

**MEALS ON WHEELS PLUS
OF MANATEE, INC.**

FINANCIAL REPORT

DECEMBER 31, 2020

MEALS ON WHEELS PLUS OF MANATEE, INC.

FINANCIAL REPORT DECEMBER 31, 2020

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INDEPENDENT AUDITOR'S REPORT

Board of Directors

Meals on Wheels PLUS of Manatee, Inc.

Bradenton, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of Meals on Wheels PLUS of Manatee, Inc. (a non-profit organization) (the "Organization"), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information, including the accompanying Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 26, 2021, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Bradenton, Florida
May 26, 2021

MEALS ON WHEELS PLUS OF MANATEE, INC.

STATEMENT OF FINANCIAL POSITION DECEMBER 31, 2020

ASSETS	
CURRENT ASSETS	
Cash	\$ 2,694,105
Grants and accounts receivable	316,376
Bequest receivable	1,087,056
Inventories	340,543
Prepaid expenses	16,700
	<u>4,454,780</u>
INVESTMENTS AND OTHER ASSETS	
Endowment fund	<u>300,911</u>
PROPERTY AND EQUIPMENT, at cost, net	<u>3,998,291</u>
	<u>\$ 8,753,982</u>
LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES	
Accounts payable	\$ 138,411
Accumulated paid time off	63,637
Accrued expenses	56,348
Deposits	480,500
Current portion of long-term debt	72,384
	<u>811,280</u>
LONG-TERM LIABILITIES	
Long-term debt, less current maturities and unamortized debt issuance costs	<u>1,446,067</u>
	<u>1,446,067</u>
NET ASSETS	
Without donor restrictions	
Undesignated	6,179,666
Designated by the Board for future projects	173,874
	<u>6,353,540</u>
With donor restrictions	
Time or purpose	64,320
Perpetual	78,775
	<u>6,496,635</u>
	<u>\$ 8,753,982</u>

See Notes to Financial Statements.

MEALS ON WHEELS PLUS OF MANATEE, INC.

STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2020

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions Time or Purpose	Perpetual	Total
Program revenue				
Federal grants	\$ 2,451,194	\$ -	\$ -	\$ 2,451,194
State grants	98,230	-	-	98,230
County grants	103,238	-	-	103,238
Project income	277,935	-	-	277,935
Contributions	2,992,375	495,027	-	3,487,402
Special events	250,480	-	-	250,480
United Way	13,500	-	-	13,500
Meals sold	186,997	-	-	186,997
Other grants	1,633,633	-	-	1,633,633
In-kind contributions	4,885,035	-	-	4,885,035
Net assets released from restrictions	484,507	(484,507)	-	-
Total program revenue	13,377,124	10,520	-	13,387,644
Other revenue				
Rental income	55,500	-	-	55,500
Interest income	1,681	-	-	1,681
Net unrealized gain on investments	20,359	10,360	-	30,719
Gain on sale of assets	4,422	-	-	4,422
Miscellaneous income	102,636	-	-	102,636
Total other revenue	184,598	10,360	-	194,958
Total revenue	13,561,722	20,880	-	13,582,602
Expenses				
Program services				
Food bank	6,358,201	-	-	6,358,201
Home delivered meals	1,860,331	-	-	1,860,331
Adult daycare	342,673	-	-	342,673
Renaissance on 9th	310,529	-	-	310,529
Congregate dining	205,712	-	-	205,712
Passenger transportation	364,659	-	-	364,659
Respite	46,675	-	-	46,675
Other miscellaneous programs	22,492	-	-	22,492
Total program services	9,511,272	-	-	9,511,272
Supporting services				
Management and general	311,641	-	-	311,641
Fundraising	322,064	-	-	322,064
Total supporting services	633,705	-	-	633,705
Total expenses	10,144,977	-	-	10,144,977
Change in net assets	3,416,745	20,880	-	3,437,625
Net assets, beginning of year	2,936,795	43,440	78,775	3,059,010
Net assets, end of year	\$ 6,353,540	\$ 64,320	\$ 78,775	\$ 6,496,635

See Notes to Financial Statements.

MEALS ON WHEELS PLUS OF MANATEE, INC.

STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Passenger Transportation</u>	<u>Congregate Dining</u>	<u>Home Delivered Meals</u>	<u>Adult Daycare</u>	<u>Nutrition Counseling</u>
Salaries	\$ 182,755	\$ 19,781	\$ 548,995	\$ 165,628	\$ 654
Payroll taxes and benefits	53,015	3,702	99,556	28,764	86
Travel	-	-	4,826	24	-
Communications and postage	799	2	3,344	7,260	-
Utilities	-	5	12,301	7,384	-
Printing and supplies	1,104	442	5,258	4,293	-
Food and food supplies	-	2,010	26,066	-	-
Maintenance and repairs	30,626	3,189	11,322	20,680	-
Professional fees	2,919	205	15,274	7,362	1,715
Advertising	19	-	154	877	-
Insurance	21,434	-	13,766	8,532	-
In-kind volunteer mileage	-	-	121,687	-	-
In-kind occupancy	-	39,467	-	-	-
In-kind miscellaneous	-	-	510	340	-
Depreciation	69,250	1,754	7,367	21,179	-
Food bank food distributed	-	-	-	-	-
Special event expenses	-	-	-	-	-
Other	2,738	-	52,015	22,916	-
	<u>364,659</u>	<u>70,557</u>	<u>922,441</u>	<u>295,239</u>	<u>2,455</u>
Meal cost allocated	-	135,155	937,890	47,434	-
Total expenses	<u>\$ 364,659</u>	<u>\$ 205,712</u>	<u>\$ 1,860,331</u>	<u>\$ 342,673</u>	<u>\$ 2,455</u>

See Notes to Financial Statements.

MEALS ON WHEELS PLUS OF MANATEE, INC.

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Respite	Outreach	Food Bank	Renaissance on 9th	Meal Production	Total Program Services
\$	41,085	\$ 10,714	\$ 439,095	\$ 25,259	\$ -	\$ 1,433,966
	5,590	2,504	75,869	4,758	-	273,844
	-	127	-	-	-	4,977
	-	2,302	12,131	4,011	-	29,849
	-	3,204	29,724	(12,458)	-	40,160
	-	1,151	34,409	1,485	-	48,142
	-	-	-	-	1,120,479	1,148,555
	-	-	58,870	21,085	-	145,772
	-	-	9,937	5,529	-	42,941
	-	-	-	-	-	1,050
	-	-	24,162	18,609	-	86,503
	-	-	-	-	-	121,687
	-	-	-	-	-	39,467
	-	-	510	10,240	-	11,600
	-	-	59,454	170,342	-	329,346
	-	-	4,698,353	-	-	4,698,353
	-	-	-	-	-	-
	-	35	915,687	61,669	-	1,055,060
	46,675	20,037	6,358,201	310,529	1,120,479	9,511,272
	-	-	-	-	(1,120,479)	-
\$	46,675	\$ 20,037	\$ 6,358,201	\$ 310,529	\$ -	\$ 9,511,272

(continued)

MEALS ON WHEELS PLUS OF MANATEE, INC.

STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Expenses</u>
Salaries	\$ 189,011	\$ 188,168	\$ 1,811,145
Payroll taxes and benefits	24,280	29,253	327,377
Travel	650	689	6,316
Communications and postage	2,993	6,157	38,999
Utilities	3,799	1,800	45,759
Printing and supplies	4,508	3,450	56,100
Food and food supplies	-	-	1,148,555
Maintenance and repairs	3,431	93	149,296
Professional fees	20,758	20,841	84,540
Advertising	1,497	5,774	8,321
Insurance	10,951	-	97,454
In-kind volunteer mileage	-	-	121,687
In-kind occupancy	-	-	39,467
In-kind miscellaneous	-	-	11,600
Depreciation	17,925	128	347,399
Food bank food distributed	-	-	4,698,353
Special event expenses	-	32,653	32,653
Other	31,838	33,058	1,119,956
	<u>311,641</u>	<u>322,064</u>	<u>10,144,977</u>
Meal cost allocated	<u>-</u>	<u>-</u>	<u>-</u>
Total expenses	<u>\$ 311,641</u>	<u>\$ 322,064</u>	<u>\$ 10,144,977</u>

MEALS ON WHEELS PLUS OF MANATEE, INC.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2020

CASH FLOWS FROM OPERATING ACTIVITIES

Increase in net assets	\$ 3,437,625
Adjustments to reconcile increase in net assets to net cash provided by operating activities	
Depreciation and amortization	362,396
Loan forgiveness	(125,000)
Gain on sale of property and equipment	(4,422)
Change in fair value of the endowment fund	(30,718)
Change in assets and liabilities	
(Increase) in grants and accounts receivable	(67,114)
Decrease in promises to give	726
(Increase) in bequest receivable	(689,515)
(Increase) in inventories	(96,693)
Decrease in prepaid expenses	13,026
(Decrease) in accounts payable	(2,386)
(Decrease) in accumulated paid time off	(44,887)
Increase in deposits	480,500
Increase in accrued expenses	5,732
Net cash provided by operating activities	<u>3,239,270</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of property and equipment	(471,559)
Proceeds from the sale of property and equipment	4,150
Net cash (used in) investing activities	<u>(467,409)</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Payments on long-term debt	(69,776)
Payments for debt issuance costs	(19,797)
Net cash (used in) financing activities	<u>(89,573)</u>

Net increase in cash	2,682,288
Cash, beginning of year	<u>11,817</u>
Cash, end of year	<u>\$ 2,694,105</u>

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Cash payments for interest	<u>\$ 56,207</u>
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See Notes to Financial Statements.

