

**MOVEABLE FEAST, INC.**

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**FINANCIAL STATEMENTS**

**Year Ended December 31, 2017  
AND  
INDEPENDENT AUDITORS' REPORT**

## TABLE OF CONTENTS

<b>Description</b>	<b>Pages</b>
Independent Auditors' Report	1 – 2
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expense	5
Statement of Cash Flows	6
Notes to Financial Statements	7 – 17

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Moveable Feast, Inc.

We have audited the accompanying financial statements of Moveable Feast, Inc., which comprise the statement of financial position as of December 31, 2017, and the related statements of activities, functional expenses, and cash flows for the year 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.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on its 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***

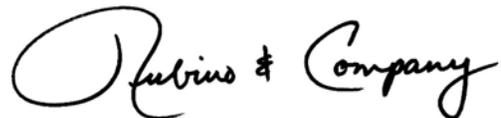
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Moveable Feast, Inc. as of December 31, 2017, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Correction of Error***

As described in Note 14 to the financial statements, Moveable Feast discovered certain errors and restated (decreased) its net assets as of January 1, 2017, by approximately \$569,000. Our opinion is not modified with respect to this matter.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 1, 2018, on our consideration of Moveable Feast'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 its 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 Moveable Feast, Inc.'s internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Rubins & Company". The signature is written in a cursive, flowing style.

October 1, 2018  
Bethesda, Maryland

**MOVEABLE FEAST, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**December 31, 2017**

**ASSETS**

Cash and cash equivalents	
Unrestricted	\$ 2,009,420
Restricted - capital campaign	<u>516,385</u>
Total cash and cash equivalents	2,525,805
Accounts and other receivables	475,149
Pledge receivable - capital campaign, net of discount	200,127
Inventory - food	10,567
Prepaid and other	<u>2,220</u>
Total current assets	3,213,868
Investments, at market	323,809
Property and equipment, net	1,981,617
Security Deposit	<u>9,434</u>
Total assets	<u><u>\$ 5,528,728</u></u>

**LIABILITIES AND NET ASSETS**

Accounts payable	\$ 175,361
Accrued expenses	<u>110,556</u>
Total liabilities	<u>285,917</u>
Net assets	
Unrestricted	
General	4,189,602
Board Designated	<u>269,000</u>
Total unrestricted net assets	4,458,602
Temporarily restricted	<u>784,209</u>
Total net assets	<u>5,242,811</u>
Total liabilities and net assets	<u><u>\$ 5,528,728</u></u>

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

**MOVEABLE FEAST, INC.**  
**STATEMENT OF ACTIVITIES**  
**Year Ended December 31, 2017**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenue and Support			
Government grants	\$ 1,582,839	\$ -	\$ 1,582,839
Contributions and non-government grants	269,548	297,620	567,168
In-kind donations	878,053	-	878,053
Special events, net of \$171,941 direct costs	652,030	-	652,030
Contracted services	730,523	-	730,523
Interest and other income	32,941	-	32,941
Net assets released from restrictions	<u>229,924</u>	<u>(229,924)</u>	<u>-</u>
Total revenue and support	<u>4,375,858</u>	<u>67,696</u>	<u>4,443,554</u>
Expenses			
Program services	3,561,564	-	3,561,564
Supporting services			
General and administrative	461,856	-	461,856
Fundraising	<u>550,646</u>	<u>-</u>	<u>550,646</u>
Total expenses	<u>4,574,066</u>	<u>-</u>	<u>4,574,066</u>
Changes in net assets from operations	(198,208)	67,696	(130,512)
Non-operating activity			
Capital Campaign donor restricted gifts	-	639,202	639,202
Net assets released from restrictions to fund building improvements	<u>1,484,594</u>	<u>(1,484,594)</u>	<u>-</u>
Total non-operating activity	<u>1,484,594</u>	<u>(845,392)</u>	<u>639,202</u>
Changes in net assets	<u>1,286,386</u>	<u>(777,696)</u>	<u>508,690</u>
Net assets beginning of year, as previously report	3,436,361	1,866,479	5,302,840
Prior period adjustments	<u>(264,145)</u>	<u>(304,574)</u>	<u>(568,719)</u>
Net assets beginning of year, as restated	<u>3,172,216</u>	<u>1,561,905</u>	<u>4,734,121</u>
Net assets, end of year	<u>\$ 4,458,602</u>	<u>\$ 784,209</u>	<u>\$ 5,242,811</u>

