

# **Meals on Wheels of Tampa, Inc.**

## **Financial Statements**

**June 30, 2018 and 2017**



**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, 2018 and 2017, 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, 2018, 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, 2018 and 2017, 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 2017 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 19, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2017 is consistent, in all material respects, with the audited financial statements from which it has been derived.

*PDR CPAs + Advisors*

Oldsmar, Florida  
September 11, 2018

**MEALS ON WHEELS OF TAMPA, INC.  
STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2018 AND 2017**

	<u>2018</u>	<u>2017</u>
<b><u>ASSETS</u></b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 2,290,312	\$ 1,810,769
Restricted cash	22,605	55,358
Accounts receivable, net of allowance for doubtful accounts of \$1,600 and \$2,150, respectively	168,629	123,678
Contributions receivable - current portion	143,490	132,114
Capital campaign receivable - current portion	972,248	-
Inventory	23,342	31,956
Prepaid expenses	49,353	27,485
<b>Total current assets</b>	<b>3,669,979</b>	<b>2,181,360</b>
<b>Other Assets</b>		
Contributions receivable, net - long-term portion	550,709	466,043
Capital campaign receivable, net - long-term portion	1,441,897	-
Beneficial interest in funds held by others	78,874	49,677
Construction in progress	33,181	-
Property and equipment, net	1,074,595	1,118,323
<b>Total Assets</b>	<b>\$ 6,849,235</b>	<b>\$ 3,815,403</b>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities	\$ 215,494	\$ 178,074
Deferred revenue	31,992	73,973
<b>Total current liabilities</b>	<b>247,486</b>	<b>252,047</b>
<b>Net Assets</b>		
Unrestricted	3,147,876	2,915,522
Temporarily restricted	3,453,873	647,834
<b>Total net assets</b>	<b>6,601,749</b>	<b>3,563,356</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 6,849,235</b>	<b>\$ 3,815,403</b>

See accompanying notes to financial statements

**MEALS ON WHEELS OF TAMPA, INC.**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2018**  
**(WITH COMPARATIVE TOTALS FOR 2017)**

	Unrestricted	Temporarily Restricted	Total	
			2018	2017
<b>Public Support and Revenue</b>				
Contributions	\$ 341,157	\$ 434,310	\$ 775,467	\$ 747,901
Capital campaign	133,513	2,680,800	2,814,313	471,458
Program services	1,511,900	-	1,511,900	1,633,453
In-kind contributions	10,137	-	10,137	11,529
Special events, net of \$31,246 of direct expenses	518,319	-	518,319	427,725
Change in value in funds held by others	-	4,197	4,197	1,710
Investment income	10,082	-	10,082	3,340
Rental income	3,551	-	3,551	4,919
Net assets released from restrictions	313,268	(313,268)	-	-
<b>Total public support and revenue</b>	<b>2,841,927</b>	<b>2,806,039</b>	<b>5,647,966</b>	<b>3,302,035</b>
<b>Expenses</b>				
Program services	2,107,593	-	2,107,593	1,957,641
Administration	177,294	-	177,294	195,807
Fundraising	324,686	-	324,686	219,283
<b>Total expenses</b>	<b>2,609,573</b>	<b>-</b>	<b>2,609,573</b>	<b>2,372,731</b>
<b>Change in Net Assets</b>	<b>232,354</b>	<b>2,806,039</b>	<b>3,038,393</b>	<b>929,304</b>
<b>Net Assets at Beginning of Year</b>	<b>2,915,522</b>	<b>647,834</b>	<b>3,563,356</b>	<b>2,634,052</b>
<b>Net Assets at End of Year</b>	<b>\$ 3,147,876</b>	<b>\$ 3,453,873</b>	<b>\$ 6,601,749</b>	<b>\$ 3,563,356</b>

