

Meals on Wheels of Tampa, Inc.

Financial Statements

June 30, 2022 and 2021



MEALS ON WHEELS OF TAMPA, INC.
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Meals on Wheels of Tampa, Inc.
Tampa, Florida

Opinion

We have audited the accompanying financial statements of Meals on Wheels of Tampa, Inc. (the Organization), which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities and cash flows for the years then ended, the statement of functional expenses for the year ended June 30, 2022, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Meals on Wheels of Tampa, Inc. as of June 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Meals on Wheels of Tampa, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Meals on Wheels of Tampa, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

CONTINUED

Auditor's Responsibilities for the Audit of the Financial Statements – Continued

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Meals on Wheels of Tampa, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Meals on Wheels of Tampa, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited the Organization's 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 26, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021 is consistent, in all material respects, with the audited financial statements from which it has been derived.

PDR CPAs + Advisors

Oldsmar, Florida
October 18, 2022

**MEALS ON WHEELS OF TAMPA, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
<u>ASSETS</u>		
Current Assets		
Cash and cash equivalents	\$ 5,009,694	\$ 5,051,901
Restricted cash	291,157	165,288
Accounts receivable, net of allowance for doubtful accounts of \$1,800 and \$1,500, respectively	193,322	219,363
Contributions receivable - current portion	184,901	175,935
Capital campaign receivable - current portion	110,183	99,833
Inventory	84,417	54,217
Prepaid expenses	46,380	40,134
Total current assets	5,920,054	5,806,671
Other Assets		
Contributions receivable, net - long-term portion	633,874	451,629
Capital campaign receivable, net - long-term portion	62,685	212,662
Beneficial interest in funds held by others	43,321	38,656
Property and equipment, net	4,745,364	4,878,096
Total Assets	<u>\$11,405,298</u>	<u>\$11,387,714</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 423,040	\$ 370,783
Deferred revenue	3,925	7,528
Total current liabilities	426,965	378,311
Total Liabilities	426,965	378,311
Net Assets		
Without donor restrictions	9,548,941	9,841,575
With donor restrictions	1,429,392	1,167,828
Total net assets	<u>10,978,333</u>	<u>11,009,403</u>
Total Liabilities and Net Assets	<u>\$11,405,298</u>	<u>\$11,387,714</u>

See accompanying notes to financial statements

MEALS ON WHEELS OF TAMPA BAY, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022
(WITH COMPARATIVE TOTALS FOR 2021)

	Without Donor Restrictions	With Donor Restrictions	Total	
			2022	2021
Operating Support and Revenue				
Contributions	\$ 739,875	\$ 718,422	\$ 1,458,297	\$ 2,688,037
Capital campaign	-	9,226	9,226	51,612
Program services	2,311,592	-	2,311,592	2,316,904
Contributed nonfinancial assets	7,437	-	7,437	152,032
Special events, net of \$43,544 of direct expense	807,557	-	807,557	377,171
Change in value in funds held by others	-	4,665	4,665	10,078
Investment income, net	(20,250)	(5,269)	(25,519)	20,099
Net assets released from restrictions	465,480	(465,480)	-	-
Total operating support and revenue	4,311,691	261,564	4,573,255	5,615,933
Operating Expenses				
Program services	3,952,356	-	3,952,356	3,241,117
Administration	316,133	-	316,133	237,450
Fundraising	335,836	-	335,836	301,404
Total operating expenses	\$ 4,604,325	-	4,604,325	3,779,971
Change in Net Assets Before Other Changes	(292,634)	261,564	(31,070)	1,835,962
Other Changes				
Income from forgiveness of debt	-	-	-	238,000
Change in Net Assets	(292,634)	261,564	(31,070)	2,073,962
Net Assets at Beginning of Year	9,841,575	1,167,828	11,009,403	8,935,441
Net Assets at End of Year	\$ 9,548,941	\$ 1,429,392	\$ 10,978,333	\$ 11,009,403