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

**MOVEABLE FEAST, INC.**  
**SCHEDULE OF FUNCTIONAL EXPENSES**  
**Year Ended December 31, 2017**

	Program Services	General and Administrative	Fundraising	Total
Salaries and related benefits	\$ 1,197,745	\$ 224,788	\$ 360,734	\$ 1,783,267
Professional fees and contracted services	41,544	36,096	11,947	89,587
Contract labor	55,200	21,463	-	76,663
Advertising	4,442	1,294	3,318	9,054
Community relations expense	-	3,766	-	3,766
Staff expense	3,593	392	599	4,584
Insurance	48,473	7,861	5,699	62,033
Leased equipment	10,239	1,116	1,706	13,061
Meeting costs	64	4,933	969	5,966
Staff development	8,461	4,952	2,685	16,098
Permits and licenses	1,280	896	3,695	5,871
Postage and publications	372	5,823	2,293	8,488
Marketing and development	-	-	45,401	45,401
Printing	1,924	1,531	11,974	15,429
Supplies	28,168	43,661	21,848	93,677
Computer equipment and software costs	18,176	1,981	3,029	23,186
Telephone and internet costs	15,298	1,667	2,550	19,515
Rent	8,400	-	-	8,400
Lodging and venue costs	-	-	12,923	12,923
Utilities	112,220	21,581	10,071	143,872
Dues and subscriptions	1,166	5,558	-	6,724
Kitchen, food & disposables	1,191,053	1,663	244	1,192,960
Donated services	592,268	-	191,510	783,778
Equipment repairs	56,380	5,878	-	62,258
Transportation	40,074	4,047	17,691	61,812
Bank and credit card fees	-	1,380	481	1,861
Depreciation expense	125,024	24,044	11,220	160,288
Bad debt expense	-	35,485	-	35,485
Sub-total	3,561,564	461,856	722,587	4,746,007
Less: expenses netted against revenues on statement of activities for special event costs	-	-	(171,941)	(171,941)
Total expenses	<u>\$ 3,561,564</u>	<u>\$ 461,856</u>	<u>\$ 550,646</u>	<u>\$ 4,574,066</u>

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

**MOVEABLE FEAST**  
**STATEMENT OF CASH FLOWS**  
**Year Ended December 31, 2017**

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<b>Cash flows from operating activities:</b>	
Change in net assets	\$ 508,690
Reconciling adjustments:	
Depreciation and amortization	160,288
Net realized and unrealized losses on marketable securities	11,280
Receipt of contributed securities and assets	(22,061)
Changes in operating assets and liabilities:	
Inventory - food	4,601
Accounts receivables	(147,111)
Pledges receivable - capital campaign	173,909
Prepaid expenses	(150)
Accounts payables	112,054
Accrued expenses	<u>4,407</u>
Net cash provided by operating activities	<u>805,907</u>
<b>Cash flows from investing activities:</b>	
Purchases of investments	(39,008)
Acquisition of property and equipment	<u>(1,408,404)</u>
Net cash provided by investing activities	<u>(1,447,412)</u>
Net decrease in cash and cash equivalents	(641,505)
Cash and cash equivalents, beginning of year	<u>3,167,310</u>
Cash and cash equivalents, end of year	<u><u>\$ 2,525,805</u></u>

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

**MOVEABLE FEAST, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2017**

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**1. Organization**

Moveable Feast, Inc. (the Organization) is a nonprofit, non-stock corporation founded in 1989 and incorporated under the laws of the State of Maryland. The Organization provides nutritious foods and other services in order to preserve quality of life for people with HIV/AIDS and other life-threatening conditions. Now in its 28th year, the Organization continues to deliver medically-tailored, nutritious meals through its Home Delivered Meals Program to its neighbors in need while significantly and strategically expanding in the following areas:

- Service offerings now include Medical Nutrition Therapy with its registered dietitians; the Community Partners Meal Program which provides nutritious meals to shelters, drop-in centers, senior centers, and other agencies in the Baltimore area; Medical Transportation to clinical appointments; and the focus of this proposal, the Culinary Apprentice Training Program.
- It has broadened program eligibility beyond HIV/AIDS to include cancers and all other chronic, life-threatening diseases such as renal failure, advanced diabetes, and heart disease.
- The service area has grown substantially, expanding beyond Baltimore City to include the five surrounding counties and the entire nine counties comprising Maryland's Eastern Shore.
- The Organization created the Culinary Apprentice Training Program to provide its struggling neighbors with the skills and experience needed to obtain stable, family-sustaining employment. Now in its 13th year, it is one of Baltimore's longest-running and most successful culinary workforce development programs. The Program targets individuals who are currently unemployed or severely under-employed, and who may face a variety of challenges including a broken or nonexistent work history, a criminal record, or a history of trauma, homelessness, or substance abuse. For those working to overcome such obstacles, the Culinary Apprentice Training Program offers the opportunity to gain valuable skills and build self-confidence while receiving the support needed to obtain substantive employment.

