

**Montgomery County  
Committee on Aging, Inc.**  
**dba Meals on Wheels Montgomery County**

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*Financial Statements  
and Supplementary Information*

**For the Years Ended  
September 30, 2015 and 2014**

**Montgomery County Committee On Aging, Inc.  
dba Meals on Wheels Montgomery County  
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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Montgomery County Committee on Aging, Inc.  
dba Meals on Wheels Montgomery County

### Report on the Financial Statements

We have audited the accompanying financial statements of Montgomery County Committee on Aging, Inc. dba Meals on Wheels Montgomery County (a nonprofit organization), which comprise the statements of financial position as of September 30, 2015 and 2014, and the related statements of activities, functional expenses, and cash flows for the years then ended, 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 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 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 Montgomery County Committee on Aging, Inc. dba Meals on Wheels Montgomery County as of September 30, 2015 and 2014, 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 financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by the Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is presented for purposes of additional analysis and is not a required part of the 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 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 February 19, 2016, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulation, 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 the Organization's internal control over financial reporting and compliance.

*Seefeld Lawson Moeller LLP*

Seefeld Lawson Moeller LLP  
Certified Public Accountants

The Woodlands, Texas  
February 19, 2016

## **FINANCIAL STATEMENTS**

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**Montgomery County Committee On Aging, Inc.**  
**dba Meals on Wheels Montgomery County**  
**Statements of Financial Position**  
**September 30, 2015 and 2014**

	2015	2014
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 4,733	\$ 11,403
Accounts Receivable, net	253,028	149,996
Contributions Receivable	-	10,000
Prepaid Expenses	3,455	2,402
Fixed Assets, net	223,890	139,488
<b>TOTAL ASSETS</b>	<b>\$ 485,106</b>	<b>\$ 313,289</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Cash Overdraft	\$ 33,279	\$ -
Accounts Payable	90,177	87,694
Accrued Expenses	42,225	21,902
Deferred Revenue	-	40,666
Line of Credit	35,050	-
<b>TOTAL LIABILITIES</b>	<b>200,731</b>	<b>150,262</b>
<b>NET ASSETS</b>		
Unrestricted		
Undesignated	272,217	141,304
Board Designated	2,535	2,535
<b>Total Unrestricted</b>	<b>274,752</b>	<b>143,839</b>
Temporarily Restricted	9,623	19,188
<b>TOTAL NET ASSETS</b>	<b>284,375</b>	<b>163,027</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 485,106</b>	<b>\$ 313,289</b>

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

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**Montgomery County Committee On Aging, Inc.**  
**dba Meals on Wheels Montgomery County**  
**Statements of Activities**  
**For the Years Ended September 30, 2015 and 2014**

	2015	2014
UNRESTRICTED SUPPORT		
Business Enterprise	\$ 3,367	\$ 30,127
Contributions	208,143	67,480
Financial Assistance	1,365,392	1,381,494
In-Kind Donations	326,427	251,376
Other	6	7
Participant Contributions	49,107	54,860
Special Events	93,760	83,734
Gain (Loss) on Sale of Equipment	4,644	(1,100)
TOTAL UNRESTRICTED SUPPORT	2,050,846	1,867,978
Net Assets Released from Restrictions	36,419	42,263
TOTAL UNRESTRICTED SUPPORT AND RECLASSIFICATIONS	2,087,265	1,910,241
EXPENSES		
Program Services	1,794,396	1,809,600
Supporting Services	161,955	120,964
TOTAL EXPENSES	1,956,351	1,930,564
CHANGE IN UNRESTRICTED NET ASSETS	130,914	(20,323)
TEMPORARILY RESTRICTED NET ASSETS		
Restricted Contributions	26,853	33,880
Net Assets Released from Restrictions	(36,419)	(42,263)
CHANGE IN TEMPORARILY RESTRICTED NET ASSETS	(9,566)	(8,383)
CHANGE IN NET ASSETS	121,348	(28,706)
NET ASSETS, BEGINNING OF YEAR	163,027	191,733
NET ASSETS, END OF YEAR	\$ 284,375	\$ 163,027

