

**SENIOR CITIZEN SERVICES OF
METROPOLITAN ATLANTA, INC.
AND AFFILIATE
(D/B/A MEALS ON WHEELS
ATLANTA)**

COMBINED FINANCIAL REPORT

JUNE 30, 2016

**SENIOR CITIZEN SERVICES OF METROPOLITAN ATLANTA, INC.
AND AFFILIATE
(D/B/A MEALS ON WHEELS ATLANTA)**

**COMBINED FINANCIAL REPORT
JUNE 30, 2016**

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INDEPENDENT AUDITOR'S REPORT

**To the Board of Directors
Senior Citizen Services of Metropolitan Atlanta, Inc. and Affiliate
(D/B/A Meals on Wheels Atlanta)
Atlanta, Georgia**

Report on the Financial Statements

We have audited the accompanying combined financial statements of **Senior Citizen Services of Metropolitan Atlanta, Inc. and Affiliate (D/B/A Meals on Wheels Atlanta)** (a nonprofit organization), which comprise the combined statements of financial position as of June 30, 2016 and 2015, and the related combined statements of activities and changes in net assets, 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 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 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 audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's 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 auditor considers 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 financial position of Senior Citizen Services of Metropolitan Atlanta, Inc. and Affiliate (D/B/A Meals on Wheels Atlanta) as of June 30, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the 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 December 20, 2016, on our consideration of Senior Citizen Services of Metropolitan Atlanta, Inc. and Affiliate (D/B/A Meals on Wheels Atlanta)'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 Senior Citizen Services of Metropolitan Atlanta, Inc. and Affiliate (D/B/A Meals on Wheels Atlanta)'s internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Atlanta, Georgia
December 20, 2016

**SENIOR CITIZEN SERVICES OF METROPOLITAN ATLANTA, INC.
AND AFFILIATE
(D/B/A MEALS ON WHEELS ATLANTA)**

**COMBINED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2016 AND 2015**

<u>ASSETS</u>	<u>2016</u>	<u>2015</u>
<u>Current Assets</u>		
Cash and cash equivalents	\$ 486,516	\$ 980,263
Accounts receivable		
Grants and contracts receivable	531,499	355,953
Promises to give, net	91,425	101,645
Accrued interest receivable	1,212	903
Prepaid expenses and deposits	79,268	98,613
Investments	699,660	609,289
Total current assets	<u>1,889,580</u>	<u>2,146,666</u>
<u>Promises to give, long-term, net</u>	<u>72,653</u>	<u>170,431</u>
<u>Investments, long-term</u>	<u>37,000</u>	<u>37,000</u>
<u>Property and equipment, net of accumulated depreciation</u>	<u>2,188,641</u>	<u>2,227,042</u>
Total Assets	<u>\$ 4,187,874</u>	<u>\$ 4,581,139</u>
<u>LIABILITIES AND NET ASSETS</u>		
<u>Current Liabilities</u>		
Accounts payable	\$ 99,853	\$ 242,997
Accrued expenses and other liabilities	44,287	14,227
Total current liabilities	<u>144,140</u>	<u>257,224</u>
<u>Noncurrent Liabilities</u>		
Line of credit	<u>39,167</u>	<u>-</u>
Total liabilities	<u>183,307</u>	<u>257,224</u>
<u>Net Assets</u>		
Unrestricted	3,805,161	3,856,898
Temporarily restricted	199,406	467,017
Total net assets	<u>4,004,567</u>	<u>4,323,915</u>
Total Liabilities and Net Assets	<u>\$ 4,187,874</u>	<u>\$ 4,581,139</u>

See Notes to Combined Financial Statements.

**SENIOR CITIZEN SERVICES OF METROPOLITAN ATLANTA, INC.
AND AFFILIATE
(D/B/A MEALS ON WHEELS ATLANTA)**

**COMBINED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2016**

	Unrestricted	Temporarily Restricted	Totals
SUPPORT AND REVENUE			
Government fees, grants and contracts	\$ 2,012,119	\$ -	\$ 2,012,119
General contributions	1,447,230	-	1,447,230
United Way	112,944	-	112,944
Special events, benefit donations and other, net of \$221,822 in expenses	607,565	-	607,565
Program service fees	146,184	-	146,184
Other	37,078	-	37,078
In-kind contributions	32,669	-	32,669
Investment (loss)	(9,357)	-	(9,357)
Net assets released from restrictions	267,611	(267,611)	-
Total Support and Revenue	<u>4,654,043</u>	<u>(267,611)</u>	<u>4,386,432</u>
EXPENSES			
Marketing/fundraising	415,356	-	415,356
Supporting services	346,150	-	346,150
Program services	3,944,274	-	3,944,274
Total Expenses	<u>4,705,780</u>	<u>-</u>	<u>4,705,780</u>
Change in Net Assets	(51,737)	(267,611)	(319,348)
Net Assets, beginning of year	<u>3,856,898</u>	<u>467,017</u>	<u>4,323,915</u>
Net Assets, end of year	<u>\$ 3,805,161</u>	<u>\$ 199,406</u>	<u>\$ 4,004,567</u>

See Notes to Combined Financial Statements.

**SENIOR CITIZEN SERVICES OF METROPOLITAN ATLANTA, INC.
AND AFFILIATE
(D/B/A MEALS ON WHEELS ATLANTA)**

**COMBINED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2015**

	Unrestricted	Temporarily Restricted	Totals
SUPPORT AND REVENUE			
Government fees, grants and contracts	\$ 2,054,114	\$ -	\$ 2,054,114
General contributions	1,058,558	145,000	1,203,558
United Way	133,691	-	133,691
Special events, benefit donations and other, net of \$190,018 in expenses	647,057	-	647,057
Program service fees	161,720	-	161,720
Other	52,188	-	52,188
In-kind contributions	16,725	-	16,725
Investment (loss)	(742)	-	(742)
Net assets released from restrictions	884,127	(884,127)	-
Total Support and Revenue	<u>5,007,438</u>	<u>(739,127)</u>	<u>4,268,311</u>
EXPENSES			
Marketing/fundraising	242,239	-	242,239
Supporting services	237,071	-	237,071
Program services	3,303,334	-	3,303,334
Total Expenses	<u>3,782,644</u>	<u>-</u>	<u>3,782,644</u>
Change in Net Assets	1,224,794	(739,127)	485,667
Net Assets, beginning of year	<u>2,632,104</u>	<u>1,206,144</u>	<u>3,838,248</u>
Net Assets, end of year	<u>\$ 3,856,898</u>	<u>\$ 467,017</u>	<u>\$ 4,323,915</u>

See Notes to Combined Financial Statements.