MEALS ON WHEELS PLUS OF MANATEE, INC.

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Meals on Wheels PLUS of Manatee, Inc. (the "Organization") is a not-for-profit organization that was formed to provide nutritional assistance and other supportive services in homes or in centers to needy people of Manatee County, Florida.

Significant accounting policies are as follows:

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly, reflect all significant receivables, payables and other liabilities.

The accompanying financial statements have been prepared in conformity with the disclosure and display requirements of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, *Not-for-Profit Entities*. Accordingly, net assets are reported in each of the following two classes: (1) net assets without donor restrictions, and (2) net assets with donor restrictions.

Net assets with donor restrictions are created only by donor-imposed restrictions on their use. All other net assets, including board-designated or appropriated amounts, are legally unrestricted and are reported as part of net assets without donor restrictions.

Revenue Recognition

The Organization receives grant revenue from the federal government, the State of Florida and other sources. Grants are cost reimbursable grants and are recorded as support to the extent that eligible costs are incurred during the grant contract period. Revenue from project income and meals are recognized as services are rendered. Rental income is recognized monthly under the terms of the lease with the tenant.

Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make 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.

MEALS ON WHEELS PLUS OF MANATEE, INC.

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Grants and Accounts Receivable

Grants and accounts receivable are recorded at their net realizable value. Grants and accounts receivable are based on services performed prior to year-end, but not collected as of the statement of financial position date. Management considers all such amounts to be fully collectible.

Bequest Receivable

The bequest receivable is recorded based on an estimate of its net realizable value and management considers the amount recorded to be fully collectible.

Allowance for Doubtful Accounts

The Organization uses the allowance method to account for uncollectible grants and accounts receivable and promises to give. As of December 31, 2020, all receivables are considered fully collectible.

Cash and Cash Equivalents

The Organization considers all unrestricted, highly liquid investments with an initial maturity of three months or less to be cash equivalents.

The Organization maintains its cash in bank accounts which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts. The Organization believes it is not exposed to any significant credit risk on cash and cash equivalents.

Contributions

Unconditional promises to give, cash and other assets are reported at estimated fair value at the date the promise is received. Conditional promises to give are recognized when the conditions are substantially met, and indications of intentions to give are reported at fair value at the date the gift is received. The gifts are reported as support with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Contributions with donor-imposed restrictions that are met in the same reporting period are reported as support with donor restrictions.

MEALS ON WHEELS PLUS OF MANATEE, INC.

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Inventories

Inventories consist of donated food and kitchen supplies. Kitchen supplies are stated at the lower of cost or market determined by the first-in, first-out method. Donated food is included in inventory at an industry standard valuation.

Property and Equipment

Property and equipment acquisitions in excess of \$1,000 are recorded at cost, estimated cost, or if donated, at fair value on the date of donation. Depreciation is provided over the estimated useful life of each class of depreciable assets and is computed using the straight-line method.

	<u>Years</u>
Buildings and improvements	7-25
Furniture and fixtures	3-10
Vehicles	5

Maintenance and repairs of property and equipment are charged to operations and major improvements are capitalized. Depreciation expense for the year ended December 31, 2020, was \$347,399.

Donated Materials, Dining Facilities and Services

All contributions are considered available for unrestricted use unless specifically restricted by the donor. Noncash contributions have been treated as in-kind contributions for purposes of meeting federal or state matching requirements. Donated materials, consisting primarily of food, are reflected in the accompanying financial statements at their estimated fair value at date of receipt. Donated building space is recorded at the fair rental value of comparable spaces. Volunteer mileage donated in connection with the home delivered meals program is recorded at the Organization's regular mileage reimbursement rate.

Numerous volunteers have donated significant amount of time to the Organization's various programs. No amounts have been recognized in the accompanying statement of activities because the criteria for recognition under generally accepted accounting principles have not been satisfied. Although no amounts have been reflected in the financial statements, management estimates the fair value of those services to be \$460,452 for the year ended December 31, 2020.

MEALS ON WHEELS PLUS OF MANATEE, INC.

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The Organization qualifies as a charitable organization as defined by Internal Revenue Code Section 501(c)(3) and, accordingly is exempt from federal income taxes under Internal Revenue Code Section 501(a).