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

**Montgomery County Committee On Aging, Inc.**  
**dba Meals on Wheels Montgomery County**  
**Statement of Functional Expenses**  
**For the Year Ended September 30, 2015**

	Program Services		
	Congregate Meals	Delivered Meals	Transportation
COMPENSATION AND RELATED EXPENSES			
Salaries and Benefits	\$ 75,556	\$ 217,865	\$ 305,888
Payroll Taxes	6,006	20,639	25,510
Total Compensation and Related Expenses	<u>81,562</u>	<u>238,504</u>	<u>331,398</u>
Activities Supplies	-	-	1,182
Auto	1,003	14,324	114,568
Bank Charges/Penalties	491	482	509
Contract and Professional	7,753	8,151	48,698
Depreciation	-	15,796	58,491
Food	54,162	294,472	-
Human Resources	137	253	137
In-Kind Expenses	226,264	90,706	9,457
Insurance	3,712	16,191	24,889
Interest	239	785	239
Janitorial Supplies	1,005	801	3
Office Supplies	16,410	23,634	4,216
Other	931	1,358	1,001
Printing	3,648	6,886	4,521
Promotions	13	4,429	49
Repairs and Maintenance	5,842	5,898	2,858
Telephone	6,897	8,184	5,281
Training and Conferences	247	452	301
Utilities	4,238	4,238	4,238
Workers' Compensation	1,948	1,948	1,948
	<u>334,940</u>	<u>498,988</u>	<u>282,586</u>
TOTAL EXPENSES	<u>\$ 416,502</u>	<u>\$ 737,492</u>	<u>\$ 613,984</u>

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

		Supporting Services				
Senior Programs	Total	General and Administrative	Fund Raising	Total		
\$ -	\$ 599,309	\$ 86,281	\$ -	\$ 685,590		
-	52,155	9,296	-	61,451		
-	651,464	95,577	-	747,041		
26,418	27,600	-	-	27,600		
-	129,895	1,897	-	131,792		
-	1,482	1,821	-	3,303		
-	64,602	27,871	-	92,473		
-	74,287	27	-	74,314		
-	348,634	-	-	348,634		
-	527	184	-	711		
-	326,427	-	-	326,427		
-	44,792	3,712	-	48,504		
-	1,263	1,579	-	2,842		
-	1,809	1,566	-	3,375		
-	44,260	5,045	-	49,305		
-	3,290	1,442	-	4,732		
-	15,055	4,236	-	19,291		
-	4,491	5,302	-	9,793		
-	14,598	3,083	-	17,681		
-	20,362	3,295	-	23,657		
-	1,000	273	-	1,273		
-	12,714	4,238	-	16,952		
-	5,844	807	-	6,651		
26,418	1,142,932	66,378	-	1,209,310		
\$ 26,418	\$ 1,794,396	\$ 161,955	\$ -	\$ 1,956,351		

**Montgomery County Committee On Aging, Inc.**  
**dba Meals on Wheels Montgomery County**  
**Statement of Functional Expenses**  
**For the Year Ended September 30, 2014**

	Program Services		
	Congregate Meals	Delivered Meals	Transportation
COMPENSATION AND RELATED EXPENSES			
Salaries and Benefits	\$ 102,086	\$ 228,221	\$ 304,432
Payroll Taxes	8,848	21,599	28,572
Total Compensation and Related Expenses	<u>110,934</u>	<u>249,820</u>	<u>333,004</u>
Activities Supplies	-	-	823
Auto	108	25,672	211,217
Bank Charges/Penalties	322	349	438
Contract and Professional	11,375	12,098	11,673
Depreciation	-	10,930	43,262
Food	70,626	267,219	-
Human Resources	54	54	126
In-Kind Expenses	170,731	79,426	1,218
Insurance	4,080	10,914	29,105
Interest	212	511	237
Janitorial Supplies	1,055	887	25
Office Supplies	14,422	19,454	3,837
Other	762	762	1,112
Printing	2,310	2,739	2,467
Promotions	307	4,961	1,065
Repairs and Maintenance	6,696	6,712	2,665
Telephone	7,240	9,327	5,234
Training and Conferences	218	404	499
Utilities	4,263	4,263	4,263
Workers' Compensation	1,808	1,808	1,808
	<u>296,589</u>	<u>458,490</u>	<u>321,074</u>
TOTAL EXPENSES	<u>\$ 407,523</u>	<u>\$ 708,310</u>	<u>\$ 654,078</u>