**SENIOR CITIZEN SERVICES OF METROPOLITAN ATLANTA, INC.
AND AFFILIATE
(D/B/A MEALS ON WHEELS ATLANTA)**

**COMBINED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2016**

	Marketing/ Fundraising	Supporting Services	Program Services	Totals
Salaries and wages	\$ 239,041	\$ 110,855	\$ 1,421,608	\$ 1,771,504
Fringe benefits	17,351	39,179	185,648	242,178
Payroll taxes	18,497	8,339	112,104	138,940
Total compensation and benefits	<u>274,889</u>	<u>158,373</u>	<u>1,719,360</u>	<u>2,152,622</u>
Meals	-	-	424,592	424,592
Supplies	5,832	12,506	357,785	376,123
Occupancy	4,180	37,619	114,132	155,931
Travel	572	514	56,382	57,468
Insurance	987	8,882	24,228	34,097
Telephone	1,182	9,452	35,753	46,387
Professional fees and contract labor	7,569	42,955	848,961	899,485
Interest expense and bank fees	76	15,258	1,831	17,165
Miscellaneous	119,627	54,179	128,348	302,154
Total expenses before depreciation	<u>140,025</u>	<u>181,365</u>	<u>1,992,012</u>	<u>2,313,402</u>
Depreciation	<u>442</u>	<u>6,412</u>	<u>232,902</u>	<u>239,756</u>
Total expenses	<u>\$ 415,356</u>	<u>\$ 346,150</u>	<u>\$ 3,944,274</u>	<u>\$ 4,705,780</u>

See Notes to Combined Financial Statements.

**SENIOR CITIZEN SERVICES OF METROPOLITAN ATLANTA, INC.
AND AFFILIATE
(D/B/A MEALS ON WHEELS ATLANTA)**

**COMBINED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2015**

	Marketing/ Fundraising	Supporting Services	Program Services	Totals
Salaries and wages	\$ 118,316	\$ 102,795	\$ 1,354,697	\$ 1,575,808
Fringe benefits	19,042	16,427	154,837	190,306
Payroll taxes	9,456	8,215	111,034	128,705
Total compensation and benefits	<u>146,814</u>	<u>127,437</u>	<u>1,620,568</u>	<u>1,894,819</u>
Meals	-	-	325,804	325,804
Supplies	3,005	3,144	242,705	248,854
Occupancy	15,948	18,298	83,065	117,311
Travel	232	2,148	64,057	66,437
Insurance	1,775	2,037	10,350	14,162
Telephone	5,733	4,902	28,305	38,940
Professional fees and contract labor	11,948	15,034	619,394	646,376
Interest expense and bank fees	285	12,553	979	13,817
Miscellaneous	55,764	50,889	145,736	252,389
Total expenses before depreciation	<u>94,690</u>	<u>109,005</u>	<u>1,520,395</u>	<u>1,724,090</u>
Depreciation	<u>735</u>	<u>629</u>	<u>162,371</u>	<u>163,735</u>
Total expenses	<u>\$ 242,239</u>	<u>\$ 237,071</u>	<u>\$ 3,303,334</u>	<u>\$ 3,782,644</u>

See Notes to Combined Financial Statements.

**SENIOR CITIZEN SERVICES OF METROPOLITAN ATLANTA, INC.
AND AFFILIATE
(D/B/A MEALS ON WHEELS ATLANTA)**

**COMBINED STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2016 AND 2015**

	<u>2016</u>	<u>2015</u>
OPERATING ACTIVITIES		
Change in net assets	\$ (319,348)	\$ 485,667
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation	239,756	163,735
Loss (gain) on sale of investments	(11,427)	44,663
Unrealized loss (gain) on investments	21,271	(21,105)
Loss on disposal of fixed assets	-	896
Noncash donations	-	(3,724)
(Increase) decrease in grants and contracts receivable	(175,546)	20,661
Decrease in promises to give	107,998	103,025
(Increase) in accrued interest receivable	(309)	(903)
Decrease (increase) in prepaid expenses and deposits	19,345	(57,693)
(Decrease) in accounts payable	(143,144)	(46,539)
Increase (decrease) in accrued expenses and other liabilities	30,060	(50,662)
Net cash (used in) provided by operating activities	<u>(231,344)</u>	<u>638,021</u>
INVESTING ACTIVITIES		
Purchase of fixed assets	(201,355)	(929,949)
Purchase of investments	(304,761)	(385,859)
Sale of investments	204,546	528,973
Net cash (used in) investing activities	<u>(301,570)</u>	<u>(786,835)</u>
FINANCING ACTIVITIES		
Borrowings on line of credit	60,000	-
Payments on line of credit	(20,833)	-
Net cash provided by financing activities	<u>39,167</u>	<u>-</u>
 (Decrease) in cash and cash equivalents	 (493,747)	 (148,814)
Cash and cash equivalents, beginning of year	<u>980,263</u>	<u>1,129,077</u>
Cash and cash equivalents, end of year	<u>\$ 486,516</u>	<u>\$ 980,263</u>
Supplemental disclosures of amounts paid for:		
Interest	<u>\$ 1,758</u>	<u>\$ 1,403</u>

See Notes to Combined Financial Statements.

**SENIOR CITIZEN SERVICES OF METROPOLITAN ATLANTA, INC. AND AFFILIATE
(D/B/A MEALS ON WHEELS ATLANTA)
NOTES TO COMBINED FINANCIAL STATEMENTS**

NOTE 1. ORGANIZATION

Senior Citizen Services of Metropolitan Atlanta, Inc. (D/B/A Meals on Wheels Atlanta) (the “Organization”) is a voluntary health and welfare organization established to assess, promote and care for the interests and welfare of elderly people through programs funded by governmental units and various public and private entities in the metropolitan Atlanta area. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor.

The Center Management and Congregate Meals programs operate seven (7) senior center locations which provide meals, programs and trips to enhance the lives of seniors both mentally and physically.

Volunteer Services include the generation of resources for the Organization by the development of relationships with individual volunteers, community service workers, and community and service group volunteers to provide assistance with delivering meals, shopping, yard work, or correspondence with seniors and to provide assistance in the senior centers.

The Home Delivered Meals program provides “Meals on Wheels” for seniors who have difficulty preparing meals for themselves by providing meals five days per week to seniors at home.

The Transportation Services program provides seniors with transportation to and from the Organization’s centers, adult day care centers and other transportation needs.

The Adult Day Care center provides day care for seniors that are semi-dependent and have mild to moderate Alzheimer’s/Dementia to prolong the seniors’ sense of independence while providing needed respite to caregivers.

The Homes program provides assistance to seniors to enable them to remain in their homes through the assistance of major, minor and maintenance related home repairs.