It is the Organization's policy to account for any uncertainties in income tax law in accordance with FASB ASC 740-10, *Accounting for Uncertainty in Income Taxes*. ASC 740-10 clarifies the accounting for uncertain income tax positions and requires that the Organization recognize the impact of such a tax position in its financial statements if, upon ultimate settlement, that position is more-likely-than-not to be sustained. Management has evaluated the Organization's tax positions and concluded that the Organization has maintained its tax-exempt status and has taken no uncertain tax positions that require adjustment to the financial statements. As a result, no provision or liability for income taxes has been included in the financial statements.

Fair Value of Financial Instruments

The Organization has adopted FASB's fair value measurement and disclosure guidance, which provides a framework for measuring fair value under generally accepted accounting principles. This guidance applies to all financial instruments that are being measured and reported on a fair value basis.

Functional Allocation of Expenses

The costs of providing various programs and other activities and the administration of the Organization have been summarized on a functional basis in the statement of activities. Salaries and other expenses which are associated with a specific program are charged directly to that program. Administrative and general expenses and other expenses which benefit more than one program are allocated to the various programs based on the relative benefit provided.

Advertising

The Organization expenses advertising costs in the period incurred. For the year ended December 31, 2020, advertising costs totaled \$8,321.

MEALS ON WHEELS PLUS OF MANATEE, INC.

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Board Designated Net Assets

The Organization's Board of Directors has established an endowment fund with the objective of setting funds aside to be drawn upon in the event of financial distress or an immediate liquidity need. The Board designated endowment fund totaled \$173,874 at December 31, 2020.

NOTE 2. LIQUIDITY AND AVAILABILITY

The Organization's working capital and cash flows have seasonal variations during the year attributable to the cash receipts for grants, special events and contributions. The Organization manages liquidity during the year by utilizing the following strategies: operating with a balanced budget which assumes collection of sufficient revenue via contributions, grants, and other sources to cover operating expenditures not covered by donor-restricted resources, regular analysis of actual operating results versus budget, and utilizing the line of credit when necessary.

The following table reflects the Organization's total financial assets as of December 31, 2020, and the amounts of those financial assets that could be made available within 12 months to meet operating expenditures:

Financial assets available to meet operating expenditures over the next 12 months	
Cash	\$ 2,694,105
Grants and accounts receivable	316,376
Less: purpose restrictions included in cash	(16,058)
Financial assets available to meet operating expenditures	<u>\$ 2,994,423</u>

NOTE 3. PROPERTY AND EQUIPMENT

Property and equipment consists of the following at December 31, 2020:

Land	\$ 917,249
Buildings and improvements	5,643,430
Furniture, fixtures and equipment	857,108
Vehicles	852,406
Construction in progress	286,525
	<u>8,556,718</u>
Less accumulated depreciation	4,558,427
	<u>\$ 3,998,291</u>

MEALS ON WHEELS PLUS OF MANATEE, INC.

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020

NOTE 4. FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, the Organization may use various methods including market, income and cost approaches. Based on these approaches, the Organization utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated or generally unobservable inputs. The Organization utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used in the valuation techniques, the Organization is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values.

Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

- Level 1 Valuations for assets and liabilities traded in active exchange markets, such as the New York Stock Exchange. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.
- Level 2 Valuations for assets and liabilities traded in less active dealer or broker markets. Valuations are obtained from third-party pricing services for identical or similar assets or liabilities.
- Level 3 Valuations for assets and liabilities that are derived from other valuation methodologies, including option pricing models, discounted cash flow models and similar techniques, and not based on market exchange, dealer or broker traded transactions. Level 3 valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets or liabilities.

The level within the fair value hierarchy within which a fair measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

MEALS ON WHEELS PLUS OF MANATEE, INC.

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020

NOTE 4. FAIR VALUE MEASUREMENTS (CONTINUED)

Following is a description of the valuation methodologies used for assets and liabilities measured at fair value:

Endowment Fund

Common stocks, mutual funds, bond funds, and commodities: Valued based on quoted market prices, when available, or market prices provided by recognized broker dealers. If listed prices or quotes are not available, fair value is based upon externally developed models that use unobservable inputs due to the limited market activity of the instrument.

Private equity funds and alternative investments: Valued based on unobservable inputs (assumptions that market participants would use in pricing an asset) that reflects assumptions based on the best information available.