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

		Supporting Services		
Senior Programs	Total	General and Administrative	Fund Raising	Total
\$ -	\$ 634,739	\$ 70,586	\$ -	\$ 705,325
-	59,019	8,590	-	67,609
-	693,758	79,176	-	772,934
35,994	36,817	-	-	36,817
1,143	238,140	3,753	-	241,893
-	1,109	1,255	-	2,364
313	35,459	9,175	-	44,634
-	54,192	585	-	54,777
-	337,845	363	-	338,208
-	234	54	-	288
-	251,375	-	-	251,375
250	44,349	4,042	-	48,391
37	997	699	-	1,696
8	1,975	672	-	2,647
420	38,133	3,541	-	41,674
703	3,339	863	-	4,202
373	7,889	-	-	7,889
-	6,333	629	83	7,045
7	16,080	2,748	-	18,828
112	21,913	6,513	-	28,426
35	1,156	742	-	1,898
171	12,960	4,263	-	17,223
123	5,547	1,808	-	7,355
39,689	1,115,842	41,705	83	1,157,630
\$ 39,689	\$ 1,809,600	\$ 120,881	\$ 83	\$ 1,930,564

**Montgomery County Committee On Aging, Inc.**  
**dba Meals on Wheels Montgomery County**  
**Statements of Cash Flows**  
**For the Years Ended September 30, 2015 and 2014**

	<u>2015</u>	<u>2014</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 121,348	\$ (28,706)
Adjustment to reconcile change in Net Assets to net Cash Provided (Used) by Operating Activities:		
Depreciation	74,314	54,777
(Gain) Loss on Sale of Equipment	(4,646)	1,894
(Increase) Decrease in:		
Accounts Receivable	(103,031)	(33,011)
Contributions Receivable	10,000	10,000
Prepaid Expenses	(1,053)	8,538
Increase (Decrease) in:		
Accounts Payable	2,483	55,863
Accrued Liabilities	20,323	(20,007)
Deferred Revenue	(40,666)	5,612
Net Cash Provided by Operating Activities	<u>79,072</u>	<u>54,960</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Fixed Assets	(159,532)	(85,480)
Disposal of Fixed Assets	5,461	1,600
Net Cash Used by Investing Activities	<u>(154,071)</u>	<u>(83,880)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Line of Credit	35,050	-
Cash Overdraft	33,279	-
Net Cash Provided by Financing Activities	<u>68,329</u>	<u>-</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(6,670)	(28,920)
CASH, BEGINNING OF YEAR	<u>11,403</u>	<u>40,323</u>
CASH, END OF YEAR	<u>\$ 4,733</u>	<u>\$ 11,403</u>
Supplemental disclosure of Cash Flow Information:		
Cash Paid During the Year for Interest	\$ 2,842	\$ 1,696

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

**Montgomery County Committee On Aging, Inc.**  
**dba Meals on Wheels Montgomery County**  
**Notes to Financial Statements**  
**September 30, 2015 and 2014**

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**NOTE 1 – Nature of Activities and Summary of Significant Accounting Policies**

Montgomery County Committee on Aging, Inc. (MCCA) dba Meals on Wheels Montgomery County was incorporated in Texas as a non-profit organization on March 1, 1973. Its purpose is to enhance the lives of senior adults and disabled citizens by enabling individuals to continue being an integral part of their community while keeping their independence, dignity and sense of well-being. Meals on Wheels Montgomery County (the “Organization”) maintains offices at two locations: Conroe and The Woodlands. Services provided include, but are not limited to, congregate meals, home-delivered meals, transportation, nutrition education, telephone reassurance, volunteer opportunities, house repair and dance club.