Program income is earned from activities and the confidential contributions by program participants.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The combined financial statements of the Organization have been prepared on the accrual basis of accounting, and accordingly, reflect all significant receivables, payables, and other liabilities.

Senior Citizens Foundation, Inc. (the “Foundation”) is affiliated with the Organization through both common board members and the fact that the Organization has the ability to elect a percentage of the board members of the Foundation. The Organization has prepared combined financial statements with the Foundation. The two entities are legally separate and file separate tax returns with different fiscal year-ends. The Organization files a form 990 while the Foundation files a form 990-PF.

Cash and Cash Equivalents

Cash equivalents consist of certificates of deposit and money market accounts that are readily convertible into cash and purchased with original maturities of three months or less.

The Organization maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits of \$250,000. The Organization has not experienced any losses in such accounts.

NOTES TO COMBINED FINANCIAL STATEMENTS

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments

In accordance with FASB's *Accounting for Certain Investments Held by Not-for-Profit Organizations*, investments in equity securities with readily determinable fair values and all investments in debt securities shall be measured at fair value in the combined statements of financial position. Realized and unrealized gains and losses are recognized as changes in net assets in the periods in which they occur, and investment income is recognized as revenue in the period earned. Gains and investment income that are limited to specific uses by donor-restrictions are reflected as increases in unrestricted net assets, if the restrictions are met in the same reporting period.

Property and Equipment

Property and equipment is recorded at cost, or if donated, at the fair market value on the date the asset is donated. Depreciation is computed over the estimated useful lives of these assets (3 to 30 years) using the straight-line method. Depreciation expense charged to operations was \$239,756 and \$163,735 for the years ended June 30, 2016 and 2015, respectively. Maintenance and repairs are charged to operations when incurred. Betterments and renewals in excess of \$2,500 are capitalized. When property and equipment is sold or otherwise disposed of, the asset account and related accumulated depreciation are removed, and any gain or loss is included in operations.

The Organization reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

Expense Allocation

Directly identifiable expenses are charged to programs and supporting services. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization. Expenses are allocated to programs based on the amount of time that personnel spend on the program, or based on the percentage the particular program is estimated to use the particular expense, whether it is square footage of space used or another reasonable method based on the type of expense.

In-kind Contributions

Donated materials and equipment are reflected as contributions in the accompanying combined statements of activities and changes in net assets at their estimated value on the date of receipt. Contributed services are reflected in the combined financial statements at the fair value of the services received. The contributions of services are recognized if the services received (a) create or increase non-financial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation.

In addition, a substantial number of volunteers have donated significant amounts of their time in the Organization's program services. The value of this time donated is not included in the value of contributed services, as it does not meet the criteria specified in the preceding paragraph.

NOTES TO COMBINED FINANCIAL STATEMENTS

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Statement Presentation

Financial statement presentation follows the accrual basis of accounting and the recommendations of FASB's *Financial Statements of Not-for-Profit Organizations*. Under this guidance, the Organization is required to report information regarding its financial positions and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted net assets:

Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets:

Net assets subject to donor-imposed stipulations that will be met either by actions of the Organization and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the combined statements of activities and changes in net assets as net assets released from restrictions.

Permanently restricted net assets:

Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on any related investment for general or specific purposes. There were no permanently restricted net assets at June 30, 2016 or 2015.

Income Tax Status

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

The Foundation, which is included in the combined financial statements, is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and has a fiscal year-end of September 30, 2016. The activity included in the combined financial statements reflects activity as of June 30, 2016. The Foundation has been determined by the Internal Revenue Service to be a "Private Foundation" within the meaning of Section 509(a) of the code and is subject to excise taxes on net investment income, including realized gains, as defined in the act. Accordingly, federal excise taxes have either been paid or accrued. The tax reform act requires that certain minimum distributions be made in accordance with a specified formula. As of September 30, 2015 and 2014, respectively, the Foundation had not distributed more than was required.

NOTES TO COMBINED FINANCIAL STATEMENTS

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Tax Status (Continued)

Generally accepted accounting principles require the recognition, measurement, classification, and disclosure in the financial statements of uncertain tax positions taken or expected to be taken in the Organization's tax returns. Management has determined that the Organization does not have any uncertain tax positions and associated unrecognized benefits that materially impact the financial statements or related disclosures. Since tax matters are subject to some degree of uncertainty, there can be no assurance that the Organization's tax returns will not be challenged by the taxing authorities and that the Organization will not be subject to additional tax, penalties, and interest as a result of such challenge.

Estimates

The preparation of financial statements in conformity with the basis of accounting described above requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may vary from these estimates.

Promises to Give

Unconditional promises to give are recognized as revenues or gains in the period received and as assets or decreases of liabilities or expenses, depending on the form of the benefits received. Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. There are \$206,159 and \$306,857 of unconditional promises to give at June 30, 2016 and 2015, respectively.

Promises to give that are expected to be collected within one year are recorded at their net realizable value. See Note 4 for disclosure of pledges receivable payment schedule and discount calculation. A provision for uncollectable promises to give is provided by using the allowance method based on management estimates and past experience. Provision for uncollectable accounts on promises to give are \$38,997 and \$26,000 at June 30, 2016 and 2015, respectively.

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase 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 purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the combined statements of activities and changes in net assets as net assets released from restrictions. Federal grant awards are classified as refundable advances until expended for the purpose of the grants since they are conditional promises to give.

Grants and Contracts Receivable

Grant revenue is recognized as revenue in the period in which it is expended for cost reimbursed agreements. Unexpended funds received under these grants and contracts are recorded as deferred revenue.

Certain receivables represent amounts due from grants and contracts. A provision for uncollectable accounts is provided by using the allowance method based on management estimates and past experience. The Organization considers receivables as of June 30, 2016 and 2015 to be fully collectable. Therefore, no provision for uncollectable accounts is recorded. Since all grants and contracts are expected to be collected within one year, they are recorded at the net realizable value.

NOTES TO COMBINED FINANCIAL STATEMENTS

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Benefits Purchased by Donors at Special Events

The Organization conducts special events in which a portion of the gross proceeds paid by the participant represents payment for the direct cost of the benefits received by the participant at the event. Unless a verifiable, objective means exists to demonstrate otherwise, the fair value of meals and entertainment provided at the special events is measured at the actual cost to the Organization. The direct costs of the special events that ultimately benefit the donor rather than the Organization are recorded as exchange transaction income and expense. All proceeds received for the event in excess of the direct costs are recorded as special events revenue in the accompanying combined statement of activities and changes in net assets.