All services are provided at no cost to those the Organization serves and specifically cater to the severely ill, the extremely poor, and those facing barriers to employment. Focused on creating healthier and more hopeful communities, Moveable Feast ensures that the men, women, and children serviced are armed with the ammunition they need to best fight their illnesses or the training they need to succeed.

The Organization also prepares and delivers healthy, nutritional meals to various Drop-In Centers in Baltimore City. These centers provide services to persons living in Baltimore who are experiencing homelessness and infected and affected by HIV/AIDS.

**MOVEABLE FEAST, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2017**

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**2. Significant Accounting Policies**

Basis of Accounting

The accompanying financial statements are presented in accordance with the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates.

Tax Status

Moveable Feast, Inc. is a publicly-supported organization, exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, except as to income from unrelated business activities, if any. Tax years ended December 31, 2014 through 2016, remain open to examination by the taxing jurisdictions to which the Organization is subject, and they have not been extended beyond the applicable statute of limitations.

Uncertainty in Income Taxes

Moveable Feast, Inc. has a process in place to ensure the maintenance of its exempt-status; to identify and report unrelated business income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions. The Organization has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements.

Cash and Cash Equivalents

Cash includes interest and non-interest bearing operating accounts with insured financial institutions. Deposits often exceed federally insured limits. Management, however, does not consider this a significant concentration of credit risk. Cash equivalents at December 31, 2017, include money market accounts. Cash and cash equivalents exclude such amounts included with the investment pool as those funds are part of the investment strategy and portfolio.

**MOVEABLE FEAST, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2017**

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**2. Significant Accounting Policies (continued)**

Investments

Investments purchases are recorded at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair market value in the statements of financial position. Net investment return (loss) is reported in the statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses.

Accounts and Grants Receivables

Accounts receivable consist primarily of noninterest-bearing amounts due for contracted services and are carried at original invoice amount less an estimate of doubtful receivables based on a review of all outstanding amounts. The Organization determines the allowance for uncollectable accounts receivable based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Accounts receivable are written off when deemed uncollectable. Accounts receivable are deemed to be fully collectible; therefore, no allowance for doubtful accounts is recorded as of December 31, 2017.

Pledges and Contributions Receivable

Pledges and contributions receivable represent unconditional promises to give from various contributors. The pledges and contributions that are collectible greater than one year are discounted at 3.25% as of December 31, 2017. Moveable Feast, Inc. records an allowance for doubtful accounts equal to estimated losses that will be incurred in the collection of receivables. The estimated losses are based on historical collection experience and the review of the current status of existing receivables. For the year ended December 31, 2017, the allowance for doubtful accounts was \$131,283.

**MOVEABLE FEAST, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2017**

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**2. Significant Accounting Policies (continued)**

Inventory

Inventory consists of food and other kitchen supplies and is stated at cost. Cost is determined using the first-in, first-out (FIFO) method.

Property and Equipment

The Organization records property and equipment additions over \$1,000 at cost, or if donated, at fair value on the date of donation. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets ranging from three to thirty years, or in the case of capitalized leased assets or leasehold improvements, the lesser of the useful life of the asset or the lease term. When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any resulting gain or loss is included in the statements of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are currently expensed.

Revenue Recognition

*Support and Revenue*

Contributions received are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a temporary restriction expires, that is, when some stipulated time restriction ends or purpose of the restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the accompanying statements of activities and changes in net assets as net assets released from restrictions. Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as unrestricted contributions.

Revenue from government grants and contracts is recognized when reimbursable expenses are incurred under terms of the related contracts or based on some predetermined rate. For government grants, expenses incurred in excess of funds collected are reflected as grants receivable and payments in excess of qualified expenses are accounted for as deferred revenue.

**MOVEABLE FEAST, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2017**

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**2. Significant Accounting Policies (continued)**

*Capital Campaign Contributions*

During the year ended December 31, 2014, the Organization initiated the Capital Campaign to raise \$2.5 million for capital improvements and renovations. Contributions for the Capital Campaign are maintained in restricted cash accounts as reported on the statement of financial position. The contributions and expenditures related to the Campaign are reported as non-operating activities on the statement of activities due to the nature of the Campaign. There were pledges outstanding for the Campaign for the year ended December 31, 2017 (Note 4).

*Donated Services and In-Kind Contributions*

Donated Services are recognized as contributions if the services (a) create or enhance a nonfinancial asset or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. The Organization received donated services for professional legal services and from a variety of unpaid volunteers assisting in preparing and delivering meals. In 2017, volunteers donated approximately 28,000 hours to the Organization.

Donated services meeting the requirements for recordation in the financial statements have been recorded at the respective fair values of the services received. Contributed goods are recorded at fair value at the date of donation (Note 11).

Advertising Costs

Advertising costs are expensed as incurred, and approximated \$9,054 during the year ended December 31, 2017.