***Basis of Accounting***

The Organization uses the accrual basis of accounting. Revenues are recognized when they are earned. Expenses are recognized when they are incurred.

***Basis of Presentation***

The Organization is required to report information regarding its financial position and activities according to three classes of net assets:

- ***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 can be fulfilled by actions of the Organization pursuant to those stipulations or that expire by the passage of time.
- ***Permanently restricted net assets:*** Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of such assets permit the Organization to use all or part of the income earned on the assets.

In addition, the Organization is required to present a statement of cash flow.

***Contributions***

MCCA has adopted Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958-605, Revenue Recognition. Contributions received are recorded as unrestricted or temporarily restricted support, depending on the existence and/or nature of any donor restrictions. Donor restricted contributions whose restrictions are primarily met in the same reporting period are reported as unrestricted support.

**Montgomery County Committee On Aging, Inc.**  
**dba Meals on Wheels Montgomery County**  
**Notes to Financial Statements**  
**September 30, 2015 and 2014**

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Gifts of cash and other assets are reported as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Such donations are reported as unrestricted support unless the donor has temporarily restricted the donated assets to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as temporarily restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, MCCA reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. MCCA reclassifies temporarily restricted net assets to unrestricted net assets at that time.

MCCA receives various non-cash donations throughout the year including supplies, facilities, and volunteer hours. Non-cash donations are recorded as contributions at their estimated fair values at the date of donation. During the years ended September 30, 2015 and 2014, the value of the non-cash donations was \$326,427 and \$251,375, respectively.

***Contributed Services***

During the years ended September 30, 2015 and 2014, the value of contributed services meeting the requirements for recognition in the financial statements was \$126,504 and \$140,924, respectively. In addition, many other individuals volunteer their time and perform a variety of tasks that assist MCCA, but these services do not meet the criteria for recognition as contributed services under FASB ASC 958-605.

***Fair Value of Financial Instruments***

The carrying amounts reported in the statements of financial position for cash and cash equivalents approximate their fair value.

***Use of Estimates***

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

***Cash and Cash Equivalents***

For the purposes of the statement of cash flows, the Organization considers highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.



**Montgomery County Committee On Aging, Inc.**  
**dba Meals on Wheels Montgomery County**  
**Notes to Financial Statements**  
**September 30, 2015 and 2014**

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***Accounts and Contributions Receivable***

Accounts and contributions receivable is comprised of grants and other receivables. Grants receivable are stated as reimbursable expenditures due from the grantor. No allowance for bad debts is recorded as revenue received is from third party reimbursements with state and local government agencies.

***Concentration of Credit Risk***

The Organization maintains cash in deposit accounts with several federally insured banks. The cash balances at the financial institutions are insured by the Federal Deposit Insurance Corporation (FDIC insured) up to \$250,000 of the balance. At September 30, 2015 and 2014, the Organization had no amounts in excess of federally insured limits.

***Fixed Assets***

The Organization defines fixed assets as assets with an original cost of \$1,500 or more with the estimated useful life of more than one year. They are recognized at fair market value at the date of donation, or if purchased, at their cost. Maintenance and repairs are charged to expense and major improvements are capitalized. Depreciation is determined using the straight-line method at rates expected to amortize the cost or value of the depreciable assets over their estimated useful lives of three to ten years.

***Deferred Revenue***

Revenue from certain financial assistance is deferred and recognized over the periods to which the support relates. Deferred revenue has been recorded for unearned receipts in the amounts of \$-0- and \$40,666 as of September 30, 2015 and 2014, respectively.

***Income Taxes***

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Service Code and therefore has made no provision for federal income taxes in the accompanying financial statements.

***Functional Allocation of Expenses***

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Costs are allocated between supporting services or program services based on evaluations of the related benefits. Supporting services include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of MCCA.

**Montgomery County Committee On Aging, Inc.**  
**dba Meals on Wheels Montgomery County**  
**Notes to Financial Statements**  
**September 30, 2015 and 2014**

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***Subsequent Events***

The Organization has evaluated subsequent events through February 19, 2016, the date which the financial statements were available to be issued.