The following table presents the Organization's financial instruments measured at fair value on a recurring basis at December 31, 2020:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Endowment				
Cash and cash equivalents	\$ 2,089	\$ -	\$ -	\$ 2,089
Common and preferred stock	194,246	-	-	194,246
Debt	76,634	-	-	76,634
Commodities	4,377	-	-	4,377
Real estate funds	15,713	-	-	15,713
Other alternatives	-	-	7,852	7,852
	<u>\$ 293,059</u>	<u>\$ -</u>	<u>\$ 7,852</u>	<u>\$ 300,911</u>

The endowment assets are held in an investment pool with the Manatee Community Foundation (Community Foundation). Like the other assets in the investment pool, the Level 3 assets were allocated to the Organization's endowment based on their proportion of the entire investment pool. The following is a reconciliation of the endowment assets in which significant unobservable inputs (Level 3) were used in determining their value at December 31, 2020:

Fair value, beginning of the year	\$ 9,056
Change in value of endowment assets	(1,204)
	<u>\$ 7,852</u>

MEALS ON WHEELS PLUS OF MANATEE, INC.

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020

NOTE 5. LINE OF CREDIT

In May 2018, the Organization established a permanent line of credit signed on May 2, 2018, with a maturity date of May 1, 2020. During the current year, the line of credit was renewed with a new maturity date of May 1, 2021. The new permanent line of credit has an available balance of \$500,000 with an interest rate of prime minus .425%. This line is secured by a blanket lien on business real and personal property. At December 31, 2020, there was not an outstanding balance on the line of credit. The line of credit expired May 1, 2021, and was not renewed.

NOTE 6. LONG-TERM DEBT

Long-term debt consisted of the following at December 31, 2020:

Long-term debt due in monthly installments of \$7,513 including interest at 3.41% through February 2027, with a balloon payment due in March 2027. Debt is secured by a mortgage on the Renaissance on 9th building.	\$ 1,119,529
Long-term debt due in monthly installments of \$2,890 including interest at 3.41% through February 2027, with a balloon payment due in March 2027. Debt is secured by a mortgage on adult day care center.	430,588
	<u>1,550,117</u>
Less current maturities	72,384
Less unamortized debt issuance costs	31,666
	<u>\$ 1,446,067</u>

Total interest expense for the year ended December 31, 2020, was \$56,207.

The loan agreement above contains a financial covenant related to debt service coverage. The Organization was in compliance of this covenant at December 31, 2020.

In September 2020 the Organization signed a construction loan with a maximum funding of \$1,310,000 with a local financial institution to provide funding for the renovation and expansion of its food bank property. The loan bears interest at 4.25% and matures in March 2022. There were no amounts outstanding on the construction loan at December 31, 2020.

In April 2020, the Organization obtained a loan through the Paycheck Protection Program – Small Business Administration for \$369,168 due to COVID-19. The loan is administered through a local financial institution with a fixed interest rate of 1% per year. As of December 31, 2020, the Organization had spent the full amount of the loan on allowable expenses in the covered period and therefore the loan was recognized as other grants in the statement of activities. Subsequent to year-end, the Organization applied for and received loan forgiveness from the financial institution and SBA.

MEALS ON WHEELS PLUS OF MANATEE, INC.

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020

NOTE 6. LONG-TERM DEBT (CONTINUED)

Aggregate maturities on the long-term debt at December 31, 2020, are as follows:

2021	\$	72,384
2022		74,926
2023		77,558
2024		80,155
2025		83,098
Thereafter		1,161,996
	\$	<u>1,550,117</u>

NOTE 7. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions of time or purpose at December 31, 2020, consist of the following:

Produce on Wheels	\$	11,253
Endowment earnings		48,262
Software		1,152
Mobile produce pantry		1,945
Pet food		194
ADC capital improvements		1,514
	\$	<u>64,320</u>

Net assets with donor restrictions of time or purpose consist of \$16,058 in cash and \$48,262 of endowment earnings.

NOTE 8. NET ASSETS RELEASED FROM RESTRICTIONS

Net assets were released from donor restrictions during 2020 by incurring expenses satisfying the restricted purposes specified by donors as follows:

Purpose restrictions accomplished:

Produce on Wheels	\$	34,070
Food programs		169,384
Capital Improvements		279,985
Other		1,068
	\$	<u>484,507</u>

MEALS ON WHEELS PLUS OF MANATEE, INC.

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020

NOTE 9. ENDOWMENTS

The Organization's endowment consists of one fund established for the needs of the Organization. The fund includes both donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments. As required by accounting principles generally accepted in the United States (GAAP), net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Organization has interpreted the Florida Uniform Prudent Management of Institutional Funds Act (FUPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as net assets with donor restrictions: (a) the original value of the gift donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in net assets with donor restrictions-perpetual is classified as net assets without donor restrictions-time and purpose until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by FUPMIFA.

In accordance with FUPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulated donor-restricted endowment funds:

1. The duration and preservation of the fund;
2. The purposes of the Organization and the donor-restricted endowment fund;
3. General economic conditions;
4. The possible effect of inflation and deflation;
5. The expected total return from income and the appreciation of investments;
6. Other resources of the Organization;
7. The investment policies of the Organization.