NOTE 3. PROPERTY AND EQUIPMENT

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

	2016	2015
Building and improvements	\$ 3,243,292	\$ 3,199,097
Land	196,000	196,000
Equipment and vehicles	498,145	452,140
Furniture and fixtures	139,105	72,636
	4,076,542	3,919,873
Less: accumulated depreciation	(1,887,901)	(1,692,831)
Net property and equipment	\$ 2,118,641	\$ 2,227,042

NOTE 4. PLEDGES RECEIVABLE

Pledges receivable at June 30, 2016 and 2015 consist of the following unconditional promises to give:

	2016	2015
Restricted pledges to future periods for Capital Campaign	\$ 206,159	\$ 306,857
Unconditional promises to give before discount	206,159	306,857
Less unamortized discount	(3,084)	(8,781)
Less allowance for uncollectible pledges	(38,997)	(26,000)
Net pledges receivable	\$ 164,078	\$ 272,076
Amount due in:		
Less than one year	\$ 130,422	\$ 127,645
One to three years	74,737	178,212
More than three years	1,000	1,000
Total	\$ 206,159	\$ 306,857

The discount rate used was 3.25% as a risk-free interest rate at both June 30, 2016 and 2015.

NOTES TO COMBINED FINANCIAL STATEMENTS

NOTE 5. RETIREMENT PLAN AND CONTINGENCY

On January 1, 1993, the Organization adopted a defined contribution plan. Under the terms of the plan, all full-time and permanent employees with at least six months tenure are eligible to participate. The Organization began a new plan effective January 1, 2005 and rolled over employee funds from the old plan. The Organization's contribution to the new plan is specified at 3% of eligible employees' compensation. In addition, the Organization implemented a 403(b) profit sharing plan for all eligible employees. Participant contributions are matched 50% by the Organization up to a maximum of 5% of the employee's salary.

Both of these plans were amended during fiscal year 2009. Effective January 1, 2009, the plans were amended to allow all employees except those not expected to work regularly at least 20 hours per week to be eligible for participation. Then effective March 1, 2009, the Organization amended the plan to remove the basic contribution of 3% for all eligible employees and currently there is no longer any basic contribution. The 403(b) profit sharing plan under the terms of the new eligibility requirements effective January 1, 2009 was amended March 1, 2009 to state that the Organization would match 50% of the participant elected deferral up to a maximum of 6% of compensation as defined in the plan for employees meeting the eligibility requirements. The Organization's contributions to these plans totaled \$17,379 and \$17,591 for the years ended June 30, 2016 and 2015, respectively.

The employee contributions are 100% vested and the employer contributions are vested as follows:

<u>Years of Service</u>	<u>Percent Vested</u>
Less than 1	0%
1	25%
2	50%
3	75%
4 or more	100%

NOTE 6. EFFECT OF CURRENT ECONOMIC CONDITIONS ON CONTRIBUTIONS AND GRANT FUNDING SOURCES

The Organization depends heavily on contributions and grants from public, federal, state and county sources and the Foundation for its revenue. The ability of these contributors and grantors to continue giving amounts comparable with prior years may be dependent upon deductibility for income tax purposes of contributions and grants to the Organization, as well as government approved funding. While the Organization's board of directors believes the Organization has the resources to continue its programs, its ability to do so and the extent to which it continues, may be dependent on the above factors.

The Organization is subject to possible examination by federal, state and county agencies to determine compliance with terms, conditions, laws and regulations governing the grants given to the Organization.

The Organization obtained approximately 46% and 48% of its total revenue from city, county, state and federal assistance programs for the years ended June 30, 2016 and 2015, respectively. If grant funding of the Organization were to decrease significantly, current programs and operations would be considerably affected. Due to there being a number of governmental grants from various government entities, as well as several grant agencies, concentration risk is minimized.

NOTES TO COMBINED FINANCIAL STATEMENTS

NOTE 7. LINE OF CREDIT

During the years ended June 30, 2016 and 2015, the Organization entered into a line of credit agreement with a bank. The outstanding balance on the line of credit at June 30, 2016 and 2015 is \$39,167 and \$ -, respectively. Interest on the line of credit due January 28, 2019 carries a rate of 5.0%.

NOTE 8. RESTRICTIONS ON NET ASSETS

As of June 30, 2016 and 2015, the Organization does not have any permanent restrictions on net assets. As of June 30, 2016 and 2015, temporarily restricted net assets are as follows:

	<u>2016</u>	<u>2015</u>
Promises to give restricted for Capital Campaign	\$ 144,078	\$ 272,076
Cash restricted for Capital Campaign	<u>55,328</u>	<u>194,941</u>
Total temporarily restricted net assets	<u>\$ 199,406</u>	<u>\$ 467,017</u>

There were releases from restrictions during the years ended June 30, 2016 and 2015 of \$267,611 and \$884,127, respectively. For the years ended June 30, 2016 and 2015, all of the releases were related to expenses incurred for the purpose of the Capital Campaign.

NOTE 9. FAIR VALUE MEASUREMENTS

Fair Value Measurements 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 under this guidance are described as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has 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; and
- 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 all of the full term of the asset or liability.

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

NOTES TO COMBINED FINANCIAL STATEMENTS

NOTE 9. FAIR VALUE MEASUREMENTS (Continued)

The asset 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.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2016 and 2015.

Land held as investment: The carrying amount represents historical cost since the investment has not received a recent appraisal. In accordance with GAAP, carrying amount represents lower of cost or market of the investment.

Equities, fixed income and hedges: Certain common stocks and mutual funds are valued at the closing price reported in the active market in which the individual securities are traded. If a quoted market price for unrestricted common stock of the issuer is not available, historical cost is used as fair value of the instrument and it is evaluated for any potential impairment.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its 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.

The following table sets forth by level, within the fair value hierarchy, the Organization's assets measured at fair value on a recurring basis as of June 30, 2016:

	Level 1	Level 2	Level 3	Total
U.S. equities	\$ 431,704	\$ -	\$ -	\$ 431,704
International equities	103,864	-	-	103,864
Fixed income	122,434	-	-	122,434
Inflation hedges	41,658	-	-	41,658
Land held as investment	-	37,000	-	37,000
Total assets at fair value	\$ 699,660	\$ 37,000	\$ -	\$ 736,660

NOTES TO COMBINED FINANCIAL STATEMENTS

NOTE 9. FAIR VALUE MEASUREMENTS (Continued)

The following table sets forth by level, within the fair value hierarchy, the Organization's assets measured at fair value on a recurring basis as of June 30, 2015:

	Level 1	Level 2	Level 3	Total
U.S. equities	\$ 352,039	\$ 29,353	\$ -	\$ 381,392
International equities	63,398	-	-	63,398
Mutual funds	125,272	-	-	125,272
Inflation hedges	39,227	-	-	39,227
Land held as investment	-	37,000	-	37,000
 Total assets at fair value	 \$ 579,936	 \$ 66,353	 \$ -	 \$ 646,289

NOTE 10. OPERATING LEASES

The Organization leases equipment under operating leases expiring at various dates through February 2021. Minimum future rental payments under these non-cancelable operating leases are:

Year Ended June 30:

2017	\$ 4,104
2018	4,104
2019	4,104
2020	4,104
2021	2,572
Total minimum future rental payments	\$ 18,988

The total expenses charged to operations on these and other leases was \$1,994 and \$2,916 for the years ended June 30, 2016 and 2015, respectively.