Net Assets

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

- *Unrestricted Net Assets* – Net assets available for use in general operations. Unrestricted board-designated net assets consist of net assets designated by the Board of Directors for operating reserve and for future capital improvements.
- *Temporarily Restricted Net Assets* – Net assets subject to donor restrictions that may or will be met by expenditures or its actions and/or the passage of time.

**MOVEABLE FEAST**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2017**

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**2. Significant Accounting Policies (continued)**

Functional Expense Allocations

The costs of providing various programs and other activities of the have been summarized on a functional basis in the statement of activities. Expenses are allocated among the programs and supporting services based upon the functions they directly benefit and management's estimates of overhead and other indirect expenses applicable to each function, using primarily direct labor costs.

Subsequent Events

The Organization evaluated the accompanying financial statements for subsequent events and transactions through October 1, 2018, the date these financial statements were available for issue and have determined that no material subsequent events have occurred that would affect the information presented in the accompanying financial statements or require additional disclosure.

**3. Investments**

Investments at fair value consist of the following at December 31, 2017:

	Fair Value Levels (Note 13)	
Mutual funds	1	\$ 184,728
Fixed annuities	2	<u>139,081</u>
 Total investments		 <u>\$ 323,809</u>

Investments are reported at fair values at year-end. See Note 13 for a discussion of fair value measurements. The investments are subject to market risks, and their values fluctuate daily. Due to the level of risk associated with investment securities, changes in the values of investment securities will occur in the near term, and such changes could materially affect the Organization's financial position.

Investment return is comprised of the following for the years ended December 31, 2017:

		<u>2017</u>
Interest and dividend income	\$	41,568
Net realized and unrealized gains		<u>(11,280)</u>
 Net investment return	 \$	 <u>30,288</u>

**MOVEABLE FEAST**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2017**

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**4. Pledges Receivable**

Pledges receivable for the Capital Campaign (Note 2) as of December 31, 2017 included the following unconditional promises to give:

Amount due within one year	\$	323,233
Amounts due in one to five years		15,000
		338,233
Less: discount to net present value at a rate of 3.25%		(6,823)
Less: allowance for uncollectable promises to give		(131,283)
		\$ 200,127

**5. Property and Equipment**

Property and equipment consist of the following at December 31, 2017:

Buildings and improvements	\$	1,827,081
Kitchen equipment		459,878
Transportation equipment		425,083
Furniture and fixtures		284,273
		2,996,315
Less: accumulated depreciation and amortization		(1,014,698)
		\$ 1,981,617

Depreciation expense totaled \$160,288 for the year ended December 31, 2017.

**MOVEABLE FEAST**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2017**

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**6. Conditional Promise to Give**

The Organization have a conditional promise from Historic East Baltimore Community Action Coalition (HEBCAC) for \$850,000, related to the ownership interest in the 901 N. Milton Avenue building it currently resides. At the end of the tax credit period of seven years, HEBCAC was to determine the ownership interest the Organization would obtain and how that transaction would be executed. During the year ended December 31, 2016, the tax credit period ended. Management is currently working with HEBCAC to determine the ownership interest to be recorded. Through October 1, 2018, no agreement with HEBCAC had been established. See Note 8 regarding rental and maintenance charges for the year ended December 31, 2017.

**7. Line of Credit**

The Organization have a line of credit up to \$100,000 as of December 31, 2017. There was no outstanding balance on the line of credit as of December 31, 2017. The interest rate on the line of credit is variable, based on the prime rate. As of December 31, 2017, the rate was 4.50%.

**8. Leases**

Moveable Feast leased its kitchen facilities and office facilities through a seven-year lease beginning in December 2007. The base rent was \$55,404, with a 3% escalation clause each year. During the year ended December 31, 2014, the lease expired which resulted in a month to month lease with CAM (common area maintenance) charges only until new terms are negotiated. CAM charges totaled approximately \$126,000 at December 31, 2017 and were included with utilities expense.

In addition, the Organization has a month-to-month lease agreement with an unrelated entity. Rent expense for the year ended December 31, 2017 totaled \$8,400.

**9. Temporarily Restricted Net Assets**

Temporarily restricted net assets were designated by donors for the following purposes as of December 31, 2017:

Capital Campaign (Note 2)	\$	716,513
Foundation grants		<u>67,696</u>
	\$	<u><u>784,209</u></u>

**MOVEABLE FEAST**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2017**

**9. Temporarily Restricted Net Assets (continued)**

Temporarily restricted net assets were released from restrictions as follows during the year ended December 31, 2017:

Temporarily Restricted Net Assets - December 31, 2016, as restated (Note 14)	\$1,561,905
Operating Activities	
Temporarily restricted foundation grants	297,620
Foundation grants released from restriction	(229,924)
Non-operating Activities	
Capital Campaign designated gifts (Note 2)	639,202
Capital Campaign net assets released from restrictions for use in building improvements (Note 2)	<u>(1,484,594)</u>
Temporarily Restricted Net Assets - December 31, 2017	<u>\$ 784,209</u>

**10. Board-Designated Unrestricted Net Assets**

The Board of Directors of Moveable Feast, Inc. designated \$269,000 for the Capital Campaign (Note 2) in support of renovations and improvements for the year ended December 31, 2017.