Endowment net asset composition by type of fund as of December 31, 2020, is as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>		<u>Total</u>
		<u>Time or Purpose</u>	<u>Perpetuity</u>	
Donor-restricted endowment funds	\$ -	\$ 48,262	\$ 78,775	\$ 127,037
Board designated endowment funds	173,874	-	-	173,874
	<u>\$ 173,874</u>	<u>\$ 48,262</u>	<u>\$ 78,775</u>	<u>\$ 300,911</u>

MEALS ON WHEELS PLUS OF MANATEE, INC.

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020

NOTE 9. ENDOWMENTS (CONTINUED)

Changes in endowment net assets for the year ended December 31, 2020, are as follows:

	Without Donor Restrictions	With Donor Restrictions		Total
		Time or Purpose	Perpetuity	
Endowment net assets, beginning of year	\$ 153,516	\$ 37,902	\$ 78,775	\$ 270,193
Investment return				
Interest and dividend income	4,212	2,144	-	6,356
Realized gains	(930)	(473)	-	(1,403)
Unrealized losses	18,124	9,222	-	27,346
Total investment return	21,406	10,893	-	32,299
Contributions and other income	-	-	-	-
Disbursements	-	-	-	-
Administrative fees	(1,048)	(533)	-	(1,581)
	\$ 173,874	\$ 48,262	\$ 78,775	\$ 300,911

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or FUPMIFA requires the Organization to retain as a fund of perpetual duration. There were no such deficiencies as of December 31, 2020.

The endowment fund is held by the Community Foundation. The Community Foundation invests the assets pursuant to its investment policy guidelines. Income is distributed to the Organization from time to time to be used as determined by the Organization's Board of Directors or reinvested into the endowment fund.

NOTE 10. EMPLOYEE BENEFIT PLANS

The Organization participates in a 401(k) employer defined contribution plan. Permanent employees who are at least 21 years old and who have met all eligibility requirements are eligible to participate. The percentage of employer contributions is approved annually by the Board of Directors. For the year ended December 31, 2020, the Organization made \$11,348 in matching contributions to the plan.

NOTE 11. DONATED MATERIALS, FACILITIES AND SERVICES

Donated items are included in revenues as follows:

Food to food bank	\$ 4,712,707
Adult day care	15,675
Congregate dining program	24,132
Home delivered meals	122,281
Senior enrichment center	10,240
	\$ 4,885,035

MEALS ON WHEELS PLUS OF MANATEE, INC.

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020

NOTE 12. MATCH REQUIREMENTS

The Organization received a substantial portion of its support from the State of Florida, Department of Elder Affairs, under the Title III Older American Act Agreement (B, C-1, C-2 and E), providing transportation, congregate dining, adult day care, home delivered meals and family caregivers program to the elderly. This contract is renegotiated annually. Although a maximum amount is established during the negotiation process, revenue is earned on units of service provided and income can be recognized to the extent of the units provided. The contract required a 10% local match for certain services for the elderly. During the year ended December 31, 2020, local matching requirements were met.

NOTE 13. MAJOR SUPPORTER

For the year ended December 31, 2020, the Organization received approximately 18% of the total revenue, gains and other support from the federal government, primarily The U.S. Department of Health and Human Services. At December 31, 2020, accounts receivable from the federal government was \$134,811.

NOTE 14. RISKS AND UNCERTAINTIES

During March 2020, the World Health Organization declared the Coronavirus outbreak a global pandemic. Actions taken around the world to help mitigate the spread of the Coronavirus include restrictions on travel, and quarantines in certain areas, and forced closures for certain types of public places and businesses. The Coronavirus and actions taken to mitigate it have had, and are expected to continue to have an adverse impact on the economies and financial markets of many countries, including the geographical area in which the Organization operates. While it is unknown how long these conditions will last and what the complete financial effect will be to the Organization, to date, the Organization has not seen a decline in revenue.

Additionally, it is reasonably possible that estimates made in the financial statements have been, or will be, adversely impacted in the near-term as a result of these conditions, including collectability of receivables. The ultimate impact of the pandemic on the Organization's results of operations, financial position, and liquidity or capital resources cannot be reasonably estimated at this time.

MEALS ON WHEELS PLUS OF MANATEE, INC.

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020

NOTE 15. COMMITMENTS

The Organization has several contracts related to the expansion and renovation of its administrative headquarters. The construction contract totals \$1,655,262 and the engineering contract totals \$35,000. At December 31, 2020, \$211,254 has been incurred under these contracts and is included with property and equipment as construction in progress on the accompanying statement of financial position.