NOTE 11. SUBSEQUENT EVENTS

Management has evaluated subsequent events occurring through December 20, 2016, the date the financial statements were available to be issued.

SINGLE AUDIT SECTION

**SENIOR CITIZEN SERVICES OF METROPOLITAN ATLANTA, INC.
AND AFFILIATE
(D/B/A MEALS ON WHEELS ATLANTA)**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2016**

<u>Programs</u>	<u>CFDA No.</u>	<u>Grant No.</u>	<u>Total Grants</u>	<u>Expenditures</u>
MAJOR PROGRAMS				
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed through Fulton County:				
<u>Aging Cluster</u>				
Adult Day Care	93.044		\$ 300,776	\$ 300,776
Senior Center Management	93.044		553,707	553,707
Volunteer Services	93.044		14,173	14,173
Total Aging Cluster			<u>868,656</u>	<u>868,656</u>
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE				
<u>Foster Grandparent/Senior Companion Cluster</u>				
Senior Companion Program	94.016	12SXSGA001	192,192	192,192
Total Foster Grandparent/Senior Companion Cluster			<u>192,192</u>	<u>192,192</u>
TOTAL MAJOR PROGRAMS			<u>1,060,848</u>	<u>1,060,848</u>
NON MAJOR PROGRAMS				
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT - CDBG				
Passed through City of Atlanta:				
<u>CDBG – Entitlement Grants Cluster</u>				
Meals on Wheels	14.218	2015-531	23,476	23,476
Adult Day Care	14.218	2015-481	20,000	20,000
Atlanta Homeowner Maintenance	14.218	220132175	90,861	90,861
Total CDBG – Entitlement Grants Cluster			<u>134,337</u>	<u>134,337</u>
DEPARTMENT OF HOMELAND SECURITY				
Emergency Food and Shelter Program – Meals on Wheels	97.024	LRO 174000-142	7,500	7,500
U.S. DEPT. OF HEALTH AND HUMAN SERVICES				
U.S. FEDERAL TRANSIT ADMINISTRATION				
U.S. DEPT. OF EDUCATION				
Passed through Georgia Department of Human Resources:				
<u>Transit Services Programs Cluster</u>				
Adult Day Care	93.667	42700-362-0000023266	103,950	103,950
Total Transit Services Programs Cluster	20.513		<u>103,950</u>	<u>103,950</u>
TOTAL NON MAJOR PROGRAMS			<u>245,787</u>	<u>245,787</u>
TOTAL FEDERAL AWARDS			<u>\$ 1,306,635</u>	<u>\$ 1,306,635</u>

The accompanying notes are an integral part of this schedule.

**SENIOR CITIZEN SERVICES OF METROPOLITAN ATLANTA, INC.
AND AFFILIATE
(D/B/A MEALS ON WHEELS ATLANTA)**

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2016**

NOTE 1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Senior Citizen Services of Metropolitan Atlanta, Inc. and Affiliate (D/B/A Meals on Wheels Atlanta) under programs of the federal government for the year ended June 30, 2016. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Senior Citizen Services of Metropolitan Atlanta, Inc. and Affiliate (D/B/A Meals on Wheels Atlanta), it is not intended to and does not present the financial position, changes in net assets, or cash flows of Senior Citizen Services of Metropolitan Atlanta, Inc. and Affiliate (D/B/A Meals on Wheels Atlanta).

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3. INDIRECT COST RATE

Senior Citizen Services of Metropolitan Atlanta, Inc. and Affiliate (D/B/A Meals on Wheels Atlanta) has elected not to use the 10% de minimis cost rate as allowed under the Uniform Guidance.



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Directors

Senior Citizen Services of Metropolitan Atlanta, Inc. and Affiliate

(D/B/A Meals on Wheels Atlanta)

Atlanta, Georgia

We have audited, 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, the financial statements of Senior Citizen Services of Metropolitan Atlanta, Inc. and Affiliate (D/B/A Meals on Wheels Atlanta) (a nonprofit organization), which comprise the combined statement of financial position as of June 30, 2016, and the related combined statements of activities and changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to the combined financial statements, and have issued our report thereon dated December 20, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Senior Citizen Services of Metropolitan Atlanta, Inc. (D/B/A Meals on Wheels Atlanta)'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Senior Citizen Services of Metropolitan Atlanta, Inc. (D/B/A Meals on Wheels Atlanta)'s internal control. Accordingly, we do not express an opinion on the effectiveness of Senior Citizen Services of Metropolitan Atlanta, Inc. and Affiliate (D/B/A Meals on Wheels Atlanta)'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 Senior Citizen Services of Metropolitan Atlanta, Inc. (D/B/A Meals on Wheels Atlanta)'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mauldin & Jenkins, LLC

Atlanta, Georgia
December 20, 2016



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED
BY THE UNIFORM GUIDANCE**

To the Board of Directors

Senior Citizen Services of Metropolitan Atlanta, Inc. and Affiliate

(D/B/A Meals on Wheels Atlanta)

Atlanta, Georgia

Report on Compliance for Each Major Federal Program

We have audited Senior Citizen Services of Metropolitan Atlanta, Inc. and Affiliate (D/B/A Meals on Wheels Atlanta)'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Senior Citizen Services of Metropolitan Atlanta, Inc. and Affiliate (D/B/A Meals on Wheels Atlanta)'s major federal programs for the year ended June 30, 2016. Senior Citizen Services of Metropolitan Atlanta, Inc. and Affiliate (D/B/A Meals on Wheels Atlanta)'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of if its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Senior Citizen Services of Metropolitan Atlanta, Inc. and Affiliate (D/B/A Meals on Wheels Atlanta)'s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Senior Citizen Services of Metropolitan Atlanta, Inc. and Affiliate (D/B/A Meals on Wheels Atlanta)'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 program. However, our audit does not provide a legal determination of Senior Citizen Services of Metropolitan Atlanta, Inc. and Affiliate (D/B/A Meals on Wheels Atlanta)'s compliance.