**11. Donated Services and In-Kind Contributions**

Moveable Feast, Inc. received donated professional services and materials as follows during the year ended December 31, 2017:

	Program Services	Management and General	Fundraising and Development	Total
Kitchen services	\$ 592,268	\$ -	\$ -	\$ 592,268
Special event services	-	-	191,510	191,510
Legal services	-	27,802	-	27,802
Food	29,434	-	-	29,434
Supplies	37,039	-	-	37,039
	<u>\$ 658,741</u>	<u>\$ 27,802</u>	<u>\$ 191,510</u>	<u>\$ 878,053</u>

**MOVEABLE FEAST**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2017**

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**12. Retirement Plan**

The Organization sponsors a tax-deferred annuity plan (the Plan) qualified under Section 403(b) of the Internal Revenue Code covering substantially all full-time employees. The plan provides that employees may voluntarily contribute their earnings to the Plan, up to the maximum contribution allowed by the IRS. Employer contributions are discretionary and are determined and authorized by the Board of Directors each plan year. During the year ended December 31, 2017, the Organization matched employee voluntary contributions up to 3% of eligible compensation; total contributions was \$28,635.

**13. Fair Value Measurements**

The Organization reports its fair value measures using a three-level hierarchy that prioritizes the inputs used to measure fair value. This hierarchy, established by generally accepted accounting principles, 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 fair value hierarchy is as follows:

- Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities that the Association 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;
  - Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

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

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

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

**MOVEABLE FEAST**  
**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended December 31, 2017**

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**13. Fair Value Measurements (continued)**

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported as of the end of the reporting period. For the year ended December 31, 2017, there was no significant transfers in or out of levels 1, 2 or 3.

The following is a description of the valuation methodologies used for assets measured at fair value:

- Investments in *mutual funds* (Notes 2 and 3) are valued at net asset value, reported daily in the active exchanges, of shares held by the Association at year-end. Such securities are classified within Level 1 of the valuation hierarchy.
- Investments in *fixed annuities* (Notes 2 and 3) are valued at cost, plus fixed account guaranteed interest specified in the annuity contract. Such securities are classified within Level 2 of the valuation hierarchy.

**14. Prior Period Adjustment**

Moveable Feast, Inc. restated its net assets as of December 31, 2016, for the following errors discovered during fiscal year December 31, 2017:

Increase in unrestricted net assets due to incorrect recording of accounts payable and utilities expense in 2016	\$ 16,008
Increase in unrestricted net assets due to capitalization of an asset incorrectly expensed in 2016	76,123
Decrease in unrestricted net assets due to unsubstantiated liability, receivable and prepaids charges in 2016	(67,451)
Decrease in unrestricted net assets due to correction of payroll related liabilities in 2016	(69,795)
Decrease in unrestricted net assets due to corrections of accounts receivable for uncollectible amounts in 2016	(23,604)
Decrease in unrestricted net assets due to Capital Campaign contributions incorrectly recorded in 2016	(195,426)
Decrease in temporarily restricted net assets due to Capital Campaign contributions incorrectly recorded in 2016	<u>(304,574)</u>
Total decrease in previously reported net assets at December 31, 2016	<u>\$ (568,719)</u>

**MOVEABLE FEAST, INC.**

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**UNIFORM GRANT GUIDANCE  
SUPPLEMENTAL FINANCIAL REPORT  
Year Ended December 31, 2017**

## TABLE OF CONTENTS

<b>Description</b>	<b>Page</b>
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	1 – 2
Independent Auditors' Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by Uniform Guidance	3 – 5
Independent Auditors' Report on the Schedule of Expenditures of Federal Awards Required by Uniform Guidance	6
Schedule of Expenditures of Federal Awards	7
Notes to Schedule of Expenditures of Federal Awards	8
Schedule of Findings and Questioned Costs	9 – 13
Summary Schedule of Prior Audit Findings	14

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

To the Board of Directors of  
Moveable Feast, Inc.

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 Moveable Feast, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2017, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 1, 2018.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Moveable Feast Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Moveable Feast Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Moveable Feast Inc.'s internal control.

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

Our consideration of the 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a deficiency in internal control that we consider to be a material weakness, described in the accompanying schedule of findings and questioned costs as item 2017-001.