See accompanying notes to financial statements

MEALS ON WHEELS OF TAMPA, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Operating Support and Revenue			
Contributions	\$ 2,471,813	\$ 216,224	\$ 2,688,037
Capital campaign	-	51,612	51,612
Program services	2,316,904	-	2,316,904
Contributed nonfinancial assets	152,032	-	152,032
Special events, net of \$19,489 of direct expenses	377,171	-	377,171
Change in value in funds held by others	-	10,078	10,078
Investment income, net	16,231	3,868	20,099
Net assets released from restrictions	1,406,229	(1,406,229)	-
Total operating support and revenue	6,740,380	(1,124,447)	5,615,933
Operating Expenses			
Program services	3,241,117	-	3,241,117
Administration	237,450	-	237,450
Fundraising	301,404	-	301,404
Total operating expenses	3,779,971	-	3,779,971
Change in Net Assets Before Other Changes	2,960,409	(1,124,447)	1,835,962
Other Changes			
Income from forgiveness of debt	238,000	-	238,000
Change in Net Assets	3,198,409	(1,124,447)	2,073,962
Net Assets at Beginning of Year	6,643,166	2,292,275	8,935,441
Net Assets at End of Year	\$ 9,841,575	\$ 1,167,828	\$ 11,009,403

See accompanying notes to financial statements

MEALS ON WHEELS OF TAMPA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2022
(WITH COMPARATIVE TOTALS FOR 2021)

	Program Services			Supporting Services		Total	
	Home Bound	Nonprofits	Total				
	Meals	Helping Nonprofits	Program Services	Administration	Fundraising	2022	2021
Salaries and payroll taxes	\$ 1,283,793	\$ 79,458	\$ 1,363,251	\$ 210,731	\$ 204,548	\$ 1,778,530	\$ 1,546,624
Employee benefits	121,788	13,338	135,126	22,516	21,855	179,497	145,167
Food and packaging expenses	1,698,536	143,412	1,841,948	-	-	1,841,948	1,377,908
Depreciation	127,606	14,779	142,385	23,725	23,029	189,139	160,698
Insurance	47,264	5,474	52,738	8,788	8,530	70,056	61,996
In-kind expenses	1,670	-	1,670	1,060	4,707	7,437	39,120
Office expense	44,898	4,879	49,777	8,293	8,051	66,121	66,640
Utilities	60,037	6,953	66,990	11,162	10,835	88,987	90,033
Bad debts	33,981	-	33,981	5,662	5,496	45,139	34,251
Professional fees	8,757	2,478	11,235	1,872	15,817	28,924	27,515
Conferences and meetings	655	-	655	109	106	870	132
Postage and printing	28,736	3,328	32,064	5,343	5,186	42,593	31,662
Repairs and maintenance	53,632	6,211	59,843	9,972	9,679	79,494	64,958
Travel and meals	2,449	108	2,557	426	414	3,397	3,387
Telephone	8,361	968	9,329	1,554	1,509	12,392	13,137
Licenses and fees	1,952	226	2,178	363	352	2,893	1,198
Advertising and marketing	6,329	536	6,865	-	-	6,865	12,418
Program supplies	51,633	-	51,633	-	11,296	62,929	33,063
Bank charges	24,459	665	25,124	4,186	4,064	33,374	31,535
Miscellaneous	2,071	165	2,236	371	362	2,969	3,459
Transportation	57,414	3,357	60,771	-	-	60,771	35,070
	<u>\$ 3,666,021</u>	<u>\$ 286,335</u>	<u>\$ 3,952,356</u>	<u>\$ 316,133</u>	<u>\$ 335,836</u>	<u>\$ 4,604,325</u>	<u>\$ 3,779,971</u>

