COMMUNITY MOBILE MEALS OF SARASOTA COUNTY, INC.

FINANCIAL STATEMENTS FOR THE
YEARS ENDED DECEMBER 31, 2010 AND 2009

AND

INDEPENDENT AUDITORS' REPORT

INDEX

SUPLEE & SHEA, P.A.
CERTIFIED PUBLIC ACCOUNTANTS

T. Raymond Suplee, C.P.A.
Norman J. Shea, III, C.P.A.
Thomas R. Cramer, C.P.A.
Joseph E. Rocklein, III, C.P.A.

INDEPENDENT AUDITORS' REPORT

Board of Directors
Community Mobile Meals of Sarasota County, Inc.
Sarasota, Florida

We have audited the accompanying statements of financial position of Community Mobile Meals of Sarasota County, Inc. for the years ended December 31, 2010 and 2009, and the related statements of activities, functional expenses, and cash flows, for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as discussed in the following paragraph, we conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The Organization receives payments from recipients for meals provided. These payments vary in amount based on the recipients' ability and willingness to pay. It was impracticable for us to extend our examination of such receipts beyond the accounting for amounts recorded.

In our opinion, except for the effects of any adjustments that might have resulted had the cash collections referred to above been susceptible to satisfactory audit tests, the financial statements referred to above present fairly, in all material respects, the financial position of Community Mobile Meals of Sarasota County, Inc. for the years ended December 31, 2010 and 2009, and the changes in net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Suplee & Shea P.A.

Sarasota, Florida
April 5, 2011

800 S. Osprey Avenue • Sarasota, Florida 34236 • (941) 366-3600 • FAX (941) 954-4512

COMMUNITY MOBILE MEALS OF SARASOTA COUNTY, INC.

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2010 AND 2009

Assets

	2010	2009
Assets		
Cash and cash equivalents	$ 32,493	$ 45,983
Interest receivable	12,926	9,506
Inventory	8,270	5,953
Prepaid expenses	5,031	6,363
Investments	1,443,200	1,618,791
Land, building and equipment, net	83,155	93,139
TOTAL ASSETS	$ 1,585,075	$ 1,779,735

Liabilities and Net Assets

	2010	2009
Liabilities		
Accounts payable	$ 23,145	$ 31,101
Payroll liabilities	1,330	1,562
Total liabilities	24,475	32,663
Net Assets		
Unrestricted	1,560,600	1,747,072
Total net assets	1,560,600	1,747,072
TOTAL LIABILITIES & NET ASSETS	$ 1,585,075	$ 1,779,735

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

COMMUNITY MOBILE MEALS OF SARASOTA COUNTY, INC.

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED DECEMBER 31, 2010 AND DECEMBER 31, 2009

	2010	2009
Changes in unrestricted net assets:		
Support and Revenues		
Contributions	$ 120,204	$ 136,484
Bequests	-	45,963
Meal payments	78,845	78,056
Investment income	69,281	60,862
Other	195	6,434
Total Revenues, Gains and Other Support	268,525	327,799
Expenses		
Community services	441,114	492,264
Fund raising	5,137	4,395
General and administrative	8,746	13,497
Total Unrestricted Expenses	454,997	510,156
Decrease in unrestricted net assets	(186,472)	(182,357)
Decrease in net assets	(186,472)	(182,357)
Net Assets - Beginning of Period	1,747,072	1,929,429
Net Assets - End of Period	$ 1,560,600	$ 1,747,072

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

COMMUNITY MOBILE MEALS OF SARASOTA COUNTY, INC.