Opinion on Each Major Federal Program

In our opinion, Senior Citizen Services of Metropolitan Atlanta, Inc. and Affiliate (D/B/A Meals on Wheels Atlanta) 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 programs for the year ended June 30, 2016.

Report on Internal Control Over Compliance

Management of Senior Citizen Services of Metropolitan Atlanta, Inc. and Affiliate (D/B/A Meals on Wheels Atlanta) 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 Senior Citizen Services of Metropolitan Atlanta, Inc. and Affiliate (D/B/A Meals on Wheels Atlanta)'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Senior Citizen Services of Metropolitan Atlanta, Inc. and Affiliate (D/B/A Meals on Wheels Atlanta)'s internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Mauldin & Jenkins, LLC

Atlanta, Georgia
December 20, 2016

**SENIOR CITIZEN SERVICES OF METROPOLITAN ATLANTA, INC.
AND AFFILIATE
(D/B/A MEALS ON WHEELS ATLANTA)**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2016**

SECTION I - SUMMARY OF AUDITOR'S RESULTS:

Financial Statements:

Type of auditors' report issued	<u>Unmodified</u>	
	<u>Yes</u>	<u>No</u>
Internal control over financial reporting:		
Material weaknesses identified?	_____	<u>X</u>
Significant deficiencies identified not considered to be material weaknesses?	_____	<u>None Reported</u>
Noncompliance material to the financial statements noted?	_____	<u>X</u>

Federal Awards:

Internal controls over major programs:		
Material weaknesses identified?	_____	<u>X</u>
Significant deficiencies identified not considered to be material weaknesses?	_____	<u>None Reported</u>
Type of auditor's report issued on compliance for major programs	<u>Unmodified</u>	
Audit findings required to be reported in accordance with 2 CFR Section 200.516(a)	_____	<u>X</u>

Identification of major programs:

93.044 Aging Cluster - U.S. Department of Health and Human Services
94.016 Foster Grandparent/Senior Companion Cluster - Corporation for National and Community Service

Dollar threshold used to distinguish between type A and type B programs	\$ 750,000	
	<u>Yes</u>	<u>No</u>
Auditee qualified as low-risk auditee?	<u>X</u>	_____
Financial statement findings?	_____	<u>X</u>
Findings and questioned costs for federal awards?	_____	<u>X</u>

**SENIOR CITIZEN SERVICES OF METROPOLITAN ATLANTA, INC.
AND AFFILIATE
(D/B/A MEALS ON WHEELS ATLANTA)**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2016**

Section II – Financial Statement Findings

None

Section III - Findings and Questioned Costs for Federal Awards

None

**SENIOR CITIZEN SERVICES OF METROPOLITAN ATLANTA, INC.
AND AFFILIATE
(D/B/A MEALS ON WHEELS ATLANTA)**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2015**

Section II – Financial Statement Findings

None

Section III - Findings and Questioned Costs for Federal Awards

None

SUPPLEMENTARY INFORMATION



INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

To the Board of Directors
Senior Citizen Services of Metropolitan Atlanta, Inc. and Affiliate
(D/B/A Meals on Wheels Atlanta)
Atlanta, Georgia

We have audited the combined financial statements of Senior Citizen Services of Metropolitan Atlanta, Inc. and Affiliate (D/B/A Meals on Wheels Atlanta) as of and for the years ended June 30, 2016 and 2015, and our report thereon dated December 20, 2016, which expressed an unmodified opinion on those combined financial statements, appears on pages 1 and 2. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The combined statements of activities and changes in net assets by program and facility operations, combining statements of financial position, and combining statements of activities and changes in net assets are presented for purposes of additional analysis and are 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the combined financial statements as a whole.

Mauldin & Jenkins, LLC

Atlanta, Georgia
December 20, 2016

**SENIOR CITIZEN SERVICES OF METROPOLITAN ATLANTA, INC.
AND AFFILIATE
(D/B/A MEALS ON WHEELS ATLANTA)**

**COMBINED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS BY PROGRAM AND FACILITY OPERATIONS
YEAR ENDED JUNE 30, 2016**

	Homes	Home Delivered Meals	Senior Center Management	Adult Day Care	Volunteer Services	Facility Operations	Development Program	Other	Totals
SUPPORT AND REVENUE									
State revenue	\$ -	\$ 7,500	\$ -	\$ 118,123	\$ 192,192	\$ -	\$ -	\$ -	\$ 317,815
City of Atlanta revenue	90,861	23,476	102,143	20,000	-	-	-	-	236,480
County revenue	267,868	335,473	553,707	300,776	-	-	-	-	1,457,824
Other revenue	-	436	5	21	35,830	68	-	718	37,078
General contributions	672,595	240,889	9,035	750	20	-	488,194	35,747	1,447,230
United Way	-	57,221	-	29,624	-	-	-	26,099	112,944
Special events, benefit donations and other, net of expenses	-	572,778	-	-	-	-	34,787	-	607,565
In-kind contributions	32,669	-	-	-	-	-	-	-	32,669
Investment (loss)	-	-	-	-	-	-	-	(9,357)	(9,357)
Program service fees	14,830	44,086	8,001	47,022	-	32,245	-	-	146,184
Total Support and Revenue	1,078,823	1,281,859	672,891	516,316	228,042	32,313	522,981	53,207	4,386,432
EXPENSES									
Personnel costs	270,124	514,262	476,501	238,463	147,122	72,885	274,889	158,373	2,152,619
Meals	-	411,424	2,851	7,739	2,578	238	441	514	425,785
Supplies	131,044	130,830	13,486	17,017	2,946	738	6,847	4,492	307,400
Occupancy	17,745	67,269	44,262	33,126	5,916	2,546	5,070	45,632	221,566
Travel	6,504	8,642	3,455	15,029	22,495	21	131	940	57,217
Insurance	3,454	8,060	3,454	7,648	1,151	461	987	8,882	34,097
Telephone	4,711	12,189	12,654	5,208	542	450	1,182	9,452	46,388
Professional fees and contract labor	547,439	84,729	46,812	45,893	121,774	2,315	7,569	42,956	899,487
Interest expense and bank fees	363	927	91	363	36	36	76	15,258	17,150
Miscellaneous	48,481	27,095	18,081	23,354	15,721	625	117,721	53,238	304,316
Total expenses before depreciation	1,029,865	1,265,427	621,647	393,840	320,281	80,315	414,913	339,737	4,466,025
Depreciation	10,504	50,720	9,764	20,472	305	141,136	442	6,412	239,755
Total Expenses	1,040,369	1,316,147	631,411	414,312	320,586	221,451	415,355	346,149	4,705,780
Change in Net Assets	38,454	(34,288)	41,480	102,004	(92,544)	(189,138)	107,626	(292,942)	(319,348)
Net Assets, beginning of year	(82,530)	414,936	404,503	692,419	(75,792)	(544,149)	212,612	3,301,916	4,323,915
Net Assets, end of year	\$ (44,076)	\$ 380,648	\$ 445,983	\$ 794,423	\$ (168,336)	\$ (733,287)	\$ 320,238	\$ 3,008,974	\$ 4,004,567