## **Compliance and Other Matters**

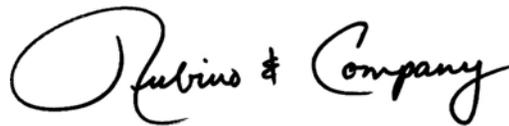
As part of obtaining reasonable assurance about whether Moveable Feast Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and 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*.

## **Moveable Feast, Inc.'s Response to Finding**

Moveable Feast, Inc.'s response to the finding identified in our audit is described the accompanying schedule of findings of questioned costs. Moveable Feast, Inc.'s response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Rubins & Company". The signature is written in a cursive, flowing style.

October 1, 2018  
Bethesda, Maryland



## **INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors  
Moveable Feast, Inc.

### **Report on Compliance for Each Major Federal Program**

We have audited the Moveable Feast, Inc.'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 the Organization's major federal programs for the year ended December 31, 2017. The Organization's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

#### ***Management's Responsibility***

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

#### ***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of Moveable Feast, Inc.'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 Moveable Feast, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Moveable Feast, Inc.'s compliance.

### ***Opinion on Each Major Federal Program***

In our opinion, the Moveable Feast, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2017.

### **Other Matters**

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2017-002. Our opinion on the major program is not modified with respect to this matter.

Moveable Feast, Inc.'s response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings of questioned costs. Moveable Feast, Inc.'s response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### **Report on Internal Control Over Compliance**

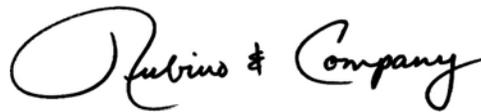
Management of Moveable Feast, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Moveable Feast, Inc.'s internal control over compliance 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 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 the Moveable Feast, Inc.'s internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal 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. However, we did identify a certain deficiency in internal control over compliance as described in the accompanying schedule of findings and questioned costs as item 2017-002 that we consider to be a significant deficiency.

Moveable Feast, Inc.'s response to the internal control over compliance findings identified in our audit is described the accompanying schedule of findings of questioned costs. Moveable Feast, Inc.'s response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.

The image shows a handwritten signature in black ink that reads "Rubins & Company". The signature is written in a cursive, flowing style.

October 1, 2018  
Bethesda, Maryland



**INDEPENDENT AUDITORS' REPORT ON THE  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors  
Moveable Feast, Inc.

We have audited the financial statements of the Moveable Feast, Inc. as of and for the year ended December 31, 2017, and have issued our report thereon dated October 1, 2018, which contained an unmodified opinion on those financial statements. 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 is presented for the purposes of additional analysis as required by the Uniform Guidance 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 schedule of expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

*Rubino & Company*

October 1, 2018  
Bethesda, Maryland

**MOVEABLE FEAST, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ended December 31, 2017**

<u>Federal Grantor/Pass-Through Program</u>	<u>Federal CFDA Number</u>	<u>Agency or Pass- Through Number</u>	<u>Federal Expenditures</u>
Department of Housing and Urban Development:			
Direct Awards			
		4000 490916 3573	
Housing Opportunity for People With AIDS (HOPWA)	14.241	333670 603051	\$ 133,785
Department of Agriculture			
Passthrough Maryland Department of Human Resources			
Emergency Food Assistance Program	10.569	Unknown	23,484
Department of Health and Human Services			
Passthrough Baltimore City Health Department			
Passthrough Associated Black Charities, Inc.			
Ryan White Part A	93.914	16-2482/17-2482	<u>927,043</u>
Total Expenditures of Federal Awards			<u>\$ 1,084,312</u>

The accompanying notes are an interegral part of this schedule.

**MOVEABLE FEAST, INC.**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ended December 31, 2017**

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**1. Basis of Presentation and Use of Estimates**

The schedule of expenditures of federal awards is presented using the accrual basis of accounting. The schedule of expenditures of federal awards includes cost reimbursable contracts and grants from the federal government which, for the year ended December 31, 2017, were primarily from the Department of Health and Human Services. This information 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). Therefore, some amounts presented in the schedules may differ from amounts presented in, or used in the preparation of, the financial statements. The principal estimates and assumptions used in the preparation of the accompanying schedule relate to cost allowability and allocability (see Note 2). Actual results could differ from those estimates.

Federal CFDA numbers are included in the schedule of expenditures of federal awards only for the grants and contracts for which information is available. When CFDA numbers are not available, the Federal agency prefix is included with the prime contract or other identifying number.

**2. Government Audits**

The allowability of certain costs under government contracts and grants is subject to audit by the contracting agency. Certain indirect costs charged to contracts and grants are subject to revisions based on government audits of those costs. Management believes that contracts and grant costs are consistent with applicable government cost principles, and that costs subsequently disallowed, if any, upon audit by the government would not be material.

