

Meals on Wheels of Tampa, Inc.

Financial Statements

June 30, 2023 and 2022



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, 2023 and 2022, 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, 2023, 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, 2023 and 2022, 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.

CONTINUED

INDEPENDENT AUDITOR'S REPORT - CONTINUED

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.

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 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 18, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022 is consistent, in all material respects, with the audited financial statements from which it has been derived.

PDR CPAs + Advisors

Oldsmar, Florida
November 28, 2023

MEALS ON WHEELS OF TAMPA, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
<u>ASSETS</u>		
Current Assets		
Cash and cash equivalents	\$ 1,975,552	\$ 2,346,862
Restricted cash	312,206	291,157
Short term investments	2,202,872	2,612,832
Accounts receivable, net of allowance for doubtful accounts of \$2,300 and \$1,800, respectively	386,097	193,322
Contributions receivable - current portion	217,781	184,901
Capital campaign receivable - current portion	59,126	110,183
Inventory	98,561	84,417
Prepaid expenses	124,531	46,380
Total current assets	5,376,726	5,870,054
Other Assets		
Certificate of deposit	50,000	50,000
Contributions receivable, net - long-term portion	687,427	633,874
Capital campaign receivable, net - long-term portion	31,104	62,685
Beneficial interest in funds held by others	48,546	43,321
Property and equipment, net	4,764,219	4,745,364
Total Assets	<u>\$10,958,022</u>	<u>\$11,405,298</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 394,031	\$ 423,040
Deferred revenue	11,469	3,925
Total current liabilities	405,500	426,965
Total Liabilities	405,500	426,965
Net Assets		
Without donor restrictions	9,196,332	9,548,941
With donor restrictions	1,356,190	1,429,392
Total net assets	<u>10,552,522</u>	<u>10,978,333</u>
Total Liabilities and Net Assets	<u>\$10,958,022</u>	<u>\$11,405,298</u>

See accompanying notes to financial statements

MEALS ON WHEELS OF TAMPA, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR 2022)

	Without Donor Restrictions	With Donor Restrictions	Total	
			2023	2022
Operating Support and Revenue				
Contributions	\$ 902,184	\$ 538,153	\$ 1,440,337	\$ 1,458,297
Capital campaign	745	60	805	9,226
Program services	2,460,539	-	2,460,539	2,311,592
Contributed nonfinancial assets	7,960	-	7,960	7,437
Special events, net of \$50,592 of direct expense	777,629	-	777,629	807,557
Change in value in funds held by others	-	4,224	4,224	4,665
Investment income, net	93,934	7,791	101,725	(25,519)
Net assets released from restrictions	623,430	(623,430)	-	-
Total operating support and revenue	4,866,421	(73,202)	4,793,219	4,573,255
Operating Expenses				
Program services	4,524,046	-	4,524,046	3,952,356
Administration	360,803	-	360,803	316,133
Fundraising	352,183	-	352,183	335,836
Total operating expenses	\$ 5,237,032	-	5,237,032	4,604,325
Change in Net Assets Before Other Changes	(370,611)	(73,202)	(443,813)	(31,070)
Other Changes				
Gain on disposal of property and equipment	18,002	-	18,002	-
Change in Net Assets	(352,609)	(73,202)	(425,811)	(31,070)
Net Assets at Beginning of Year	9,548,941	1,429,392	10,978,333	11,009,403
Net Assets at End of Year	\$ 9,196,332	\$ 1,356,190	\$ 10,552,522	\$ 10,978,333

See accompanying notes to financial statements

MEALS ON WHEELS OF TAMPA, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Operating Support and Revenue			
Contributions	\$ 739,875	\$ 718,422	\$ 1,458,297
Capital campaign	-	9,226	9,226
Program services	2,311,592	-	2,311,592
Contributed nonfinancial assets	7,437	-	7,437
Special events, net of \$43,544 of direct expenses	807,557	-	807,557
Change in value in funds held by others	-	4,665	4,665
Investment income, net	(20,250)	(5,269)	(25,519)
Net assets released from restrictions	465,480	(465,480)	-
Total operating support and revenue	4,311,691	261,564	4,573,255
Operating Expenses			
Program services	3,952,356	-	3,952,356
Administration	316,133	-	316,133
Fundraising	335,836	-	335,836
Total operating expenses	4,604,325	-	4,604,325
Change in Net Assets	(292,634)	261,564	(31,070)
Net Assets at Beginning of Year	9,841,575	1,167,828	11,009,403
Net Assets at End of Year	\$ 9,548,941	\$ 1,429,392	\$ 10,978,333

See accompanying notes to financial statements

MEALS ON WHEELS OF TAMPA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2023
(WITH COMPARATIVE TOTALS FOR 2022)