**SENIOR CITIZEN SERVICES OF METROPOLITAN ATLANTA, INC.
AND AFFILIATE
(D/B/A MEALS ON WHEELS ATLANTA)**

**COMBINED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS BY PROGRAM AND FACILITY OPERATIONS
YEAR ENDED JUNE 30, 2015**

	Homes	Home Delivered Meals	Senior Center Management	Adult Day Care	Volunteer Services	Facility Operations	Development Program	Other	Totals
SUPPORT AND REVENUE									
State revenue	\$ -	\$ 13,618	\$ -	\$ 95,301	\$ 192,192	\$ -	\$ -	\$ -	\$ 301,111
City of Atlanta revenue	31,628	26,492	103,011	24,533	-	-	-	-	185,664
County revenue	622,951	161,794	553,707	228,887	-	-	-	-	1,567,339
Other revenue (loss)	-	800	-	(339)	50,436	35	-	1,256	52,188
General contributions	262,320	354,612	38,054	20,125	45	-	247,642	280,760	1,203,558
United Way	-	79,272	-	29,625	-	-	-	24,794	133,691
Special events, benefit donations and other, net of expenses	-	627,694	-	-	-	-	19,363	-	647,057
In-kind contributions	10,501	6,224	-	-	-	-	-	-	16,725
Investment (loss)	-	-	-	-	-	-	-	(742)	(742)
Program service fees	15,904	40,588	2,606	39,559	57	63,006	-	-	161,720
Total Support and Revenue	943,304	1,311,094	697,378	437,691	242,730	63,041	267,005	306,068	4,268,311
EXPENSES									
Personnel costs	203,876	571,604	497,091	212,534	83,542	51,921	4,642	269,608	1,894,818
Meals	-	310,880	9,088	4,894	943	14	144	287	326,250
Supplies	118,237	124,464	8,411	9,503	1,915	254	3,612	1,643	268,039
Occupancy	10,324	35,834	30,583	20,645	3,687	1,475	-	36,434	138,982
Travel	7,621	10,514	5,380	19,173	21,354	-	362	1,587	65,991
Insurance	1,080	2,546	1,389	2,960	2,221	154	-	3,812	14,162
Telephone	2,642	10,039	12,454	1,761	1,057	352	60	10,574	38,939
Professional fees and contract labor	396,481	44,198	39,607	17,233	120,835	1,038	-	26,982	646,374
Interest expense and bank fees	131	498	191	87	52	17	-	12,837	13,813
Miscellaneous	18,113	37,702	22,389	16,922	10,184	861	45,573	59,797	211,541
Total expenses before depreciation	758,505	1,148,279	626,583	305,712	245,790	56,086	54,393	423,561	3,618,909
Depreciation	5,408	29,062	1,226	19,628	136	106,911	-	1,364	163,735
Total Expenses	763,913	1,177,341	627,809	325,340	245,926	162,997	54,393	424,925	3,782,644
Change in Net Assets	179,391	133,753	69,569	112,351	(3,196)	(99,956)	212,612	(118,857)	485,667
Net Assets, beginning of year	(261,921)	281,183	334,934	580,068	(72,596)	(444,193)	-	3,420,773	3,838,248
Net Assets, end of year	<u><u>\$(82,530)</u></u>	<u><u>\$ 414,936</u></u>	<u><u>\$ 404,503</u></u>	<u><u>\$ 692,419</u></u>	<u><u>\$ (75,792)</u></u>	<u><u>\$ (544,149)</u></u>	<u><u>\$ 212,612</u></u>	<u><u>\$ 3,301,916</u></u>	<u><u>\$ 4,323,915</u></u>

**SENIOR CITIZEN SERVICES OF METROPOLITAN ATLANTA, INC.
AND AFFILIATE
(D/B/A MEALS ON WHEELS ATLANTA)**

**COMBINING STATEMENT OF FINANCIAL POSITION
JUNE 30, 2016**

<u>ASSETS</u>				
	<u>Senior Citizen Services</u>	<u>Senior Citizens Foundation</u>	<u>Eliminations</u>	<u>Total</u>
<u>Current Assets</u>				
Cash and cash equivalents	\$ 237,149	\$ 249,367	\$ -	\$ 486,516
Accounts receivable				
Grants and contracts receivable	532,718	-	(1,219)	531,499
Promises to give, net	91,425	-	-	91,425
Accrued interest receivable	-	1,212	-	1,212
Prepaid expenses and deposits	79,268	-	-	79,268
Investments	-	699,660	-	699,660
Total current assets	<u>940,560</u>	<u>950,239</u>	<u>(1,219)</u>	<u>1,889,580</u>
<u>Promises to give, long-term, net</u>	<u>72,653</u>	<u>-</u>	<u>-</u>	<u>72,653</u>
<u>Investments, long-term</u>	<u>37,000</u>	<u>-</u>	<u>-</u>	<u>37,000</u>
<u>Property and equipment, net of accumulated depreciation</u>	<u>2,188,641</u>	<u>-</u>	<u>-</u>	<u>2,188,641</u>
Total Assets	<u>\$ 3,238,854</u>	<u>\$ 950,239</u>	<u>\$ (1,219)</u>	<u>\$ 4,187,874</u>
<u>LIABILITIES AND NET ASSETS</u>				
<u>Current Liabilities</u>				
Accounts payable	\$ 99,853	\$ 1,219	\$ (1,219)	\$ 99,853
Accrued expenses and other liabilities	44,287	-	-	44,287
Total current liabilities	<u>144,140</u>	<u>1,219</u>	<u>(1,219)</u>	<u>144,140</u>
<u>Noncurrent Liabilities</u>				
Line of credit	<u>39,167</u>	<u>-</u>	<u>-</u>	<u>39,167</u>
Total liabilities	<u>183,307</u>	<u>1,219</u>	<u>(1,219)</u>	<u>183,307</u>
<u>Net Assets</u>				
Unrestricted	2,856,141	949,020	-	3,805,161
Temporarily restricted	199,406	-	-	199,406
Total net assets	<u>3,055,547</u>	<u>949,020</u>	<u>-</u>	<u>4,004,567</u>
Total Liabilities and Net Assets	<u>\$ 3,238,854</u>	<u>\$ 950,239</u>	<u>\$ (1,219)</u>	<u>\$ 4,187,874</u>