**3. Indirect Cost Rate**

Moveable Feast, Inc. does not use the ten percent de minimis indirect cost rate allowed by the Uniform Guidance. Instead, Moveable Feast uses its agreed upon costs rate as specified in its Federal awards.

**MOVEABLE FEAST, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Year Ended December 31, 2017**

---

**SECTION A – SUMMARY OF AUDITORS’ RESULTS**

***Financial Statements***

- |  |            |
|--|------------|
| 1. Type of auditors’ report issued:  | Unmodified |
| 2. Internal control over financial reporting:  |            |
| a. Material weakness(es) identified?   | Yes        |
| b. Significant deficiency(ies) identified that are not considered to be material weakness(es)? | No         |
| 3. Noncompliance material to financial statements noted?                                       | No         |

***Federal Awards***

- |   |                               |                     |
|---|-------------------------------|---------------------|
| 4. Internal control over major programs:  |                               |                     |
| a. Material weakness(es) identified?  | No                            |                     |
| b. Significant deficiency(ies) identified that are not considered to be material weakness(es)?                | Yes                           |                     |
| 5. Type of auditor’s report issued on compliance for major programs:  | Unmodified                    |                     |
| 6. Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)? | Yes – Part C of this Schedule |                     |
| 7. Identification of Major Programs:  |                               |                     |
| <u>Federal Grantor/Program Title</u>  | <u>CFDA No.</u>               | <u>Expenditures</u> |
| Department of Health and Human Services:  |                               |                     |
| Passthrough Baltimore City Health Department  |                               |                     |
| Passthrough Associated Black Charities, Inc.  |                               |                     |
| Ryan White Part A   | 93.914                        | \$ 927,043          |
| 8. Dollar threshold used to distinguish between Type A and Type B programs                                    |                               | \$ 750,000          |
| 9. Auditee qualified as low-risk auditee?   |                               | No                  |

**MOVEABLE FEAST, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Year Ended December 31, 2017**

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**SECTION B – FINANCIAL STATEMENT FINDINGS**

**MATERIAL WEAKNESS**

**2017-001**

**Prior Period Adjustments**

**Criteria:** The financial statements must be prepared in accordance with Generally Accepted Accounting Principles.

**Condition:** During the year-ended December 31, 2017, the following errors were discovered during the audit:

Correction of error in reporting contributions and related receivables	\$ 592,016
Failure to record property and equipment additions	(76,123)
Correction of error in accounts payable and accrued liabilities	<u>52,826</u>
Total decrease of previously reported net assets	<u>\$ 568,719</u>

**Context:** During our testing of beginning balances and discussions with management, we discovered the errors listed above.

**Effect:** Due to the above misstatements, correcting entries were made to restate the beginning net assets.

**Cause:** Certain transactions seemed not to have been properly reported in accordance with Generally Accepted Accounting Principles.

**Recommendation:** We recommend that management review the existing closing procedures and controls around financial reporting to ensure misstatements do not occur. When a transaction is unusual, proper research should be performed to account for it in accordance to available technical guidance. This will allow for an accurate and complete reporting during the month-end and year-end closing.

**MOVEABLE FEAST, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Year Ended December 31, 2017**

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2017-001 (continued)

**Management's Response:**

The Board hired a new Finance Director/CFO with the requisite experience and expertise to ensure transactions are recorded and reported properly. The Board also bid its audit services and retained a highly competent firm to perform the annual audit and Single Audit.

The new Finance Director/CFO performed a thorough review of 2016 and 2017, identified the prior period adjustments required to correctly report 2016, and prepared detailed workpapers for the new auditor to facilitate the correction of the prior year.

**MOVEABLE FEAST, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Year Ended December 31, 2017**

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**SECTION C – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

**SIGNIFICANT DEFICIENCIES AND NONCOMPLIANCE**

**2017-002 - Allowable Costs/Cost Principles - Compensation**

**Program:** CFDA 93.914, Passthrough from Associated Black Charities, Inc., Ryan White Part A

**Criteria:** Costs of compensation are allowable to the extent that they satisfy specific requirements including 1) the total compensation for individual employees is reasonable for the services rendered 2) is based on records that accurately reflect the work performed and are supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable and properly allocated and 3) the controls are consistently applied to both Federal and non-Federal activities.

**Condition:** Moveable Feast administers Ryan White Part A, a federal passthrough grant from the Baltimore City Health Department. Ryan White Part A is a discretionary grant that provides payment of direct and indirect costs on a cost reimbursable basis. The grant allows for up to 10% of the total grant to be used for administrative costs of the program.