	Program Services			Supporting Services		Total	
	Home Bound Meals	Nonprofits Helping Nonprofits	Total Program Services	Administration	Fundraising	2023	2022
Salaries and payroll taxes	\$ 1,487,324	\$ 70,597	\$ 1,557,921	\$ 248,856	\$ 213,778	\$ 2,020,555	\$ 1,778,530
Employee benefits	125,014	6,754	131,768	21,919	18,433	172,120	179,497
Food and packaging expenses	2,011,268	152,045	2,163,313	-	-	2,163,313	1,841,948
Depreciation	152,769	10,857	163,626	27,219	22,889	213,734	189,139
Insurance	64,096	4,555	68,651	11,420	9,605	89,676	70,056
In-kind expenses	6,094	-	6,094	1,014	852	7,960	7,437
Office expense	25,972	1,351	27,323	4,545	3,822	35,690	30,399
Utilities	77,157	5,483	82,640	13,747	11,561	107,948	88,987
Bad debts	16,656	-	16,656	-	16,851	33,507	45,139
Professional fees	23,036	2,128	25,164	4,186	3,520	32,870	28,924
Conferences and meetings	936	-	936	156	131	1,223	870
Postage and printing	17,187	1,453	18,640	3,101	22,813	44,554	42,593
Repairs and maintenance	52,087	3,702	55,789	9,280	7,804	72,873	79,494
Travel and meals	2,229	-	2,229	371	312	2,912	3,397
Telephone	8,104	576	8,680	1,444	1,214	11,338	12,392
Information technology	31,558	2,243	33,801	5,623	4,728	44,152	35,722
Licenses and fees	677	48	725	121	101	947	2,893
Advertising and marketing	14,206	1,010	15,216	2,531	2,129	19,876	6,865
Program supplies	62,525	160	62,685	-	7,210	69,895	62,929
Bank charges	24,865	393	25,258	4,202	3,533	32,993	33,374
Miscellaneous	6,418	-	6,418	1,068	897	8,383	2,969
Transportation	48,619	1,894	50,513	-	-	50,513	60,771
	<u>\$ 4,258,797</u>	<u>\$ 265,249</u>	<u>\$ 4,524,046</u>	<u>\$ 360,803</u>	<u>\$ 352,183</u>	<u>\$ 5,237,032</u>	<u>\$ 4,604,325</u>

See accompanying notes to financial statements

MEALS ON WHEELS OF TAMPA, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
Cash Flows from Operating Activities:		
Change in net assets	\$ (425,811)	\$ (31,070)
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Gain on disposal of property and equipment	(18,002)	-
Depreciation	213,734	189,139
Change in value in beneficial interest in funds held by others	(5,225)	(4,665)
Cash contributions received for the capital campaign	(120)	(120)
(Increase) decrease in:		
Accounts receivable	(192,775)	26,041
Contributions receivable	(86,433)	(191,211)
Capital campaign receivable	82,638	139,627
Inventory	(14,144)	(30,200)
Prepaid expenses	(78,151)	(6,246)
Increase (decrease) in:		
Accounts payable and accrued liabilities	(29,009)	52,257
Deferred revenue	7,544	(3,603)
Net cash (used in) provided by operating activities	(545,754)	139,949
Cash Flows from Investing Activities:		
Decreases (increases) in short term investments, net	409,960	(1,962,832)
Cash paid for property and equipment purchases	(250,818)	(56,407)
Proceeds from disposal of property and equipment	36,231	-
Net cash provided by (used in) investing activities	195,373	(2,019,239)
Cash Flows from Financing Activities:		
Cash contributions received for the capital campaign	120	120
Net Decrease in Total Cash	(350,261)	(1,879,170)
Total Cash at Beginning of Year	2,638,019	4,517,189
Total Cash at End of Year	<u>\$ 2,287,758</u>	<u>\$ 2,638,019</u>
Total Cash consisted of the following at June 30:		
Cash and cash equivalents	\$ 1,975,552	\$ 2,346,862
Restricted cash	312,206	291,157
	<u>\$ 2,287,758</u>	<u>\$ 2,638,019</u>

See accompanying notes to financial statements

**MEALS ON WHEELS OF TAMPA, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

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, 2023 AND 2022**

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 and money market mutual fund accounts held with one bank, two brokerage firms, and a community foundation.

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, 2023 and 2022, 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.

Amounts held by the brokerage firms in money market mutual funds 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 money market mutual fund accounts at a brokerage firm and in amounts on deposit at a bank and at a community foundation.

