

COMMUNITY MOBILE MEALS OF SARASOTA COUNTY, INC.

FINANCIAL STATEMENTS FOR THE
YEARS ENDED DECEMBER 31, 2008 AND 2007

AND

INDEPENDENT AUDITORS' REPORT

COMMUNITY MOBILE MEALS OF SARASOTA COUNTY, INC.

DECEMBER 31, 2008 AND 2007

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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, 2008 and 2007, 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, 2008 and 2007, 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 7, 2009

COMMUNITY MOBILE MEALS OF SARASOTA COUNTY, INC.

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2008 AND 2007

	<u>Assets</u>	
	<u>2008</u>	<u>2007</u>
<u>Assets</u>		
Cash and cash equivalents	\$ 105,413	\$ 53,591
Interest receivable	12,845	14,462
Inventory	7,015	7,078
Prepaid expenses	6,069	4,657
Investments	1,740,111	2,077,880
Land, building and equipment, net	<u>93,742</u>	<u>98,112</u>
 TOTAL ASSETS	 <u>\$ 1,965,195</u>	 <u>\$ 2,255,780</u>
	<u>Liabilities and Net Assets</u>	
<u>Liabilities</u>		
Accounts payable	\$ 34,069	\$ 22,676
Payroll liabilities	1,697	1,720
Total liabilities	<u>35,766</u>	<u>24,396</u>
<u>Net Assets</u>		
Unrestricted	<u>1,929,429</u>	<u>2,231,384</u>
Total net assets	<u>1,929,429</u>	<u>2,231,384</u>
TOTAL LIABILITIES & NET ASSETS	<u>\$ 1,965,195</u>	<u>\$ 2,255,780</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT

COMMUNITY MOBILE MEALS OF SARASOTA COUNTY, INC.

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED DECEMBER 31, 2008 AND DECEMBER 31, 2007

	<u>2008</u>	<u>2007</u>
Changes in unrestricted net assets:		
<u>Support and Revenues</u>		
Contributions	\$ 155,419	\$ 157,962
Bequests	514,941	-
Meal payments	83,112	87,142
Investment income	(563,776)	44,791
Other	630	2,942
	<hr/>	<hr/>
Total Revenues, Gains and Other Support	190,326	292,837
	<hr/>	<hr/>
<u>Expenses</u>		
Community services	478,449	431,505
Fund raising	4,403	4,497
General and administrative	9,429	14,707
	<hr/>	<hr/>
Total Unrestricted Expenses	492,281	450,709
	<hr/>	<hr/>
Increase (decrease) in unrestricted net assets	(301,955)	(157,872)
	<hr/>	<hr/>
Changes in temporarily restricted net assets:		
<u>Restricted revenues, gains, and other support</u>		
Increase(decrease) in temporarily restricted net assets	<hr/> -	<hr/> -
Increase (decrease) in net assets	(301,955)	(157,872)
Net Assets - Beginning of Period	<hr/> 2,231,384	<hr/> 2,389,256
Net Assets - End of Period	<hr/> <u>\$ 1,929,429</u>	<hr/> <u>\$ 2,231,384</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT

COMMUNITY MOBILE MEALS OF SARASOTA COUNTY, INC.

STATEMENTS OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2007
WITH COMPARATIVE TOTALS FOR 2006

	<u>Program</u>	<u>Supporting Services</u>		<u>Totals</u>	
	<u>Services</u>		<u>General</u>		
	<u>Community</u>	<u>Fund</u>	<u>& Admin-</u>	<u>2007</u>	<u>2006</u>
	<u>Services</u>	<u>Raising</u>	<u>istrative</u>		
Kitchen operations	\$ 284,924	\$ -	\$ -	\$ 284,924	\$ 269,537
Wages	76,170	-	-	76,170	73,368
Utilities	21,556	-	-	21,556	21,896
Insurance	12,660	-	-	12,660	8,092
Payroll taxes	7,172	-	-	7,172	5,665
Fundraising	-	4,497	-	4,497	4,871
Telephone	1,829	-	-	1,829	1,854
Professional fees	-	-	3,488	3,488	4,137
Postage	-	-	2,640	2,640	999
Repairs and maintenance	8,211	-	-	8,211	11,356
Miscellaneous	632	-	3,299	3,931	4,373
Office expense	-	-	5,280	5,280	3,944
Employee benefits	6,953	-	-	6,953	5,979
	<u>420,107</u>	<u>4,497</u>	<u>14,707</u>	<u>439,311</u>	<u>416,071</u>
Total Expenses before Depreciation					
Depreciation of Property and Equipment	11,398	-	-	11,398	11,653
	<u>11,398</u>	<u>-</u>	<u>-</u>	<u>11,398</u>	<u>11,653</u>
Total Expenses	<u>\$ 431,505</u>	<u>\$ 4,497</u>	<u>\$ 14,707</u>	<u>\$ 450,709</u>	<u>\$ 427,724</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT

COMMUNITY MOBILE MEALS OF SARASOTA COUNTY, INC.