**NOTE 2 – Cash and Cash Equivalents**

Cash and cash equivalents on deposit included \$4,733 and \$11,403, respectively at September 30, 2015 and 2014 with various financial institutions.

**NOTE 3 – Accounts Receivable**

Accounts receivable consisted of the following at September 30:

	2015	2014
Community Development Block Grant	\$ 32,500	\$ 16,250
Houston-Galveston Area Council	93,453	91,801
Montgomery County	61,703	-
Texas Department of Transportation	62,664	40,143
Other Receivables	2,708	1,802
Allowance for Uncollectibles	-	-
Total Accounts Receivable, Net	\$ 253,028	\$ 149,996

**NOTE 4 – Fixed Assets**

Fixed assets consist of the following at September 30:

	2015	2014
Equipment	\$ 102,122	\$ 102,122
Furniture, Office Equipment, and Software	96,985	96,985
Vehicles and Equipment	507,381	587,731
	706,488	786,838
Accumulated Depreciation	(482,598)	(647,350)
Fixed Assets, Net	\$ 223,890	\$ 139,488

Depreciation expense for the years ended September 30, 2015 and 2014 amounted to \$74,314 and \$54,777, respectively.

**Montgomery County Committee On Aging, Inc.**  
**dba Meals on Wheels Montgomery County**  
**Notes to Financial Statements**  
**September 30, 2015 and 2014**

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**NOTE 5 – Line of Credit**

MCCA has a credit agreement with a commercial bank which provides a revolving line of credit bearing interest at 3.25% at September 30, 2015, payable monthly. The credit line provides for a maximum borrowing limit of \$100,000. The revolving credit line was renewed on September 20, 2015, and expires on September 20, 2016. At September 30, 2015 and 2014, MCCA had \$35,050 and \$-0- outstanding, respectively.

**NOTE 6 – Restricted Net Assets**

At September 30, 2015 and 2014, MCCA had temporarily restricted net assets of \$9,623 and \$19,188, respectively, which were restricted by the donors for various purposes.

**NOTE 7 – Operating Leases**

During July 2002, MCCA entered into a thirty-year (30) lease agreement with the City of Conroe for the building located at 1202 Callahan, Conroe, Texas. The City of Conroe has authorized a credit against the rent in return for services that MCCA provides to the community. Lease expenses and related donated rent totaled \$13,913 and \$13,913 for the years ended September 30, 2015 and 2014, respectively.

Additionally, the Organization has numerous cancelable operating leases for equipment with various expiration dates. In the normal course of business, the operating leases are generally renewed or replaced with other leases.

**NOTE 8 – Retirement**

MCCA offers its eligible employees the opportunity to participate in a contributory retirement plan. The plan is based on voluntary employee contributions. All employees are eligible to participate at any time as long as they are in accordance with the contributory retirement plan requirements. No employer contributions are made.

**NOTE 9 – Concentration of Support**

For the years ended September 30, 2015 and 2014, MCCA received forty-nine percent (49%) and fifty-two (52%) of its support from Houston-Galveston Area Council, Montgomery County, and Montgomery County United Way.

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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 of  
Montgomery County Committee on Aging, Inc.  
dba Meals on Wheels Montgomery County

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Montgomery County Committee on Aging, Inc. dba Meals on Wheels Montgomery County (a nonprofit organization), which comprise the statement of financial position as of September 30, 2015, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 19, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization'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 the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the organization'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 Montgomery County Committee on Aging, Inc. dba Meals on Wheels Montgomery County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other 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.

*Seefeld Lawson Moeller LLP*

Seefeld Lawson Moeller LLP  
Certified Public Accountants

The Woodlands, Texas  
February 19, 2016

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

To the Board of Directors of  
Montgomery County Committee on Aging, Inc.  
dba Meals on Wheels Montgomery County

Report on Compliance for Each Major Federal Program

We have audited Montgomery County Committee on Aging, Inc. dba Meals on Wheels Montgomery County's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Montgomery County Committee on Aging, Inc. dba Meals on Wheels Montgomery County's major federal programs for the year ended September 30, 2015. Montgomery County Committee on Aging, Inc. dba Meals on Wheels Montgomery County'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 the requirement of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Organization'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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe 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 the Organization's compliance.