See accompanying notes to financial statements

MEALS ON WHEELS OF TAMPA, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
Cash Flows from Operating Activities:		
Change in net assets	\$ (31,070)	\$ 2,073,962
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	189,139	160,698
Income from forgiveness of debt	-	(238,000)
Change in value in beneficial interest in funds held by others	(4,665)	(10,078)
Cash contributions received for the capital campaign	(120)	(11,400)
In-kind professional services for construction	-	(112,912)
(Increase) decrease in:		
Accounts receivable	26,041	(97,170)
Contributions receivable	(191,211)	119,029
Capital campaign receivable	139,627	103,487
Inventory	(30,200)	(13,070)
Prepaid expenses	(6,246)	(5,245)
Increase (decrease) in:		
Accounts payable and accrued liabilities	52,257	(497,020)
Deferred revenue	(3,603)	(37,017)
Net cash provided by operating activities	<u>139,949</u>	<u>1,435,264</u>
Cash Flows from Investing Activities:		
Cash paid for property and equipment purchases	(56,407)	(157,670)
Payments for construction in progress	-	(423,166)
Net cash used in investing activities	<u>(56,407)</u>	<u>(580,836)</u>
Cash Flows from Financing Activities:		
Cash contributions received for the capital campaign	120	11,400
Net cash provided by financing activities	<u>120</u>	<u>11,400</u>
Net Increase in Total Cash	83,662	865,828
Total Cash at Beginning of Year	<u>5,217,189</u>	<u>4,351,361</u>
Total Cash at End of Year	<u><u>\$ 5,300,851</u></u>	<u><u>\$ 5,217,189</u></u>
Total Cash consisted of the following at June 30:		
Cash and cash equivalents	\$ 5,009,694	\$ 5,051,901
Restricted cash	291,157	165,288
	<u><u>\$ 5,300,851</u></u>	<u><u>\$ 5,217,189</u></u>

See accompanying notes to financial statements

**MEALS ON WHEELS OF TAMPA, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021**

NOTE A - NATURE OF ORGANIZATION

Meals on Wheels of Tampa, Inc. (the Organization) was established in Tampa, Florida on April 7, 1976, as a not-for-profit corporation under the laws of the State of Florida. The Organization is privately funded with a mission to nourish, enrich and strengthen the lives of seniors and individuals in the community who have difficulty leaving their homes and are challenged to prepare meals. This is accomplished through daily home delivery of a hot, fresh and nutritious meal to community members in need due to age or disability. The food delivery and daily wellness check are provided by caring volunteers each weekday throughout the year. The Organization also provides food service to several other not-for-profit entities and schools through its "Non Profit Helping Non Profit" program, the proceeds from which help to fund food delivery for members of the community who are unable to contribute to the cost of their meals. The Organization is a member organization of Meals on Wheels America (MOWA) and Meals on Wheels Association of Florida. The Organization has been recognized as a "MOWA Magnet Accredited Program" for demonstrating excellence in the provision of nutrition services and meeting the national standards required for such accreditation.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (US GAAP).

The Organization presents information regarding its financial position and activities according to two classes of net assets described as follows:

- Net assets without donor restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the board of directors.
- Net assets with donor restrictions – Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Measure of Operations

The statements of activities report all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to the Organization's ongoing services. Nonoperating activities, if any, are limited to other activities considered to be of a more unusual or nonrecurring nature.

**MEALS ON WHEELS OF TAMPA, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021**

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Use of Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates. Significant estimates include the collectability of contributions, capital campaign, and accounts receivable, the fair value of contributions and capital campaign receivables, determination of the useful lives of the property and equipment, and the allocation of functional expenses.

Cash and Cash Equivalents and Restricted Cash

Cash and cash equivalents consist of cash on deposit, certificates of deposit with maturities of less than twelve months with no material penalties for early withdrawal, and money market mutual fund accounts held with two financial institutions and a brokerage firm.

Financial instruments which potentially subject the Organization to concentrations of credit risk includes cash held in financial institutions in excess of federally insured limits. From time to time throughout the years ended June 30, 2022 and 2021, the Organization's cash balance may have exceeded the federally insured limit. However, the Organization has not experienced and does not expect to incur any losses in such accounts.

In addition, the Organization invests cash in money market mutual funds and short-term certificates of deposit at a brokerage firm. Amounts held by the brokerage firm are insured against physical loss by the Securities Investor Protection Corporation, and for certain balances, by federal deposit insurance.

Restricted cash includes amounts on deposit at a financial institution that are required to be deposited in a separate account in accordance with a grant agreement. Additionally, restricted cash for the capital campaign is kept in separate short-term certificates of deposit and money market mutual fund accounts at a brokerage firm and amounts on deposit at a financial institution.