STATEMENTS OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2010

	Program Services	Supporting Services		Total
	Community Services	Fund Raising	General & Administrative	
Kitchen operations	$ 308,077	$ -	$ -	$ 308,077
Wages	72,581	-	-	72,581
Contract employee wages	8,403	-	-	8,403
Utilities	18,360	-	-	18,360
Insurance	2,738	-	-	2,738
Payroll taxes	5,403	-	-	5,403
Fundraising	-	5,137	-	5,137
Telephone	1,969	-	-	1,969
Professional fees	-	-	4,223	4,223
Postage	-	-	1,423	1,423
Repairs and maintenance	4,472	-	-	4,472
Miscellaneous	643	-	1,064	1,707
Office expense	-	-	2,036	2,036
Employee benefits	8,484	-	-	8,484
Total Expenses before Depreciation & Loss on equipment disposal	431,130	5,137	8,746	445,013
Depreciation of property and equipment	9,984	-	-	9,984
Total Expenses	$ 441,114	$ 5,137	$ 8,746	$ 454,997

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

COMMUNITY MOBILE MEALS OF SARASOTA COUNTY, INC.

STATEMENTS OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2009

	Program Services	Supporting Services		Total
	Community Services	Fund Raising	General & Administrative	
Kitchen operations	$ 345,004	$ -	$ -	$ 345,004
Wages	74,370	-	-	74,370
Contract employee wages	3,125	-	-	3,125
Utilities	22,536	-	-	22,536
Insurance	8,587	-	-	8,587
Payroll taxes	5,554	-	-	5,554
Fundraising	-	4,395	-	4,395
Telephone	2,007	-	-	2,007
Professional fees	-	-	3,993	3,993
Postage	-	-	1,259	1,259
Repairs and maintenance	10,194	-	-	10,194
Miscellaneous	636	-	1,164	1,800
Office expense	-	-	7,081	7,081
Employee benefits	8,900	-	-	8,900
Total Expenses before Depreciation	480,913	4,395	13,497	498,805
Depreciation of Property and Equipment	11,351	-	-	11,351
Total Expenses	$ 492,264	$ 4,395	$ 13,497	$ 510,156

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

COMMUNITY MOBILE MEALS OF SARASOTA COUNTY, INC.

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2010 AND DECEMBER 31, 2009

	2010	2009
Cash Flows from Operating Activities:		
Change in net assets	$ (186,472)	$ (182,357)
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Depreciation	9,984	11,351
Realized and unrealized gain on investments	(23,646)	(22,851)
(Increase) decrease in inventory	(2,318)	1,062
(Increase) decrease in prepaid expenses	1,332	(294)
(Increase) decrease in interest receivable	(3,420)	3,339
Decrease in accounts payable	(7,954)	(2,968)
Decrease in payroll liabilities	(232)	(135)
Net cash used by operating activities	(212,726)	(192,853)
Cash Flows from Investing Activities:		
Purchase of property and equipment	-	(10,748)
Redemption of investments	700,549	2,240,346
Purchase of investments	(501,313)	(2,096,175)
Net cash provided by investing activities	199,236	133,423
Cash Flows from Financing Activities:	-	-
Net increase (decrease) in cash and cash equivalents	(13,490)	(59,430)
Cash and cash equivalents at beginning of year	45,983	105,413
Cash and cash equivalents at end of year	$ 32,493	$ 45,983

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

Note 1 – Summary of Significant Accounting Policies

Nature of Business

Community Mobile Meals of Sarasota County, Inc. was incorporated January 3, 1972 to assume the activities of its predecessor, Meals on Wheels, Inc. Its purpose is to prepare and deliver a warm meal each noon, six days per week, to as many persons as possible who are physically unable to prepare a meal. Some recipients contribute from $.50 to $2.50 per meal. With the exception of the driver coordinator, the cook and the assistants who are paid, other duties such as purchasing, receiving, kitchen help and delivery of meals are performed by volunteers. They are paid neither for their time nor expenses.

Inventory

Inventories are stated at the lower-of-cost or market. Cost is determined on a first-in, first-out basis. Inventory consists of food and paper items used in the preparation and delivery of meals.

Property and Equipment

Property and equipment with estimated useful lives exceeding two years are capitalized and are stated at cost. Depreciation is computed using the straight-line method over useful lives from five to thirty years.

Investments

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the statement of financial position. Investment income or loss (including gains and losses on investments, interest, and dividends) is included in the statement of activities as increases or decreases in unrestricted net assets unless the income or loss is restricted by donor or law.