Short Term Investments

The Organization invests in certificates of deposit with maturities of less than one year. The certificates of deposit are purchased through a brokerage account, purchased in such amounts as to maximize federal deposit insurance coverage, and are held to maturity. Accordingly, certificates of deposit are carried at original cost in the accompanying statements of financial position. Certificates of deposit held at June 30, 2023 have maturity dates ranging from September 2023 to June 2024 and interest rates ranging from 3.15% to 5.30%. Total certificates of deposit included in short term investments was \$1,626,000 and \$2,612,832 at June 30, 2023 and 2022, respectively.

During the year ended June 30, 2023, the Organization began purchasing United States Treasury Notes (Notes) with remaining maturities of less than one year. Two Notes were purchased with a maturity date of February 29, 2024 and with stated interest rates of 1.50% and 2.375%. The Notes are carried at fair market value in the accompanying statements of financial position and total \$576,872 at June 30, 2023.

**MEALS ON WHEELS OF TAMPA, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Certificate of Deposit

The Organization has a \$50,000 certificate of deposit with a maturity date of September 2024. The interest rate is 1.90% and the certificate of deposit is carried at original cost in the accompanying statements of financial position since it is expected to be held to maturity. This certificate of deposit is presented as a noncurrent asset in the accompanying statements of financial position.

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.

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.

**MEALS ON WHEELS OF TAMPA, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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.

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.

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.

**MEALS ON WHEELS OF TAMPA, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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.

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.

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.

MEALS ON WHEELS OF TAMPA, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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.

Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities consists of the following at June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Accounts payable	\$ 72,272	\$ 112,894
Accrued expenses	835	689
Accrued payroll and employee benefits	<u>320,924</u>	<u>309,457</u>
Total accounts payable and accrued liabilities	<u>\$ 394,031</u>	<u>\$ 423,040</u>

Advertising Costs

Advertising costs are expensed as incurred and were \$19,876 and \$6,865 for the years ended June 30, 2023 and 2022, 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, 2022.

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, 2023, management determined certain amounts included in cash and cash equivalents would be more appropriately presented as short term investments and as a long term certificate of deposit. At June 30, 2022, \$2,612,832 was reclassified from cash and cash equivalents to short term investments and \$50,000 was reclassified from cash and cash equivalents to long term certificate of deposit. There was no impact on total net assets or total change in net assets as a result of these reclassifications.

MEALS ON WHEELS OF TAMPA, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

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>2023</u>	<u>2022</u>
Financial Assets:		
Cash and cash equivalents	\$ 1,975,552	\$ 2,346,862
Short term investments	2,202,872	2,612,832
Accounts receivable	386,097	193,322
Contributions receivable	<u>217,781</u>	<u>184,901</u>
Total financial assets	<u>\$ 4,782,302</u>	<u>\$ 5,337,917</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>2023</u>	<u>2022</u>
Land	\$ 596,633	\$ 596,633
Building	3,252,768	3,252,768
Capital improvements	432,781	403,574
Furniture and fixtures	113,046	110,508
Office equipment	76,809	61,751
Kitchen equipment	862,042	860,949
Meals delivery equipment	18,529	18,529
Vehicles	<u>326,278</u>	<u>223,756</u>
	5,678,886	5,528,468
Less accumulated depreciation	<u>(914,667)</u>	<u>(783,104)</u>
	<u>\$ 4,764,219</u>	<u>\$ 4,745,364</u>

Depreciation expense was \$213,734 and \$189,139 for the years ended June 30, 2023 and 2022, respectively.

MEALS ON WHEELS OF TAMPA, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

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 5%.

Contributions receivable for operations at June 30, 2023 and 2022 are summarized as follows:

	<u>2023</u>	<u>2022</u>
Contributions receivable	\$ 1,007,976	\$ 897,626
Less allowance for uncollectible contributions receivable	(37,300)	(36,500)
Less unamortized discount to present value	<u>(65,468)</u>	<u>(42,351)</u>
	905,208	818,775
Current portion	<u>(217,781)</u>	<u>(184,901)</u>
Long-term portion	<u><u>\$ 687,427</u></u>	<u><u>\$ 633,874</u></u>

Anticipated collection periods of contributions receivable at June 30, 2023 and 2022 are summarized as follows:

	<u>2023</u>	<u>2022</u>
Within one year	\$ 217,781	\$ 184,901
One to five years	773,375	693,905
After five years	<u>16,820</u>	<u>18,820</u>
	1,007,976	897,626
Less allowance for uncollectible contributions receivable	(37,300)	(36,500)
Less unamortized discount to present value	<u>(65,468)</u>	<u>(42,351)</u>
	<u><u>\$ 905,208</u></u>	<u><u>\$ 818,775</u></u>

MEALS ON WHEELS OF TAMPA, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

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, 2023 and 2022 are summarized as follows:

	<u>2023</u>	<u>2022</u>
Contributions receivable - capital campaign	\$ 92,460	\$ 179,143
Less allowance for uncollectible contributions receivable - capital campaign	(1,900)	(5,200)
Less unamortized discount to present value	<u>(330)</u>	<u>(1,075)</u>
	90,230	172,868
Current portion	<u>(59,126)</u>	<u>(110,183)</u>
Long-term portion	<u><u>\$ 31,104</u></u>	<u><u>\$ 62,685</u></u>

Anticipated collection periods of contributions receivable for the capital campaign at June 30, 2023 and 2022 are summarized as follows:

	<u>2023</u>	<u>2022</u>
Within one year	\$ 59,126	\$ 110,183
One to five years	<u>33,334</u>	<u>68,960</u>
	92,460	179,143
Less allowance for uncollectible contributions receivable - capital campaign	(1,900)	(5,200)
Less unamortized discount to present value	<u>(330)</u>	<u>(1,075)</u>
	<u><u>\$ 90,230</u></u>	<u><u>\$ 172,868</u></u>

**MEALS ON WHEELS OF TAMPA, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

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 \$48,546 and \$43,321 at June 30, 2023 and 2022, 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, 2023 and 2022.

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:

United States Treasury Notes are valued on the basis of pricing inputs other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies. These are included as level 2 measurements in the following tables.

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 following tables.

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, 2023 AND 2022**

NOTE H - FAIR VALUE MEASUREMENT - CONTINUED

Fair Value Measurements at June 30, 2023				
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:				
Treasury notes	\$ -	\$ 576,872	\$ -	\$ 576,872
Money market mutual funds	1,559,811	-	-	1,559,811
Savings accounts	-	-	62,496	62,496
Beneficial interest	-	-	48,546	48,546
Total assets at fair value	<u>\$ 1,559,811</u>	<u>\$ 576,872</u>	<u>\$ 111,042</u>	<u>\$ 2,247,725</u>

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:				
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>\$ -</u>	<u>\$ 101,561</u>	<u>\$ 2,323,726</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, 2023 and 2022:

	2023	2022
Community Foundation of Tampa Bay, Inc. funds at beginning of year	\$ 101,561	\$ 103,237
Additions	1,000	8,644
Realized and unrealized gains (losses), net	8,481	(10,320)
Community Foundation of Tampa Bay, Inc. funds end of year	<u>\$ 111,042</u>	<u>\$ 101,561</u>

MEALS ON WHEELS OF TAMPA, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

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% (9.25% at June 30, 2023) and expires in October 2023. There was no balance outstanding on the line-of-credit at June 30, 2023 and 2022.

NOTE J - NET ASSETS WITH DONOR RESTRICTIONS

Net assets released from restrictions amounted to \$623,430 and \$465,480 for the years ended June 30, 2023 and 2022, 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, 2023:

Contributions receivable, net - time restricted	\$ 905,208
Capital campaign receivable, net - time and purpose restricted	90,230
Capital campaign funds received - purpose restricted	312,206
Beneficial interest in funds held by others - time and purpose restricted	<u>48,546</u>
	<u><u>\$ 1,356,190</u></u>

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	<u>43,321</u>
	<u><u>\$ 1,429,392</u></u>

**MEALS ON WHEELS OF TAMPA, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

NOTE K - 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 \$41,649 and \$48,475 to the plan for the years ended June 30, 2023 and 2022, 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 L - CONCENTRATIONS

At June 30, 2023, two customers accounted for 50% of total accounts receivable. At June 30, 2022, two customers accounted for 48% of total accounts receivable.

Additionally, at June 30, 2023 and 2022, two donors accounted for 94% and 89%, respectively, of the total capital campaign receivables.

NOTE M - OPERATING LEASES

The Organization leases office equipment under two non-cancelable operating leases. Lease expense for the each of the years ended June 30, 2023 and 2022 was approximately \$4,000. Based on the terms of the lease agreements, the future minimum payments due on the leases are approximately \$5,500 annually for the fiscal years ending June 30, 2024 through June 30, 2026. Total future minimum payments required under these leases are approximately \$16,500.

**MEALS ON WHEELS OF TAMPA, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022**

NOTE N - CONTRIBUTED NONFINANCIAL ASSETS

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

2023

	<u>Home Bound Meals</u>	<u>Administration</u>	<u>Fundraising</u>	<u>Total</u>
Supplies	\$ -	\$ 960	\$ 7,000	\$ 7,960

2022

	<u>Home Bound Meals</u>	<u>Administration</u>	<u>Fundraising</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>\$ 7,437</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 supplies and food are valued at the estimated wholesale prices that would be received for selling similar products in the United States.

NOTE O - SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through November 28, 2023, 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.