See accompanying notes to financial statements

**MEALS ON WHEELS OF TAMPA, INC.  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2017**

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	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>Public Support and Revenue</b>			
Contributions	\$ 397,691	\$ 350,210	\$ 747,901
Capital campaign	471,458	-	471,458
Program services	1,633,453	-	1,633,453
In-kind contributions	11,529	-	11,529
Special events, net of \$28,166 of direct expenses	427,725	-	427,725
Change in value in funds held by others	-	1,710	1,710
Investment income	3,340	-	3,340
Rental Income	4,919	-	4,919
Net assets released from restrictions	288,000	(288,000)	-
	<u>3,238,115</u>	<u>63,920</u>	<u>3,302,035</u>
<b>Total public support and revenue</b>			
<b>Expenses</b>			
Program services	1,957,641	-	1,957,641
Administration	195,807	-	195,807
Fundraising	219,283	-	219,283
	<u>2,372,731</u>	<u>-</u>	<u>2,372,731</u>
<b>Total expenses</b>			
<b>Change in Net Assets</b>	865,384	63,920	929,304
<b>Net Assets at Beginning of Year</b>	<u>2,050,138</u>	<u>583,914</u>	<u>2,634,052</u>
<b>Net Assets at End of Year</b>	<u>\$ 2,915,522</u>	<u>\$ 647,834</u>	<u>\$ 3,563,356</u>

See accompanying notes to financial statements

**MEALS ON WHEELS OF TAMPA, INC.  
STATEMENTS OF CASH FLOWS  
YEARS ENDED JUNE 30, 2018 AND 2017**

	<b>2018</b>	<b>2017</b>
<b>Cash Flows from Operating Activities:</b>		
Change in net assets	\$ 3,038,393	\$ 929,304
<b>Adjustments to reconcile change in net assets to net cash provided by operating activities:</b>		
Depreciation	60,519	63,742
Change in value in beneficial interest in funds held by others	(29,197)	(26,710)
<b>Decrease (Increase) in:</b>		
Restricted cash	32,753	33,395
Accounts receivable	(44,951)	(9,333)
Contributions receivable	(96,042)	(37,210)
Capital campaign receivable	(2,414,145)	-
Inventory	8,614	(8,011)
Prepaid expenses	(21,868)	45,639
<b>Increase (Decrease) in:</b>		
Accounts payable and accrued expenses	37,420	6,556
Deferred revenue	(41,981)	(18,076)
	<b>529,515</b>	<b>979,296</b>
<b>Cash Flows from Investing Activities:</b>		
Cash paid for property and equipment purchases	(16,791)	(491,854)
Purchases of construction in progress	(33,181)	-
	<b>(49,972)</b>	<b>(491,854)</b>
<b>Net cash used in investing activities</b>	<b>(49,972)</b>	<b>(491,854)</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>479,543</b>	<b>487,442</b>
<b>Cash and Cash Equivalents at Beginning of Year</b>	<b>1,810,769</b>	<b>1,323,327</b>
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$ 2,290,312</b>	<b>\$ 1,810,769</b>

See accompanying notes to financial statements



**MEALS ON WHEELS OF TAMPA, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2018**  
**(WITH COMPARATIVE TOTALS FOR 2017)**

	Program Services			Supporting Services		Total	
	Home Bound Meals	Nonprofits Helping Nonprofits	Total Program Services	Administration	Fundraising	2018	2017
Salaries and payroll taxes	\$ 627,871	\$ 136,690	\$ 764,561	\$ 116,808	\$ 180,521	\$ 1,061,890	\$ 920,398
Employee benefits	45,147	41,413	86,560	13,224	20,438	120,222	121,858
Food and packaging expenses	716,104	142,146	858,250	-	-	858,250	826,731
Depreciation	29,585	13,989	43,574	6,657	10,288	60,519	63,742
Insurance	21,615	10,221	31,836	4,864	7,517	44,217	43,863
In-kind expenses	7,299	-	7,299	1,115	1,723	10,137	10,734
Office expense	25,082	11,519	36,601	5,592	8,642	50,835	48,100
Utilities	28,636	13,541	42,177	6,444	9,958	58,579	54,172
Bad debts	32,565	-	32,565	4,975	7,689	45,229	38,616
Professional fees	12,131	5,736	17,867	2,730	54,905	75,502	66,214
Conferences and meetings	2,896	-	2,896	442	684	4,022	4,628
Postage and printing	17,585	5,421	23,006	3,515	5,432	31,953	29,856
Repairs and maintenance	19,242	9,140	28,382	4,336	6,701	39,419	30,414
Travel and meals	3,693	93	3,786	578	894	5,258	4,097
Telephone	3,393	1,604	4,997	763	1,180	6,940	6,570
Licenses and fees	1,573	744	2,317	354	547	3,218	3,313
Marketing	1,178	557	1,735	265	410	2,410	1,324
Program supplies	65,909	-	65,909	1,309	2,022	69,240	50,410
Bank charges	15,743	-	15,743	2,405	3,717	21,865	16,134
Miscellaneous	1,001	371	1,372	210	324	1,906	3,459
Taxes	4,634	-	4,634	708	1,094	6,436	-
Transportation	27,144	4,382	31,526	-	-	31,526	28,098
	<u>\$ 1,710,026</u>	<u>\$ 397,567</u>	<u>\$ 2,107,593</u>	<u>\$ 177,294</u>	<u>\$ 324,686</u>	<u>\$ 2,609,573</u>	<u>\$ 2,372,731</u>