Accounts Receivable

Accounts receivable consist of amounts due from meal recipients and others for meals provided. Management evaluates the collectability of receivables based on their age and charges uncollectible accounts to operations. The allowance for doubtful accounts is estimated based on prior years' experience and management's analysis of specific accounts.

MEALS ON WHEELS OF TAMPA, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Fair Value Measurements

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on a measurement date. When measuring fair value, a fair value hierarchy requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs. There are three levels of inputs that may be used to measure fair value:

- Level 1: Quoted market prices in active markets for identical assets or liabilities.
- Level 2: Observable market-based inputs or unobservable inputs that are corroborated by market data.
- Level 3: Unobservable inputs that are not corroborated by market data

The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the financial instrument's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement.

Contributions and Capital Campaign Receivables

Contributions receivable are for both the Organization's operations and for restricted purposes including the capital campaign for the new building. Unconditional promises to give that are expected to be collected within one year are recorded as contributions receivable at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated cash flows. Conditional promises to give are not included as support until the conditions are substantially met.

The Organization uses the allowance method to determine uncollectible unconditional promises. The allowance is based on prior years' experience and management's analysis of specific promises made.

Inventory

Inventory consists of food, packaging, and kitchen supplies. Inventory is stated at the lower of cost or net realizable value. Cost is determined principally on the first-in, first-out method.

Property and Equipment

Property and equipment are stated at cost, if purchased, or at estimated fair value at the date of receipt, if acquired by gift. Depreciation is calculated using the straight-line method over the estimated useful lives of the respective assets ranging from 3 - 40 years. Major renewals and betterments are capitalized. Maintenance, repairs, and minor renewals are expensed as incurred. It is the Organization's policy to capitalize all items which have a unit cost greater than \$1,000.

**MEALS ON WHEELS OF TAMPA, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021**

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Deferred Revenue

Deferred revenue represents funds received by the Organization but not earned for financial reporting purposes. Such amounts are recognized as revenue during the period services are provided.

Revenue Recognition

Contributions received are recorded as increases in net assets without donor restrictions and net assets with donor restrictions, depending on the existence and/or nature of any donor restrictions.

When a restriction expires (that is, when a stipulated time restriction ends, or the purpose of the restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire or are otherwise satisfied in the fiscal year in which the contributions are recognized.

Program service revenue is from the delivery of meals to homebound recipients and to not-for-profit organizations, schools and governmental programs. Revenue is recognized at the point in time when meals are delivered and is recognized net of any discounts. Recipients are billed at least monthly and amounts are due within 30 days of being billed.

Grants are recognized as support when performance occurs pursuant to the contract agreement. Grants are included in contributions in the accompanying statements of activities.

Donated Services and Materials

The Organization records the value of donated materials when there is an objective basis available to measure their value. These contributions are considered to be available for unrestricted use, unless specifically restricted by the donor, and have been treated as in-kind contributions.

Donated materials are recorded as support at their fair value at the date of donation.

Contributions of services are recorded as support at their estimated fair value if the services received create or enhance non-financial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

The Organization also receives donated services from a variety of volunteers assisting in various fundraising and program services. No amounts for volunteer services have been recognized in the accompanying statements of activities since these services do not meet the requirements for recognition in the financial statements. The Organization tracks donated volunteer services for reporting to funding entities and to measure overall community support.

**MEALS ON WHEELS OF TAMPA, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021**

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Functional Allocation of Expenses

The cost of providing the Organization's various programs and other activities has been summarized on a functional basis in the accompanying statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supportive services benefited.

Program and supporting expenses, when specifically identifiable, are classified to the function which incurred the expense. Salaries and payroll taxes have been allocated using estimates of the employee's time spent within each program and category. Program expenses are allocated based on the percentage of meals served to each program. Supporting expenses not directly identifiable are allocated to each function based on management's estimate of time spent within each function.

Income Tax Status

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been recorded. However, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income.

