

COMMUNITY MOBILE MEALS OF SARASOTA COUNTY, INC.

FINANCIAL STATEMENTS FOR THE
YEARS ENDED DECEMBER 31, 2009 AND 2008

AND

INDEPENDENT AUDITORS' REPORT

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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, 2009 and 2008, 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, 2009 and 2008, 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 14, 2010

COMMUNITY MOBILE MEALS OF SARASOTA COUNTY, INC.

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2009 AND 2008

	<u>Assets</u>	
	<u>2009</u>	<u>2008</u>
<u>Assets</u>		
Cash and cash equivalents	\$ 45,983	\$ 105,413
Interest receivable	9,506	12,845
Inventory	5,953	7,015
Prepaid expenses	6,363	6,069
Investments	1,618,791	1,740,111
Land, building and equipment, net	<u>93,139</u>	<u>93,742</u>
TOTAL ASSETS	<u>\$ 1,779,735</u>	<u>\$ 1,965,195</u>
 <u>Liabilities and Net Assets</u>		
<u>Liabilities</u>		
Accounts payable	\$ 31,101	\$ 34,069
Payroll liabilities	<u>1,562</u>	<u>1,697</u>
Total liabilities	<u>32,663</u>	<u>35,766</u>
 <u>Net Assets</u>		
Unrestricted	<u>1,747,072</u>	<u>1,929,429</u>
Total net assets	<u>1,747,072</u>	<u>1,929,429</u>
 TOTAL LIABILITIES & NET ASSETS	<u>\$ 1,779,735</u>	<u>\$ 1,965,195</u>

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, 2009 AND DECEMBER 31, 2008

	<u>2009</u>	<u>2008</u>
Changes in unrestricted net assets:		
<u>Support and Revenues</u>		
Contributions	\$ 136,484	\$ 155,419
Bequests	45,963	514,941
Meal payments	78,056	83,112
Investment income	60,862	(563,776)
Other	<u>6,434</u>	<u>630</u>
Total Revenues, Gains and Other Support	<u>327,799</u>	<u>190,326</u>
<u>Expenses</u>		
Community services	492,264	478,449
Fund raising	4,395	4,403
General and administrative	<u>13,497</u>	<u>9,429</u>
Total Unrestricted Expenses	<u>510,156</u>	<u>492,281</u>
Decrease in unrestricted net assets	<u>(182,357)</u>	<u>(301,955)</u>
Decrease in net assets	(182,357)	(301,955)
Net Assets - Beginning of Period	<u>1,929,429</u>	<u>2,231,384</u>
Net Assets - End of Period	<u><u>\$ 1,747,072</u></u>	<u><u>\$ 1,929,429</u></u>

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 <u>Services</u>	<u>Supporting Services</u>		<u>Total</u>
	Community <u>Services</u>	Fund <u>Raising</u>	General & Admin- <u>istrative</u>	
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 & Loss on equipment disposal	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 FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2008

	Program <u>Services</u>	<u>Supporting Services</u>		<u>Total</u>
	Community <u>Services</u>	Fund <u>Raising</u>	General & Admin- <u>istrative</u>	
Kitchen operations	\$ 335,824	\$ -	\$ -	\$ 335,824
Wages	78,832	-	-	78,832
Utilities	22,594	-	-	22,594
Insurance	6,813	-	-	6,813
Payroll taxes	6,007	-	-	6,007
Fundraising	-	4,403	-	4,403
Telephone	1,802	-	-	1,802
Professional fees	-	-	3,488	3,488
Postage	-	-	1,577	1,577
Repairs and maintenance	7,807	-	-	7,807
Miscellaneous	633	-	864	1,497
Office expense	-	-	3,500	3,500
Employee benefits	7,268	-	-	7,268
Total Expenses before Depreciation	467,580	4,403	9,429	481,412
Depreciation of Property and Equipment	10,869	-	-	10,869
Total Expenses	<u>\$ 478,449</u>	<u>\$ 4,403</u>	<u>\$ 9,429</u>	<u>\$ 492,281</u>