STATEMENTS OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2008
WITH COMPARATIVE TOTALS FOR 2007

	<u>Program Services</u>	<u>Supporting Services</u>		<u>Totals</u>	
	Community <u>Services</u>	Fund <u>Raising</u>	General & Admin- <u>istrative</u>	<u>2008</u>	<u>2007</u>
Kitchen operations	\$ 335,824	\$ -	\$ -	\$ 335,824	\$ 284,924
Wages	78,832	-	-	78,832	76,170
Utilities	22,594	-	-	22,594	21,556
Insurance	6,813	-	-	6,813	12,660
Payroll taxes	6,007	-	-	6,007	7,172
Fundraising	-	4,403	-	4,403	4,497
Telephone	1,802	-	-	1,802	1,829
Professional fees	-	-	3,488	3,488	3,488
Postage	-	-	1,577	1,577	2,640
Repairs and maintenance	7,807	-	-	7,807	8,211
Miscellaneous	633	-	864	1,497	3,931
Office expense	-	-	3,500	3,500	5,280
Employee benefits	7,268	-	-	7,268	6,953
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenses before Depreciation	467,580	4,403	9,429	481,412	439,311
Depreciation of Property and Equipment	10,869	-	-	10,869	11,398
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenses	<u>\$ 478,449</u>	<u>\$ 4,403</u>	<u>\$ 9,429</u>	<u>\$ 492,281</u>	<u>\$ 450,709</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT

COMMUNITY MOBILE MEALS OF SARASOTA COUNTY, INC.

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2008 AND DECEMBER 31, 2007

	<u>2008</u>	<u>2007</u>
Cash Flows from Operating Activities:		
Change in net assets	\$ (301,955)	\$ (157,872)
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Depreciation	10,869	11,398
Realized and unrealized loss on investments	614,340	8,369
(Increase) decrease in inventory	63	(1,750)
Decrease in prepaid expenses	(1,412)	(1,580)
Increase in interest receivable	1,618	2,684
Increase in accounts payable	11,393	962
Increase (decrease) in payroll liabilities	(23)	244
Net cash used by operating activities	<u>334,893</u>	<u>(137,545)</u>
Cash Flows from Investing Activities:		
Purchase of property and equipment	(6,500)	(1,745)
Redemption of investments	1,721,590	1,368,915
Purchase of investments	<u>(1,998,161)</u>	<u>(1,210,752)</u>
Net cash provided by investing activities	<u>(283,071)</u>	<u>156,418</u>
Cash Flows from Financing Activities:	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents and investments	51,822	18,873
Cash and cash equivalents and investments at beginning of year	<u>53,591</u>	<u>34,718</u>
Cash and cash equivalents and investments at end of year	<u>\$ 105,413</u>	<u>\$ 53,591</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THIS STATEMENT

COMMUNITY MOBILE MEALS OF SARASOTA COUNTY, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2008 AND 2007

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 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.

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 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, 2008 AND 2007

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>2008</u>	<u>2007</u>
Equipment	\$ 69,029	\$ 69,029
Building	172,690	172,690
Building improvements	<u>30,956</u>	<u>24,456</u>
	272,675	266,175
Less Accumulated Depreciation	<u>(178,933)</u>	<u>(168,063)</u>
	<u>\$ 93,742</u>	<u>\$ 98,112</u>

Depreciation expense was \$10,869 and \$11,398 for the years ended December 31, 2008 and 2007, 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, 2008 AND 2007

Note 4 - Investments

Investments, stated at fair value, at December 31, 2008 and 2007, include:

	<u>2008</u>	<u>2007</u>
Money market accounts and CDs	\$ 883,150	\$ 293,083
Equity securities	-0-	1,057,670
Corporate bonds	389,872	247,997
U.S. Government Agency Obligation	<u>467,089</u>	<u>479,130</u>
	<u>\$1,740,111</u>	<u>\$2,077,880</u>

Investment income from cash equivalents and investments is comprised of the following for the year ended December 31, 2008 and 2007:

	<u>2008</u>	<u>2007</u>
	<u>Unrestricted</u>	<u>Unrestricted</u>
Dividends and interest	\$ 77,821	\$ 77,926
Realized and unrealized gain(loss)	(614,340)	(8,369)
Investment expenses	<u>(27,257)</u>	<u>(24,766)</u>
	<u>\$ (563,776)</u>	<u>\$ 44,791</u>

Investment revenues are reported net of related fees of \$27,257 and \$24,766 for the years ended December 31, 2008 and 2007, 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. 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.
- 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.