Uncertain Tax Positions

The Organization accounts for the effect of any uncertain tax positions based on a "more likely than not" threshold to the recognition of the tax positions being sustained based on the technical merits of the position under scrutiny by the applicable taxing authority. If a tax position or positions are deemed to result in uncertainties of those positions, the unrecognized tax benefit is estimated based on a "cumulative probability assessment" that aggregates the estimated tax liability for all uncertain tax positions. The Organization has identified its tax status as a tax-exempt entity as its only significant tax position; however, the Organization has determined that such tax position does not result in an uncertainty requiring recognition. The Organization is not currently under examination by any taxing jurisdiction. The Organization's federal returns are generally open for examination for three years following the date filed.

Impairment of Long-Lived Assets

Management reviews all long-lived assets, which consist primarily of land and buildings, for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to a real property appraisal. If the carrying amount of an asset exceeds its appraisal value, an impairment charge is recognized for the amount by which the carrying amount of the asset exceeds the fair value of the assets.

MEALS ON WHEELS OF TAMPA, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities consists of the following at June 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Accounts payable	\$ 112,894	\$ 79,175
Accrued expenses	689	893
Accrued payroll and employee benefits	<u>309,457</u>	<u>290,715</u>
Total accounts payable and accrued liabilities	<u>\$ 423,040</u>	<u>\$ 370,783</u>

Advertising Costs

Advertising costs are expensed as incurred and were \$6,865 and \$12,418 for the years ended June 30, 2022 and 2021, respectively.

Comparative Financial Information

The accompanying financial statements include certain prior year summarized comparative total amounts. Such information does not include sufficient detail to constitute a presentation in conformity with US GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2021.

Reclassifications

Certain amounts in the prior year financial statements have been reclassified for comparative purposes to conform with the presentation in the current year financial statements. During the year ended June 30, 2022, management determined certain accounts held by the Community Foundation of Tampa Bay Inc. were not, as previously reported, beneficial interests in funds held by others. These accounts were determined to be deposit accounts of the Organization and funds can be withdrawn by the Organization after certain procedural conditions are met. As a result, approximately \$65,000 has been reclassified from beneficial interest in funds held by others to cash and restricted cash at June 30, 2021. Approximately \$35,000 of this reclassification reduced net assets with donor restrictions and increased net assets without donor restrictions at June 30, 2021. There was no impact on total net assets or total change in net assets as a result of this reclassification.

New Accounting Pronouncement

In September 2020, the Financial Accounting Standards Board issued Accounting Standards Update, Not-for-Profit Entities (Topic 958) - *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The update enhances the presentation and disclosure of contributed nonfinancial assets but does not impact the accounting for contributed nonfinancial assets. The Organization has adjusted the presentation and disclosures accordingly.

MEALS ON WHEELS OF TAMPA, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE C - AVAILABILITY AND LIQUIDITY

The following represents the Organization's financial assets available to meet general expenditures over the next twelve months at June 30:

	<u>2022</u>	<u>2021</u>
Financial Assets:		
Cash and cash equivalents	\$ 5,009,694	\$ 5,051,901
Accounts receivable	193,322	219,363
Contributions receivable	<u>184,901</u>	<u>175,935</u>
Total financial assets	<u>\$ 5,387,917</u>	<u>\$ 5,447,199</u>

The Organization's goal is generally to maintain financial assets to meet at least 90 days of operating expenses. As described in **NOTE I**, the Organization also has a \$150,000 line-of-credit available for use in meeting financial obligations.

NOTE D - PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at June 30:

	<u>2022</u>	<u>2021</u>
Land	\$ 596,633	\$ 596,633
Building	3,252,768	3,252,768
Capital improvements	403,574	371,026
Furniture and fixtures	110,508	107,971
Office equipment	61,751	50,561
Kitchen equipment	860,949	854,174
Meals delivery equipment	18,529	16,904
Vehicles	<u>223,756</u>	<u>222,024</u>
	5,528,468	5,472,061
Less accumulated depreciation	<u>(783,104)</u>	<u>(593,965)</u>
	<u>\$ 4,745,364</u>	<u>\$ 4,878,096</u>

Depreciation expense was \$189,139 and \$160,698 for the years ended June 30, 2022 and 2021, respectively.