See accompanying notes to financial statements

**MEALS ON WHEELS OF TAMPA, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018 AND 2017**

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**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, 2018 and 2017.

**MEALS ON WHEELS OF TAMPA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018 AND 2017**

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**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, capital campaign, 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, 2018 and 2017, 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 and Capital Campaign Receivables**

Contributions receivable are for restricted purposes included the capital campaign for the headquarters building. 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.

**MEALS ON WHEELS OF TAMPA, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018 AND 2017**

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**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**Inventory**

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

**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.

**MEALS ON WHEELS OF TAMPA, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018 AND 2017**

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**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**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.

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.

**MEALS ON WHEELS OF TAMPA, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018 AND 2017**

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**NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**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.

**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, 2017.

**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.

**Reclassifications**

Certain amounts in the prior year financial statements have been reclassified for comparative purposes to conform with the presentation in the current year financial statements. Net assets have not been impacted as a result of these reclassifications.

**MEALS ON WHEELS OF TAMPA, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018 AND 2017**

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**NOTE C - PROPERTY AND EQUIPMENT**

Property and equipment consisted of the following at June 30, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Land	\$ 596,633	\$ 596,633
Building	349,718	349,718
Capital improvements	557,908	557,908
Furniture and fixtures	27,818	27,818
Office equipment	52,467	51,211
Kitchen equipment	213,048	198,729
Meals delivery equipment	28,886	27,669
Vehicles	157,293	157,293
	<u>1,983,771</u>	<u>1,966,979</u>
Less accumulated depreciation	<u>(909,176)</u>	<u>(848,656)</u>
	<u>\$ 1,074,595</u>	<u>\$ 1,118,323</u>

Construction in Progress

During the year ended June 30, 2018, the Organization began the process of constructing the new headquarters. The expenditures to date are \$33,181. Depreciation will commence when the construction on the building is complete and placed into service.

**NOTE D - CONTRIBUTIONS RECEIVABLE**

Contributions receivable are related to both amounts pledged to the Organization and amounts pledged for the capital campaign.

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, 2018 and 2017 are summarized as follows:

	<u>2018</u>	<u>2017</u>
Contributions receivable	\$ 781,236	\$ 673,563
Less allowance for uncollectible contributions receivable	(32,600)	(30,500)
Less unamortized discount to present value	<u>(54,437)</u>	<u>(44,906)</u>
	694,199	598,157
Current portion	<u>(143,490)</u>	<u>(132,114)</u>
Long-term portion	<u>\$ 550,709</u>	<u>\$ 466,043</u>

**MEALS ON WHEELS OF TAMPA, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018 AND 2017**

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**NOTE D - CONTRIBUTIONS RECEIVABLE - CONTINUED**

Anticipated collection periods of contributions receivable at June 30, 2018 and 2017 are summarized as follows:

	<u>2018</u>	<u>2017</u>
Within one year	\$ 143,490	\$ 132,114
One to five years	628,971	530,849
After five years	<u>8,775</u>	<u>10,600</u>
	781,236	673,563
Less allowance for uncollectible contributions receivable	(32,600)	(30,500)
Less unamortized discount to present value	<u>(54,437)</u>	<u>(44,906)</u>
	<u>\$ 694,199</u>	<u>\$ 598,157</u>

Contributions receivable related to the capital campaign is for the acquisition and construction of the new headquarters. The land was acquired on March 31, 2017 and the campaign to raise funds for the building began in fiscal 2018. Capital campaign receivables are presented net of management's estimate of uncollectible amounts, and are discounted to present value at 4%.