**SENIOR CITIZEN SERVICES OF METROPOLITAN ATLANTA, INC.
AND AFFILIATE
(D/B/A MEALS ON WHEELS ATLANTA)**

**COMBINING STATEMENT OF FINANCIAL POSITION
JUNE 30, 2015**

<u>ASSETS</u>				
	<u>Senior Citizen Services</u>	<u>Senior Citizens Foundation</u>	<u>Eliminations</u>	<u>Total</u>
<u>Current Assets</u>				
Cash and cash equivalents	\$ 587,238	\$ 393,025	\$ -	\$ 980,263
Accounts receivable				
Grants and contracts receivable	359,107	-	(3,154)	355,953
Promises to give, net	101,645	-	-	101,645
Accrued interest receivable	-	903	-	903
Prepaid expenses and deposits	98,613	-	-	98,613
Investments	-	609,289	-	609,289
Total current assets	<u>1,146,603</u>	<u>1,003,217</u>	<u>(3,154)</u>	<u>2,146,666</u>
<u>Promises to give, long-term, net</u>	<u>170,431</u>	<u>-</u>	<u>-</u>	<u>170,431</u>
<u>Investments, long-term</u>	<u>37,000</u>	<u>-</u>	<u>-</u>	<u>37,000</u>
<u>Property and equipment, net of accumulated depreciation</u>	<u>2,227,042</u>	<u>-</u>	<u>-</u>	<u>2,227,042</u>
Total Assets	<u>\$ 3,581,076</u>	<u>\$ 1,003,217</u>	<u>\$ (3,154)</u>	<u>\$ 4,581,139</u>
<u>LIABILITIES AND NET ASSETS</u>				
<u>Current Liabilities</u>				
Accounts payable	\$ 242,997	\$ 3,154	\$ (3,154)	\$ 242,997
Accrued expenses and other liabilities	14,227	-	-	14,227
Total current liabilities	<u>257,224</u>	<u>3,154</u>	<u>(3,154)</u>	<u>257,224</u>
Total liabilities	<u>257,224</u>	<u>3,154</u>	<u>(3,154)</u>	<u>257,224</u>
<u>Net Assets</u>				
Unrestricted	2,856,835	1,000,063	-	3,856,898
Temporarily restricted	467,017	-	-	467,017
Total net assets	<u>3,323,852</u>	<u>1,000,063</u>	<u>-</u>	<u>4,323,915</u>
Total Liabilities and Net Assets	<u>\$ 3,581,076</u>	<u>\$ 1,003,217</u>	<u>\$ (3,154)</u>	<u>\$ 4,581,139</u>

**SENIOR CITIZEN SERVICES OF METROPOLITAN ATLANTA, INC.
AND AFFILIATE
(D/B/A MEALS ON WHEELS ATLANTA)**

**COMBINING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2016**

	<u>Senior Citizen Services</u>		<u>Senior Citizens Foundation</u>		<u>Eliminations</u>	<u>Totals</u>
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Unrestricted</u>			
SUPPORT AND REVENUE						
Government fees, grants and contracts	\$ 2,012,119	\$ -	\$ -		\$ -	\$ 2,012,119
General contributions	1,483,449	-	-		(36,219)	1,447,230
United Way	112,944	-	-		-	112,944
Special events, benefit donations and other, net of \$221,822 in expenses	607,565	-	-		-	607,565
Program service fees	146,184	-	-		-	146,184
Other	37,078	-	-		-	37,078
In-kind contributions	32,669	-	-		-	32,669
Investment income (loss)	487	-	(9,844)		-	(9,357)
Net assets released from restrictions	267,611	(267,611)	-		-	-
Total Support and Revenue	<u>4,700,106</u>	<u>(267,611)</u>	<u>(9,844)</u>		<u>(36,219)</u>	<u>4,386,432</u>
EXPENSES						
Marketing/fundraising	415,356	-	-		-	415,356
Supporting services	341,170	-	41,199		(36,219)	346,150
Program services	3,944,274	-	-		-	3,944,274
Total Expenses	<u>4,700,800</u>	<u>-</u>	<u>41,199</u>		<u>(36,219)</u>	<u>4,705,780</u>
Change in Net Assets	(694)	(267,611)	(51,043)		-	(319,348)
Net Assets, beginning of year	<u>2,856,835</u>	<u>467,017</u>	<u>1,000,063</u>		<u>-</u>	<u>4,323,915</u>
Net Assets, end of year	<u>\$ 2,856,141</u>	<u>\$ 199,406</u>	<u>\$ 949,020</u>		<u>\$ -</u>	<u>\$ 4,004,567</u>

**SENIOR CITIZEN SERVICES OF METROPOLITAN ATLANTA, INC.
AND AFFILIATE
(D/B/A MEALS ON WHEELS ATLANTA)**

**COMBINING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2015**

	Senior Citizen Services		Senior Citizens Foundation		
	Unrestricted	Temporarily Restricted	Unrestricted	Eliminations	
SUPPORT AND REVENUE					
Government fees, grants and contracts	\$ 2,054,114	\$ -	\$ -	\$ -	\$ 2,054,114
General contributions	1,058,558	145,000	-	-	1,203,558
United Way	133,691	-	-	-	133,691
Special events, benefit donations and other, net of \$190,018 in expenses	647,057	-	-	-	647,057
Program service fees	161,720	-	-	-	161,720
Other	52,188	-	-	-	52,188
In-kind contributions	16,725	-	-	-	16,725
Investment income (loss)	314	-	(1,056)	-	(742)
Net assets released from restrictions	884,127	(884,127)	-	-	-
Total Support and Revenue	<u>5,008,494</u>	<u>(739,127)</u>	<u>(1,056)</u>	<u>-</u>	<u>4,268,311</u>
EXPENSES					
Marketing/fundraising	242,239	-	-	-	242,239
Supporting services	230,623	-	6,448	-	237,071
Program services	3,303,334	-	-	-	3,303,334
Total Expenses	<u>3,776,196</u>	<u>-</u>	<u>6,448</u>	<u>-</u>	<u>3,782,644</u>
Change in Net Assets	1,232,298	(739,127)	(7,504)	-	485,667
Net Assets, beginning of year	<u>1,624,537</u>	<u>1,206,144</u>	<u>1,007,567</u>	<u>-</u>	<u>3,838,248</u>
Net Assets, end of year	<u>\$ 2,856,835</u>	<u>\$ 467,017</u>	<u>\$ 1,000,063</u>	<u>\$ -</u>	<u>\$ 4,323,915</u>