MEALS ON WHEELS OF TAMPA, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE E - CONTRIBUTIONS RECEIVABLE

Contributions receivable are related to amounts pledged to the Organization to support operations and amounts pledged for the capital campaign to fund the construction costs of its new headquarters.

Contributions receivable related to amounts pledged to the Organization during its annual fundraising campaigns are presented net of management's estimate of uncollectible amounts and are discounted to present value at rates ranging from 1% to 4%.

Contributions receivable for operations at June 30, 2022 and 2021 are summarized as follows:

	<u>2022</u>	<u>2021</u>
Contributions receivable	\$ 897,626	\$ 675,786
Less allowance for uncollectible contributions receivable	(36,500)	(28,000)
Less unamortized discount to present value	<u>(42,351)</u>	<u>(20,222)</u>
	818,775	627,564
Current portion	<u>(184,901)</u>	<u>(175,935)</u>
Long-term portion	<u><u>\$ 633,874</u></u>	<u><u>\$ 451,629</u></u>

Anticipated collection periods of contributions receivable at June 30, 2022 and 2021 are summarized as follows:

	<u>2022</u>	<u>2021</u>
Within one year	\$ 184,901	\$ 175,935
One to five years	693,905	489,651
After five years	<u>18,820</u>	<u>10,200</u>
	897,626	675,786
Less allowance for uncollectible contributions receivable	(36,500)	(28,000)
Less unamortized discount to present value	<u>(42,351)</u>	<u>(20,222)</u>
	<u><u>\$ 818,775</u></u>	<u><u>\$ 627,564</u></u>

MEALS ON WHEELS OF TAMPA, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE E - CONTRIBUTIONS RECEIVABLE – CONTINUED

Contributions receivable related to the capital campaign are for the acquisition and construction of the new headquarters. The land was acquired on March 31, 2017 and the campaign to raise funds for the building began in fiscal 2018 and concluded in fiscal 2020. Capital campaign receivables are presented net of management's estimate of uncollectible amounts and are discounted to present value at rates ranging from 1% to 4%.

Contributions receivable for the capital campaign at June 30, 2022 and 2021 are summarized as follows:

	<u>2022</u>	<u>2021</u>
Contributions receivable - capital campaign	\$ 179,143	\$ 329,176
Less allowance for uncollectible contributions receivable - capital campaign	(5,200)	(6,500)
Less unamortized discount to present value	<u>(1,075)</u>	<u>(10,181)</u>
	172,868	312,495
Current portion	<u>(110,183)</u>	<u>(99,833)</u>
Long-term portion	<u><u>\$ 62,685</u></u>	<u><u>\$ 212,662</u></u>

Anticipated collection periods of contributions receivable for the capital campaign at June 30, 2022 and 2021 are summarized as follows:

	<u>2022</u>	<u>2021</u>
Within one year	\$ 110,183	\$ 99,833
One to five years	68,960	229,343
	<u>179,143</u>	<u>329,176</u>
Less allowance for uncollectible contributions receivable - capital campaign	(5,200)	(6,500)
Less unamortized discount to present value	<u>(1,075)</u>	<u>(10,181)</u>
	<u><u>\$ 172,868</u></u>	<u><u>\$ 312,495</u></u>

**MEALS ON WHEELS OF TAMPA, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021**

NOTE F - BENEFICIAL INTEREST IN FUNDS HELD BY OTHERS

The Organization has a beneficial interest in assets held by the Community Foundation of Tampa Bay, Inc. (CFTB) with balances of \$43,321 and \$38,656 at June 30, 2022 and 2021, respectively. These balances are included in net assets with donor restrictions. Typically, earnings on the endowment funds are distributed to the Organization quarterly at a distribution rate between 5% - 7% of the fund's balance as of December 31 of the year preceding the distribution. As of July 2017, the Organization has elected to have future distributions re-invested in the funds. The fair value of the beneficial interest approximates its recorded value as of June 30, 2022 and 2021.