Contributions receivable for the capital campaign at June 30, 2018 are summarized as follows:

	<u>2018</u>
Contributions receivable - Capital campaign	\$ 2,459,232
Less allowance for uncollectible contributions receivable - capital campaign	(10,000)
Less unamortized discount to present value	<u>(35,087)</u>
	2,414,145
Current portion	<u>(972,248)</u>
Long-term portion	<u>\$ 1,441,897</u>



**MEALS ON WHEELS OF TAMPA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018 AND 2017**

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**NOTE D - CONTRIBUTIONS RECEIVABLE - CONTINUED**

Anticipated collection periods of contributions receivable for the capital campaign at June 30, 2018 are summarized as follows:

	<u>2018</u>
Within one year	\$ 972,248
One to five years	1,486,984
After five years	<u>-</u>
	2,459,232
Less allowance for uncollectible contributions receivable - capital campaign	(10,000)
Less unamortized discount to present value	<u>(35,087)</u>
	<u>\$ 2,414,145</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 \$78,874 and \$49,677 for the years ended June 30, 2018 and 2017, 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. As of July 2017, the Organization has elected to have future distributions re-invested in the funds. The fair value of the beneficial interest approximates its recorded value as of June 30, 2018 and 2017.

**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:

**MEALS ON WHEELS OF TAMPA, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018 AND 2017**

**NOTE G - FAIR VALUE MEASUREMENT - CONTINUED**

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 at June 30, 2018**

<b>Description:</b>	<b>Quoted Prices In Active Markets for Identical Assets Level 1</b>	<b>Significant Other Observable Inputs Level 2</b>	<b>Significant Unobservable Inputs Level 3</b>	<b>Total Fair Value</b>
Assets:				
Beneficial interest	\$ -	\$ -	\$ 78,874	\$ 78,874
Total assets at fair value	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 78,874</u>	<u>\$ 78,874</u>

**Fair Value Measurements at June 30, 2017**

<b>Description:</b>	<b>Quoted Prices In Active Markets for Identical Assets Level 1</b>	<b>Significant Other Observable Inputs Level 2</b>	<b>Significant Unobservable Inputs Level 3</b>	<b>Total Fair Value</b>
Assets:				
Beneficial interest	\$ -	\$ -	\$ 49,677	\$ 49,677
Total assets at fair value	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 49,677</u>	<u>\$ 49,677</u>

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, 2018 and 2017:

	<b>2018</b>	<b>2017</b>
Beneficial interest in funds held by others at beginning of year	\$ 49,677	\$ 22,967
Additions	25,000	25,000
Realized and unrealized (losses) gains, net	4,197	1,710
Beneficial interest in funds held by others at end of year	<u>\$ 78,874</u>	<u>\$ 49,677</u>

**MEALS ON WHEELS OF TAMPA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
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**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% (6.00% and 5.25% at June 30, 2018 and 2017, respectively), and expires on August 1, 2019. There was no balance outstanding on the line-of-credit at June 30, 2018 and 2017.

**NOTE I - TEMPORARILY RESTRICTED NET ASSETS**

Net assets released from restrictions amounted to \$313,268 and \$288,000 for the years ended June 30, 2018 and 2017, respectively, and in general, are due to the collection of contributions receivable.

Temporarily restricted net assets consist of the following as of June 30, 2018:

Contributions receivable, net - time restricted	\$ 694,199
Capital campaign receivable, net - time and purpose restricted	2,414,145
Capital campaign funds received - purpose restricted	266,655
Beneficial interest in funds held by others - purpose restricted	<u>78,874</u>
	<u><u>\$ 3,453,873</u></u>

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

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

**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 \$27,726 and \$27,561 to the plan for the years ended June 30, 2018 and 2017, 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.

**MEALS ON WHEELS OF TAMPA, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018 AND 2017**

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**NOTE K - OPERATING LEASES**

The Organization leases office equipment under a non-cancelable operating lease. Lease expense for the years ended June 30, 2018 and 2017 approximated \$4,500 and \$8,400, 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>
2019	\$ 4,485
2020	4,485
2021	4,485
2022	<u>3,737</u>
	<u>\$ 17,192</u>

**NOTE L - SUBSEQUENT EVENTS**

The Organization has evaluated all subsequent events through September 11, 2018, 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.