In April 2020, the Organization agreed to sell its Renaissance on 9th Property to a local religious organization. The closing of the sale is contingent on the Organization completing the expansion and renovation of its administrative headquarters. The sale price is \$2,700,000 and the local religious organization has paid earnest money totaling \$480,500 which is shown as deposits on the accompanying statement of financial position.

NOTE 16. SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through May 26, 2021, the date which the financial statements were available to be issued.

The Organization was notified on January 7, 2021, that it was the recipient of a \$4 million unrestricted grant funded by writer, advocate, and philanthropist MacKenzie Scott through the Chicago Community Foundation. The proceeds from the grant were received on January 12, 2021. The gift will be used to accelerate capital improvements and allow the Organization to continue to build the foundation for the future to carry out its critical mission for years to come.

SUPPLEMENTARY INFORMATION

MEALS ON WHEELS PLUS OF MANATEE, INC.

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Federal Grantor/Pass Through Grantor/Program or Cluster Title	Federal CFDA Number	Contract or Project Number	Federal Expenditures
U.S. Department of Health and Human Services			
Passed through the Florida Department of Elder Affairs/Passed through Senior Connection Center, Inc.			
OAA Title IIIB Adult Day Care	93.044	OAA-2020-MOW	\$ 46,100
OAA Title IIIB Transportation	93.044	OAA-2020-MOW	38,595
OAA Title IIIB Telephone Reassurance	93.044	OAA-2020-MOW	35,342
OAA Title CA3B - Screenings/Assessments (CARES Act)	93.044	OAA-2020-MOW	182
OAA Title CA3B - Telephone Reassurance (CARES Act)	93.044	OAA-2020-MOW	123,876
OAA Title IIIC-1 Outreach	93.045	OAA-2020-MOW	19,273
OAA Title IIIC-1 Congregate Meals	93.045	OAA-2020-MOW	15,450
OAA Title IIIC-1 Congregate Meals - Families First Act	93.045	OAA-2020-MOW	91,613
OAA Title IIIC-1 Home Delivered Meals	93.045	OAA-2020-MOW	70,587
OAA Title IIIC-1 Congregate Meals Screening	93.045	OAA-2020-MOW	557
OAA Title IIIC-1 Telephone Reassurance	93.045	OAA-2020-MOW	15,274
OAA Title IIIC-1 Nutrition Counseling	93.045	OAA-2020-MOW	796
OAA Title IIIC-2 Home Del'd Meals	93.045	OAA-2020-MOW	213,965
OAA Title IIIC-2 Home Del'd Meals - Families First Act	93.045	OAA-2020-MOW	197,924
OAA Title IIIC-2 Screenings/Assessments	93.045	OAA-2020-MOW	11,863
OAA Title IIIC-2 Telephone Reassurance	93.045	OAA-2020-MOW	3,397
OAA Title IIIC-2 Nutrition Counseling	93.045	OAA-2020-MOW	1,789
OAA Title CA3C Congregate Meals (CARES Act)	93.045	OAA-2020-MOW	4,854
OAA Title CA3C Home Delivered Meals (CARES Act)	93.045	OAA-2020-MOW	517,109
OAA Title CA3C Congregate Meals Screening (CARES Act)	93.045	OAA-2020-MOW	581
OAA Title CA3C Nutrition Counseling (CARES Act)	93.045	OAA-2020-MOW	947
OAA Title CA3C Outreach (CARES Act)	93.045	OAA-2020-MOW	2,347
OAA Title CA3C Recreation Materials (CARES Act)	93.045	OAA-2020-MOW	301
OAA Title CA3C Screenings/Assessments (CARES Act)	93.045	OAA-2020-MOW	5,471
Nutrition Services Incentive Program	93.053	OAA-2020-MOW	129,704
Subtotal, Aging Cluster			<u>1,547,897</u>
OAA Title IIIE Respite In-Facility	93.052	OAA-2020-MOW	15,501
OAA Title IIIE Telephone Reassurance	93.052	OAA-2020-MOW	70,263
OAA Title CA3E Telephone Reassurance	93.052		50,416
Total U.S. Department of Health and Human Services			<u>1,684,077</u>
U.S. Department of Transportation, Federal Transit Administration			
Section 5310, Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	435861-1-1-84-03 (GOL21)	17,999
Total U.S. Department of Transportation			<u>17,999</u>
U.S. Department of Homeland Security			
Passed through Emergency Food and Shelter National Program			
Passed through local board - Phase 37	97.024	Phase 37	34,924
Passed through local board - Phase CARES Act	97.024	Phase CARES Act	31,120
			<u>66,044</u>
U.S. Department of Housing and Urban Development			
Passed through City of Bradenton - CDBG Program	14.225	B-19-UC-12-0018	28,372
Passed through City of Bradenton - CDBG Program (CARES Act)	14.225	B-19-UC-12-0018	47,017
Passed through Manatee County - CDBG Program	14.218	B-19-UC-12-0018	59,058
Passed through Manatee County - CDBG Program (CARES Act)	14.218	B-19-UC-12-0018	350,626
Passed through Manatee County - CARES Act Coronavirus Relief Fund			198,000
Total U.S. Department of Housing and Urban Development			<u>683,073</u>
Total Expenditures of Federal Awards			<u>\$ 2,451,194</u>

