by MOWAM. Management believes any adjustments by the grantors, if any, would be immaterial and would not have a material adverse effect on the financial position of MOWAM.

NOTE 8: CONCENTRATION OF CREDIT RISK FOR CASH HELD IN BANK

MOWAM maintains cash accounts at financial institutions that are insured by the Federal Deposit Insurance Corporation (FDIC). At September 30, 2015, there was \$48,415 that exceeded the amount of FDIC coverage.

NOTE 9: CONCENTRATION OF FUNDING SOURCE

MOWAM received approximately 13% of its support and revenue under all Title III contracts, approximately 15% from the City of Austin, and approximately 12% from the Texas Department of Human Services contracts. A loss of any of these contracts could ultimately affect operating results.

SUPPLEMENTAL INFORMATION

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MEALS ON WHEELS AND MORE, INC. AND RELATED ENTITY
 COMBINING STATEMENT OF FINANCIAL POSITION
 September 30, 2015

	Meals on Wheels and More	Endowment Fund	Total
ASSETS			
Current Assets			
Cash	\$ 2,154,794	\$ 5,939	\$ 2,160,733
Investments	-	435,490	435,490
Receivables			
Grants and Contracts	1,029,537	-	1,029,537
Other	273	-	273
Prepaid Items and Other Current Assets	90,129	690	90,819
Total Current Assets	<u>3,274,733</u>	<u>442,119</u>	<u>3,716,852</u>
Non-Current Assets			
Fixed Assets			
Land and Building	6,007,672	-	6,007,672
Office Furniture and Equipment	1,095,790	-	1,095,790
Kitchen Equipment	818,426	-	818,426
Vehicles	639,690	-	639,690
Accumulated Depreciation	(3,322,276)	-	(3,322,276)
Total Non-Current Assets	<u>5,239,302</u>	<u>-</u>	<u>5,239,302</u>
TOTAL ASSETS	<u>\$ 8,514,035</u>	<u>\$ 442,119</u>	<u>\$ 8,956,154</u>
LIABILITIES AND NET ASSETS			
Current Liabilities			
Accounts Payable	\$ 456,566	\$ -	\$ 456,566
Accrued Payroll Liabilities	73,593	-	73,593
Liability for Compensated Absences	75,000	-	75,000
Deferred Revenue	333,611	-	333,611
Current Portion of Long-Term Debt	127,457	-	127,457
Total Current Liabilities	<u>1,066,227</u>	<u>-</u>	<u>1,066,227</u>
Non-Current Liabilities			
Long-Term Debt	2,816,422	-	2,816,422
Total Non-Current Liabilities	<u>2,816,422</u>	<u>-</u>	<u>2,816,422</u>
Total Liabilities	<u>3,882,649</u>	<u>-</u>	<u>3,882,649</u>
Net Assets			
Unrestricted			
Undesignated	4,314,509	-	4,314,509
Designated for Endowment Fund	-	442,119	442,119
Designated for Debt	316,877	-	316,877
Total Unrestricted Net Assets	<u>4,631,386</u>	<u>442,119</u>	<u>5,073,505</u>
Temporarily Restricted	-	-	-
Total Net Assets	<u>4,631,386</u>	<u>442,119</u>	<u>5,073,505</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 8,514,035</u>	<u>\$ 442,119</u>	<u>\$ 8,956,154</u>

MEALS ON WHEELS AND MORE, INC. AND RELATED ENTITY
 COMBINING STATEMENT OF ACTIVITIES
 For the Year Ended September 30, 2015

	Meals on Wheels and More	Endowment Fund	Eliminations	Total
SUPPORT AND REVENUE				
Grants and Contracts	\$ 7,357,891	\$ -	\$ -	\$ 7,357,891
Public Contributions	2,781,982	3,437	(23,236)	2,762,183
United Way	18,266	-	-	18,266
Special Fund Raising Events	147,432	-	-	147,432
Other Revenue	53,907	-	-	53,907
Total Support and Revenue	10,359,478	3,437	(23,236)	10,339,679
EXPENSES				
Program Services	8,666,462	-	-	8,666,462
Management and General	824,011	7,439	-	831,450
Fund Raising	872,567	23,236	(23,236)	872,567
Total Expenses	10,363,040	30,675	(23,236)	10,370,479
Revenues Over (Under) Expenses	(3,562)	(27,238)	-	(30,800)
Other Revenues and Expenses				
Investment Income		11,499	-	11,499
Realized Gains (Losses) on Investments	-	34	-	34
Unrealized Gains (Losses) on Investments	-	(31,830)	-	(31,830)
Gain (Loss) on Disposal of Fixed Assets	(1,870)	-	-	(1,870)
Bank Interest Income	1,415	-	-	1,415
Total Other Revenues and Expenses	(455)	(20,297)	-	(20,752)
Increase (Decrease) in Net Assets	(4,017)	(47,535)	-	(51,552)
Net Assets, Beginning of Year	4,635,403	489,654	-	5,125,057
Interfund Transfers	-	-	-	-
NET ASSETS, END OF YEAR	\$ 4,631,386	\$ 442,119	\$ -	\$ 5,073,505

MEALS ON WHEELS AND MORE, INC. AND RELATED ENTITY
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
Year Ended September 30, 2015

Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Agency Pass-Through Number	Expenditures
Federal Assistance			
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed Through Texas Department on Aging:			
Capital Area Planning Council:			
Title III C-1 - Congregate Meals	93.045	AAA09-06	\$ 307,485
Title III C-2 - Home Delivered Meals	93.045	AAA09-06	644,558
Title III C-2 - Rural Delivery	93.045	AAA09-06	138,321
Title III B - Home Repair Revenue	93.044	AAA09-06	<u>8,950</u>
Total U. S. Department of Health and Human Services			<u>1,099,314</u>
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Passed Through Texas Department of Housing and Community Affairs			
Home Investment Partnership Program - Home Program	14.239		<u>21,076</u>
Total Home Investment Partnership Program - Home Program			<u>21,076</u>
FEDERAL EMERGENCY MANAGEMENT ASSISTANCE			
Passed Through Austin/Travis, Williamson Counties, Texas United Way:			
Emergency Food and Shelter Program	97.024	LRO-016	<u>24,998</u>
Total Federal Emergency Management Assistance			<u>24,998</u>
TOTAL FEDERAL ASSISTANCE			<u><u>\$ 1,145,388</u></u>
State Assistance			
Texas Dept. of Agriculture			
Home Delivered Meal Program	N/A	---	\$ 460,743
Texas Department of Housing and Community Affairs			
Barrier Removal Program	N/A	1001524	263,999
Texas Veterans Commission			
Home Repair Program	N/A	VHA_12_0085	426,053
Food Program	N/A	N/A	<u>114,193</u>
Total Veterans Commission			<u>540,246</u>
TOTAL STATE ASSISTANCE			<u><u>\$ 1,264,988</u></u>

MEALS ON WHEELS AND MORE, INC. AND RELATED ENTITY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
Year Ended September 30, 2015

NOTE 1: BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal and state awards includes the federal and state grant activity of Meals on Wheels and More, Inc. (MOWAM) and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the State of Texas Single Audit Circular.

NOTE 2: CONTINGENT LIABILITIES

MOWAM participates in federal and state assisted programs. These programs are audited in accordance with Government Auditing Standards, Single Audit Act Amendments of 1996, and the State of Texas Single Audit Circular, if applicable, in accordance with the required levels of Federal and State Financial Assistance. Audits of prior years have not resulted in any disallowed costs; however, grantor agencies may provide for further examinations. Based on prior experience, management believes that further examinations would not result in any significant disallowed costs.

NOTE 3: RELATIONSHIP TO FEDERAL FINANCIAL REPORTS

Amounts reported in the accompanying schedule may not agree with the amounts reported in the related Federal or State financial reports filed with the grantor agencies because of accruals made in the schedule which will be included in future reports filed with agencies.

COMPLIANCE AND INTERNAL CONTROLS



INDEPENDENT AUDITORS' 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*

To the Board of Directors
Meals on Wheels and More, Inc.
Austin, Texas

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 and More, Inc., which comprise the statement of financial position as of September 30, 2015, 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 March 16, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Meals on Wheels and More, Inc.'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Meals on Wheels and More, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Meals on Wheels and More, Inc.'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 Meals on Wheels and More, Inc.'s financial statements are free of 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 matter that is 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.

Atchley & Associates, LLP

Austin, Texas

March 16, 2016



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM
AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH
OMB CIRCULAR A-133, AND THE STATE OF TEXAS SINGLE AUDIT CIRCULAR

To the Board of Directors
Meals on Wheels and More, Inc.
Austin, Texas

Report on Compliance for Each Major Federal and State Program

We have audited Meals on Wheels and More, Inc. is a non-profit organization, compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Meals on Wheels and More, Inc.'s major federal and state programs for the year ended September 30, 2015. Meals on Wheels and More, Inc.'s major federal and state programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

Auditors' Responsibility

Our responsibility is to express an opinion on the compliance for each of Meals on Wheels and More, Inc.'s major federal and state 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; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the State of Texas Single Audit Circular. Those standards, OMB Circular A-133 and the State of Texas Single Audit Circular, 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 and state program occurred. An audit includes examining, on a test basis, evidence about Meals on Wheels and More, Inc.'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 each major federal and state program. However, our audit does not provide a legal determination on Meals on Wheels and More, Inc.'s compliance.

Opinion on Each Major Federal and State Program

In our opinion Meals on Wheels and More, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended September 30, 2015.

Report on Internal Control Over Compliance

Management of Meals on Wheels and More, Inc. 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 Meals on Wheels and More, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and State of Texas Single Audit Circular, 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 Meals on Wheels and More, Inc.'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 or state 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 or state 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 or state 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 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.

Purpose of this Report

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 OMB Circular A-133 and State of Texas Single Audit Circular. Accordingly, this report is not suitable for any other purpose.

Atchley & Associates, LLP

Austin, Texas
March 16, 2016

MEALS ON WHEELS AND MORE, INC. AND RELATED ENTITY
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 Year Ended September 30, 2015

I. Summary of Auditors' Results

Financial Statements

Type of auditors' 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 weakness(es)? Yes X None Reported

Noncompliance material to financial statements noted? Yes X No

Federal/State Awards

Internal control over major programs:

- Material weakness(es) identified? Yes X No
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? Yes X None Reported

Type of auditors' report issued on compliance for major programs: Unmodified

- Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? Yes X No

Identification of major programs:

<u>CFDA No.</u>	<u>Name of Federal/State Program</u>
Federal	
93.045	Title III - C Meal Programs
14.239	Home Investment Partnership Program - Home Program
State	
N/A	Texas Dept. of Agriculture Home Delivered Meal Program
N/A	Texas Veterans Commission Food Program

Dollar threshold used to distinguish between Type A and Type B programs \$ 300,000

Auditee qualified as low-risk auditee? X Yes No

II. Financial Statement Findings

No matters were reported

III. Findings and Questioned Costs for Federal/State Awards

No matters were reported

MEALS ON WHEELS AND MORE, INC. AND RELATED ENTITY
STATUS OF PRIOR YEAR AUDIT FINDINGS
September 30, 2015

None reported.

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