Moveable Feast currently does not require or maintain timesheets to record staff hours, but rather labor hours and related wages are allocated based on the employee's set compensation rate and according to allocation percentages of his/her role, administrative or program related, adjusted on a monthly basis by program management.

**Context:** During our testing of payroll expense allocation to the Federal award, we reviewed the payroll allocation procedures currently in place for the Federal award.

**Effect:** Cost principles detailed in the Code of Federal Regulations establish requirements specific to the financial management of federal grant funds. Generally, the reimbursement of salaries and compensation requires that the time charged be supported by complete and accurate records of employee time and effort. Accordingly, Moveable Feast, Inc.'s current process does not comply with the stated requirements. Within a federal program, failure to properly allocate payroll to cost objectives in accordance with actual activities can result in unallowable costs.

**Cause:** Moveable Feast has not implemented a timesheet system for tracking labor costs charged to Federal awards.

**Questioned Cost:** None

**MOVEABLE FEAST, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Year Ended December 31, 2017**

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2017-002 Allowable Costs/Costs Principles – Compensation (continued)

**Recommendation:** Moveable Feast, Inc. should use timesheets to record employee time to include the function/activity performed for the hours submitted. All timesheets should be reviewed for accuracy and approved by a supervisor. Once approved, timesheets should be submitted to the Chief Financial Officer, for final review and approval.

A system should also be implemented and maintained to produce a labor distribution report to document and to allow for the recording of labor cost to Moveable Feast, Inc.'s programs and functions.

**Management's Response:**

Moveable Feast, Inc. uses allocation of time rather than time sheets to record compensation costs for its federal awards. While the allocation of time methodology has met prior auditor standards, it is best practice to use time sheets to record compensation costs for Federal awards. Moveable Feast, Inc. will implement time sheets for its recordation of compensation costs charged to its Federal awards. The Accounting Office will work with Operations personnel to develop a time sheet process and procedures that will be implemented as part of the biweekly payroll recordation process.

**MOVEABLE FEAST, INC.**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**Year Ended December 31, 2017**

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This schedule has not been prepared as there were no findings identified in the prior year audit.



**Moveable Feast, Inc.  
Corrective Action Plan  
Year Ended December 31, 2017**

**U.S. Department of Health and Human Services**

Moveable Feast respectfully submits the following corrective action plan for the year ended December 31, 2017.

**Name and address of independent public accounting firm:**

Rubino & Company, Chartered  
6903 Rockledge Drive Suite 1200  
Bethesda, Maryland 20817

**Audit period: January 1, 2017 through December 31, 2017.**

The findings from the December 31, 2017 schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

Financial Statement Findings

**B2017-001- Prior Period Adjustments**

1. Describe action plan:

The Board hired a new Finance Director/CFO with the requisite experience and expertise to ensure transactions are recorded and reported properly. The Board also bid its audit services and retained a highly competent firm to perform the annual audit and single audit.

The new Finance Director/CFO performed a thorough review of 2016 and 2017, identified the prior period adjustments required to correctly report 2016, and prepared detailed work papers for the new auditor to facilitate the correction to the prior year.

The new Finance Director/CFO ensured 2017 transactions were recorded and reported correctly and put procedures in place to ensure proper recordation and reporting of transactions moving forward.

2. Communications/training:

Not applicable

3. Direct and indirect workers onsite contractors/suppliers:

Not applicable

4. Activity and impact measurements:

Not Applicable

5. Accountable owner:

Finance Director/CFO

6. Target completion date:

September 30, 2018

7. Remote verification:

Not applicable

8. Progress (on or off track):

Project complete

9. Action start date:

October 2, 2017

10. Actual close date:

September 30, 2018

## Significant Deficiencies and Noncompliance

### **C2017-001- Allowable Costs/Cost Principles – Compensation**

1. Describe action plan:

The Organization uses allocation of time rather than time sheets to record compensation costs for its federal awards. While the allocation of time methodology has met prior auditor standards, it is best practice to use time sheets to record compensation costs for federal awards. Moveable Feast will implement time sheets for its recordation of compensation costs charged to its federal awards. The Accounting Office will work with Operations personnel to develop a time sheet process and procedures that will be implemented as part of the biweekly payroll recordation process.

2. Communications/training:

Once the time sheet process and procedures are developed, the Accounting Office will communicate the process to all employees and provide training to employees to ensure compliance.

3. Direct and indirect workers Onsite contractors/suppliers:

Not applicable

4. Activity and impact measurements:

Recordation of payroll using the new time sheets will be the activity measure. The impact will be recordation of compensation costs in conformity with requirements and best practices.

5. Accountable owner:

Finance Director/CFO

6. Target completion date:

December 2018

7. Remote verification:

Not applicable

8. Progress (on or off track):

Project on track

9. Action start date:

September 30, 2018

10. Actual close date: TBD