Opinion on Each Major Federal Program

In our opinion, Montgomery County Committee on Aging, Inc. dba Meals on Wheels Montgomery County 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 September 30, 2015.

## Report on Internal Control Over Compliance

Management of Montgomery County Committee on Aging, Inc. dba Meals on Wheels Montgomery County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referenced to above. In planning and performing our audit of compliance, we considered the Organization'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 OMB Circular A-133, 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 Montgomery County Committee on Aging, Inc.'s dba Meals on Wheels Montgomery County 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 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 requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

*Seefeld Lawson Moeller LLP*

Seefeld Lawson Moeller LLP  
Certified Public Accountants

The Woodlands, Texas  
February 19, 2016



## **SUPPLEMENTARY INFORMATION**

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**Montgomery County Committee On Aging, Inc.**  
**dba Meals on Wheels Montgomery County**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended September 30, 2015**

Federal Grantor/Pass Thru Grantor Program Title	Federal CFDA #	Identifying Number	Expenditures
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT Passed Through Montgomery County Community Development: Community Development Block Grant Meals for Seniors	14.218		<u>\$ 65,000</u>
Total U.S. Department of Housing and Urban Development			<u>65,000</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES Passed Through Houston-Galveston Area Council: Special Programs for the Aging - Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	AAA13-000517	157,304
Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045	AAA13-000517	<u>378,213</u>
Total U.S. Department of Health and Human Services			<u>535,517</u>
U.S. DEPARTMENT OF TRANSPORTATION Passed Through the Texas Department of Transportation: Capital Assistance Program for Elderly Persons and Persons with Disabilities	20.513	51212F7167	<u>194,100</u>
Total U.S. Department of Transportation			<u>194,100</u>
Total Expenditures of Federal Awards			<u><u>\$ 794,617</u></u>

**Montgomery County Committee On Aging, Inc.  
 dba Meals on Wheels Montgomery County  
 Notes To Schedule of Expenditures of Federal Awards  
 For the Year Ended September 30, 2015**

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**NOTE 1 – Basis of Accounting**

The accompanying schedule of expenditures of federal awards includes the activity of Montgomery County Committee on Aging, Inc. dba Meals on Wheels Montgomery County and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, “Audits of States, Local Governments, and Non-Profit Organizations.” Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**NOTE 2 – Non-Cash and Loans**

There were no federal awards expended in the form of non-cash assistance or insurance and there were no federal program loans or loan guarantees outstanding at year end.

**NOTE 3 – Insurance**

<b>Insurance Type</b>	<b>Coverage</b>
Workers Compensation	\$1,000,000 coverage for accident and disease per accident or employee and \$1,000,000 for injury by disease limit
Commercial	\$3,000,000 general aggregate limits of liability; \$1,000,000 bodily injury and property damage liability on any one occurrence subject to the general aggregate limits of liability; \$1,000,000 personal and advertising injury liability on any one person or organization subject to the general aggregate limits of liability; \$100,000 due to damage to premises that are rented; \$5,000 in medical payments with any one person subject to general aggregate limits; \$1,000,000 abuse/molestation liability; \$1,000,000 employee benefit liability
Excess/Umbrella	\$3,000,000 annual aggregate limit for underlying coverage for automobile, general liability, worker’s compensation, abuse/molestation, and employee benefit liability
Business Property	\$5,000 personal property New Caney location \$5,000 personal property Magnolia location \$350,000 personal property The Woodlands location \$200,000 personal property Conroe location
Directors and Officers Liability	\$1,000,000 maximum aggregate limit of liability for employment practices claims
Fuel Clean Up Bond	\$10,000
Commercial Crime	\$100,000 per occurrence for employee theft, forgery or alteration, on premises, in transit, money orders & counterfeit currency, computer fraud, funds transfer fraud, client coverage, and expense coverage
Commercial Inland Marine (Computer Coverage)	\$44,001 Magnolia location \$45,001 South County location \$115,000 Conroe location



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