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, 2009 AND DECEMBER 31, 2008

	<u>2009</u>	<u>2008</u>
Cash Flows from Operating Activities:		
Change in net assets	\$ (182,357)	\$ (301,955)
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Depreciation	11,351	10,869
Realized and unrealized (gain)/loss on investments	(22,851)	614,340
Decrease in inventory	1,062	62
Increase in prepaid expenses	(294)	(1,412)
Increase in interest receivable	3,339	1,618
(Decrease) increase in accounts payable	(2,968)	11,393
Decrease in payroll liabilities	(135)	(22)
Net cash provided (used) by operating activities	<u>(192,853)</u>	<u>334,893</u>
Cash Flows from Investing Activities:		
Purchase of property and equipment	(10,748)	(6,500)
Redemption of investments	2,240,346	1,721,590
Purchase of investments	<u>(2,096,175)</u>	<u>(1,998,161)</u>
Net cash provided (used) by investing activities	<u>133,423</u>	<u>(283,071)</u>
Cash Flows from Financing Activities:	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	(59,430)	51,822
Cash and cash equivalents at beginning of year	<u>105,413</u>	<u>53,591</u>
Cash and cash equivalents at end of year	<u>\$ 45,983</u>	<u>\$ 105,413</u>

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

COMMUNITY MOBILE MEALS OF SARASOTA COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2009 AND 2008

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, 2009 and 2008, 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.

COMMUNITY MOBILE MEALS OF SARASOTA COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2009 AND 2008

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 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

	<u>2009</u>	<u>2008</u>
Equipment	\$ 78,844	\$ 69,029
Building	172,690	172,690
Building improvements	<u>30,956</u>	<u>30,956</u>
	282,490	272,675
Less Accumulated Depreciation	<u>(189,351)</u>	<u>(178,933)</u>
	<u>\$ 93,139</u>	<u>\$ 93,742</u>

Depreciation expense was \$11,351 and \$10,869 for the years ended December 31, 2009 and 2008, 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.

COMMUNITY MOBILE MEALS OF SARASOTA COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2009 AND 2008

Note 4 – Investments

Investments, stated at fair value, at December 31, 2009 and 2008, include:

	<u>2009</u>	<u>2008</u>
Money market accounts and CDs	\$ 320,183	\$ 883,150
Equity securities	236,994	-0-
Corporate bonds	900,277	389,872
U.S. Government Agency Obligation	<u>161,337</u>	<u>467,089</u>
	<u>\$1,618,791</u>	<u>\$1,740,111</u>

Note 4 – Investments (continued)

Investment income from cash equivalents and investments is comprised of the following for the years ended December 31, 2009 and 2008:

	<u>2009</u>	<u>2008</u>
	<u>Unrestricted</u>	<u>Unrestricted</u>
Dividends and interest	\$ 46,814	\$ 77,821
Realized and unrealized gain(loss)	22,851	(614,340)
Investment expenses	<u>(8,803)</u>	<u>(27,257)</u>
	<u>\$ 60,862</u>	<u>\$ (563,776)</u>

Investment revenues are reported net of related fees of \$8,803 and \$27,257 for the years ended December 31, 2009 and 2008, 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 SFAS No. 157, "Fair Value Measurements". SFAS No. 17 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.

COMMUNITY MOBILE MEALS OF SARASOTA COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2009 AND 2008

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.

<u>Description of asset</u>	<u>12/31/2009</u>	<u>Fair Value</u> <u>Measurements at</u> <u>Reporting Date Using</u> <u>Quoted Prices in Active</u> <u>Markets for Identical</u> <u>Assets (Level 1)</u>	
Money Market Accounts	\$ 320,183	\$	320,183
Equity Securities	236,994		236,994
Corporate Bonds	900,277		900,277
US Government Agency Obligations	161,337		161,337
Total	<u>\$ 1,618,791</u>	<u>\$</u>	<u>1,618,791</u>

Note 6 – Subsequent Events

Subsequent events have been evaluated through April 14, 2010, the date the financial statements were available to be issued. There have been no subsequent events that affect the financial statements.