Cash and Concentration of Risk

The Organization maintains its cash in bank deposit accounts subject to federally-insured limits. As of December 31, 2010 and 2009, there are no amounts in excess of federally-insured limits. The Organizations believes it is not exposed to any significant risk on cash.

Cash equivalents and Short-Term Investments

The organization considers all highly liquid debt instruments with a maturity of three months or less to be cash equivalents; except for money market funds held by brokerage firms, which are classified as short-term investments.

Use of Estimates

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

Note 1 – Significant Accounting Policies (continued)

Concentrations of Credit and Market Risk

Financial instruments that potentially expose the Organization to concentrations of credit and market risk consist primarily of money market funds and investments. Money market funds are maintained at high-quality brokerage firms and credit exposure is not limited to any one institution. The Organization's investments do not represent significant concentrations of market risk inasmuch as the Organization's investment portfolio is adequately diversified among issuers.

Income Taxes

Community Mobile Meals of Sarasota County, Inc. has been recognized as a nonprofit corporation under Internal Revenue Code Section 501(c)(3) and is not liable for state or federal income taxes.

Donor-imposed 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.

Note 2 – Land , Buildings and Equipment

	2010	2009
Equipment	$ 78,844	$ 78,844
Building	172,690	172,690
Building improvements	30,956	30,956
	282,490	282,490
Less Accumulated Depreciation	(199,335)	(189,351)
	$ 83,155	$ 93,139

Depreciation expense was $9,984 and $11,351 for the years ended December 31, 2010 and 2009, respectively.

Note 3 – Donated Material and Services

No amounts have been reflected in the statements for donated services; however, a substantial number of volunteers have donated significant amounts of their time in the organization's program services and in its fund-raising campaigns.

Note 4 – Investments

Investments, stated at fair value, at December 31, 2010 and 2009, include:

	2010	2009
Money market accounts and CDs	$ 70,872	$ 320,183
Equity securities	227,357	236,994
Corporate bonds	869,861	900,277
U.S. Government Agency Obligation	275,110	161,337
	$1,443,200	$1,618,791

Investment income from cash equivalents and investments is comprised of the following for the years ended December 31, 2010 and 2009:

	2010 Unrestricted	2009 Unrestricted
Dividends and interest	$ 58,512	$ 46,813
Realized and unrealized gain	23,646	22,851
Investment expenses	(12,877)	(8,803)
	$ 69,281	$ 60,862

Investment revenues are reported net of related fees of $12,877 and $8,803 for the years ended December 31, 2010 and 2009, respectively.

Note 5 – Fair Value of Financial Instruments

The Organization's assets and liabilities recorded at fair value have been categorized based upon a fair value hierarchy in accordance with FASB Accounting Standards Codification 820-10 "Fair Value Measurements" ("FASB ASC 820-10", formerly SFAS No. 157). FASB ASC 820-10 establishes a fair value hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. The Organization's valuations fall within the Level One category which is defined as based on quoted prices in active markets for identical assets. This level relies on unadjusted quoted prices from an exchange or broker-dealer market that is deemed to be active. The following methods and assumptions were used by the Organization in estimating its fair value disclosures for financial instruments.

- Cash and cash equivalents: The carrying amounts reported in the statement of financial position approximate fair values because of the short maturities of those instruments.

- Short-term and money market fund investments: The fair values of investments are based on quoted market prices for those or similar investments.

Note 5 – Fair Value of Financial Instruments (continued)

- Corporate bonds and U.S. government agency obligations: The fair values of these investments are based on quoted market prices for those or similar investments.

Description of asset	12/31/2010	Fair Value Measurements at Reporting Date Using Quoted Prices in Active Markets for Identical Assets (Level 1)
Money Market Accounts	$ 70,872	$ 70,872
Equity Securities	227,357	227,357
Corporate Bonds	869,861	869,861
US Government Agency Obligations	275,110	275,110
Total	$ 1,443,200	$ 1,443,200

Note 6 – Subsequent Events

Subsequent events have been evaluated through April 5, 2011, the date the financial statements were available to be issued. There have been no subsequent events that affect the financial statements.