NOTE G - BENEFICIAL INTEREST IN A DESIGNATED FUND

The Organization has a beneficial interest in certain designated funds held by the CFTB. These designated funds came from sources other than the Organization that had explicitly granted variance power to CFTB, so they are not recorded in the Organization's accompanying statements of financial position as an asset. Earnings on the endowment funds are distributed to the Organization quarterly and are recognized as unrestricted contributions in the statements of activities.

NOTE H - FAIR VALUE MEASUREMENT

The Organization's investments are reported at fair value in the accompanying statements of financial position. Following is a description of valuation methodologies used for investments measured at fair value:

Certificates of deposit are valued on the basis of the performance of the underlying assets. These are included as level 2 measurements in the tables below.

Money market funds are valued at the closing price reported by the fund sponsor from an actively traded exchange. These are included as level 1 measurements in the tables below.

Beneficial interest in funds held by others are investments managed by a third party who is unrelated to this Organization. The trust assets are valued based upon the third-party information without adjustment. The Organization does not develop nor are they provided with the quantitative inputs used to develop the fair market values. These investments are included as level 3 measurements in the following tables.

MEALS ON WHEELS OF TAMPA, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE H - FAIR VALUE MEASUREMENT - CONTINUED

Fair Value Measurements at June 30, 2022				
Description:	Quoted Prices In Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3	Total Fair Value
Assets:				
Certificates of deposit	\$ -	\$ 2,644,827	\$ -	\$ 2,644,827
Money market mutual funds	2,222,165	-	-	2,222,165
Savings accounts	-	-	58,240	58,240
Beneficial interest	-	-	43,321	43,321
Total assets at fair value	<u>\$ 2,222,165</u>	<u>\$ 2,644,827</u>	<u>\$ 101,561</u>	<u>\$ 4,968,553</u>

Fair Value Measurements at June 30, 2021				
Description:	Quoted Prices In Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3	Total Fair Value
Assets:				
Certificates of deposit	\$ -	\$ 702,467	\$ -	\$ 702,467
Money market mutual funds	3,884,479	-	-	3,884,479
Savings accounts	-	-	64,581	64,581
Beneficial interest	-	-	38,656	38,656
Total assets at fair value	<u>\$ 3,884,479</u>	<u>\$ 702,467</u>	<u>\$ 103,237</u>	<u>\$ 4,690,183</u>

The following table illustrates a roll-forward for all assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the years ended June 30, 2022 and 2021:

	2022	2021
Community Foundation of Tampa Bay, Inc. funds at beginning of year	\$ 103,237	\$ 81,218
Additions	8,644	-
Realized and unrealized (losses) gains, net	(10,320)	22,019
Community Foundation of Tampa Bay, Inc. funds end of year	<u>\$ 101,561</u>	<u>\$ 103,237</u>

MEALS ON WHEELS OF TAMPA, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE I - LINE-OF-CREDIT

The Organization has a \$150,000 revolving line-of-credit with a bank. Borrowings under the line-of-credit are due on the earlier of the bank's demand or the expiration date of the agreement. The line-of-credit is unsecured, bears interest at the bank's prime rate plus 1% (5.75% at June 30, 2022) and expires in October 2022. There was no balance outstanding on the line-of-credit at June 30, 2022 and 2021.

NOTE J - NOTE PAYABLE

In response to the coronavirus (COVID-19) outbreak in 2020, the U.S. Federal Government enacted the Coronavirus Aid, Relief, and Economic Security Act that, among other economic stimulus measures, established the Paycheck Protection Program (PPP) to provide small business loans. In April 2020, the Organization obtained a PPP loan in the amount of \$238,000. The Organization used the entire loan amount for qualifying expenses and received complete forgiveness in April 2021. Income from the forgiveness of the PPP loan of \$238,000 is included in the accompanying statement of activities for the year ended June 30, 2021.

NOTE K - NET ASSETS WITH DONOR RESTRICTIONS

Net assets released from restrictions amounted to \$465,480 and \$1,406,229 for the years ended June 30, 2022 and 2021, respectively, and in general, are due to the collection of contributions receivable.

Net assets with donor restrictions consist of the following as of June 30, 2022:

Contributions receivable, net - time restricted	\$ 818,775
Capital campaign receivable, net - time and purpose restricted	172,868
Capital campaign funds received - purpose restricted	291,157
Contribution - purpose restricted	103,271
Beneficial interest in funds held by others - time and purpose restricted	43,321
	<u>\$ 1,429,392</u>

Net assets with donor restrictions consist of the following as of June 30, 2021:

Contributions receivable, net - time restricted	\$ 627,564
Capital campaign receivable, net - time and purpose restricted	312,495
Capital campaign funds received - purpose restricted	189,113
Beneficial interest in funds held by others - time and purpose restricted	38,656
	<u>\$ 1,167,828</u>

**MEALS ON WHEELS OF TAMPA, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021**

NOTE L - COMMITMENTS

Annuity Plan

The Organization sponsors a tax deferred annuity plan covering all eligible employees. Contributions to the plan are discretionary and are determined by the Board of Directors. The Organization matches contributions to the plan up to 50% of employees' elective deferrals up to 2% of eligible gross wages. In addition, the Board, at its discretion, may make an additional percentage-based contribution to each eligible employee's account after the end of each plan year. The Organization made discretionary contributions of \$48,475 and \$44,629 to the plan for the years ended June 30, 2022 and 2021, respectively.

Contractual Commitments

The Organization has various contract commitments to institutions and not-for-profit organizations to provide and deliver meals to certain institutionalized individuals and others. Terms of these contracts are generally one year, subject to cancellation on sufficient notice.

NOTE M - CONCENTRATIONS

At June 30, 2022, two customers accounted for 48% of total accounts receivable. At June 30, 2021, three customers accounted for 60% of total accounts receivable.

Additionally, at June 30, 2022 and 2021, two donors accounted for 89% and three donors accounted for 85%, respectively, of the total capital campaign receivables.

NOTE N - OPERATING LEASES

The Organization leases office equipment under a non-cancelable operating lease. Lease expense for the years ended June 30, 2022 and 2021 was approximately \$4,000 and \$4,500, respectively. Based on the terms of the lease agreement, the future minimum payments due on the lease are \$3,953 annually for the fiscal years ending June 30, 2023 through June 30, 2026. Total future minimum payments required under this lease are \$15,812.

**MEALS ON WHEELS OF TAMPA, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021**

NOTE O – CONTRIBUTED NONFINANCIAL ASSETS

Contributed nonfinancial assets included in the accompanying statements of activities are as follows for each of the years ended June 30:

2022

	<u>Home Bound Meals</u>	<u>Administration</u>	<u>Fundraising</u>	<u>Facility Construction</u>	<u>Total</u>
Supplies	\$ 1,670	\$ 1,060	\$ 4,500	\$ -	\$ 7,230
Food	-	-	207	-	207
	<u>\$ 1,670</u>	<u>\$ 1,060</u>	<u>\$ 4,707</u>	<u>\$ -</u>	<u>\$ 7,437</u>

2021

	<u>Home Bound Meals</u>	<u>Administration</u>	<u>Fundraising</u>	<u>Facility Construction</u>	<u>Total</u>
Supplies	\$ 10,616	\$ 960	\$ 2,700	\$ -	\$ 14,276
Food	24,717	-	-	-	24,717
Professional services	-	-	-	104,539	104,539
Building materials	-	-	-	8,500	8,500
	<u>\$ 35,333</u>	<u>\$ 960</u>	<u>\$ 2,700</u>	<u>\$ 113,039</u>	<u>\$ 152,032</u>

All donated services and assets were utilized by the Organization's programs and supporting services. There were no donor-imposed restrictions associated with the donated services and assets. Donated professional services capitalized in the construction of the Organization's facility are valued at the standard hourly rates charged for those services. Donated supplies, food and building materials are valued at the estimated wholesale prices that would be received for selling similar products in the United States.

NOTE P - SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through October 18, 2022, the date the financial statements were available to be issued. The Organization is not aware of any subsequent events which would require recognition or disclosure in the financial statements.