MEALS ON WHEELS PLUS OF MANATEE, INC.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE 1. BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes federal award activity of the Organization under programs of the federal government for the year ended December 31, 2020. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets or cash flows of the Organization.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- (1) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- (2) The Organization has elected to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

MEALS ON WHEELS PLUS OF MANATEE, INC.
SCHEDULE OF FUNCTIONAL EXPENSES
AS REQUIRED BY THE DEPARTMENT OF ELDER AFFAIRS
FOR THE YEAR ENDED DECEMBER 31, 2020

	Passenger Transportation	Congregate Dining	Home Delivered Meals	Adult Daycare	Nutrition Counseling	Recreation	Screening and Assessment	Telephone Reassurance	Respite In Facility	Outreach	Non-DOEA Services	Total Program Services
Salaries	\$ 55,287	\$ 5,881	\$ 489,963	\$ 33,686	\$ 666	\$ -	\$ 14,500	\$ 174,269	\$ 10,658	\$ 14,384	\$ 393,368	\$ 1,192,660
Payroll taxes and benefits	9,785	1,041	86,716	5,962	118	-	2,566	30,843	1,886	2,546	69,620	211,082
Travel	-	-	24	-	-	-	-	-	127	-	4,826	4,977
Communications and postage	799	2	3,344	1,260	-	-	-	6,000	-	2,302	16,142	29,849
Utilities	-	5	12,301	1,583	-	-	-	5,800	-	3,205	17,267	40,161
Advertising	-	19	877	-	-	-	-	-	-	-	154	1,050
Insurance	21,434	-	13,766	1,707	-	-	-	6,825	-	-	42,771	86,503
Gas, maintenance and repairs	30,626	3,189	11,322	5,180	-	-	-	15,500	-	-	79,955	145,772
Printing and supplies	1,104	441	4,957	2,302	-	301	-	2,000	-	1,150	35,894	48,149
Professional fees	2,919	205	14,224	1,611	2,766	-	-	5,750	-	-	15,465	42,940
Staff training	144	-	-	19	-	-	-	-	-	35	-	198
Depreciation	69,250	1,754	7,367	4,268	-	-	-	18,073	-	-	240,331	341,043
Food and food supplies	-	293,174	891,606	5,425	-	-	-	-	-	-	904,475	2,094,680
Fundraising	-	39,467	122,197	340	-	-	-	-	-	-	4,709,103	4,871,107
Other in-kind expenses	2,594	-	10,364	4,335	-	-	-	17,400	-	-	66,381	101,074
Other	193,941	345,177	1,669,027	67,677	3,549	301	17,067	282,460	12,671	23,622	6,595,752	9,211,244
Management and general allocated	12,462	22,180	107,248	4,349	228	19	1,097	18,150	814	1,518	423,830	591,896
Total expenses	\$ 206,404	\$ 367,358	\$ 1,776,275	\$ 72,026	\$ 3,777	\$ 320	\$ 18,163	\$ 300,610	\$ 13,485	\$ 25,140	\$ 7,019,581	\$ 9,803,140
Total units	2,362	26,518	126,913	4,794	48	324	747	13,449	1,392	562	N/A	
Rate per unit	\$ 87.39	\$ 13.85	\$ 14.00	\$ 15.02	\$ 78.70	\$ 0.99	\$ 24.32	\$ 22.35	\$ 9.69	\$ 44.73	\$ N/A	\$ 9,803,140

MEALS ON WHEELS PLUS OF MANATEE, INC.
SCHEDULE OF FUNCTIONAL EXPENSES
AS REQUIRED BY THE DEPARTMENT OF ELDER AFFAIRS
FOR THE YEAR ENDED DECEMBER 31, 2020

	Management and General	Fundraising	Unallowable Expenses	Total Support Services	Total Expenses
Salaries	\$ 469,683	\$ 187,418	-	\$ 657,102	\$ 1,849,762
Payroll taxes and benefits	83,126	33,170	-	116,296	327,378
Travel	650	689	-	1,339	6,316
Communications and postage	2,992	6,157	-	9,149	38,998
Utilities	3,800	1,801	-	5,601	45,762
Advertising	1,496	5,774	-	7,270	8,320
Insurance	10,951	-	-	10,951	97,454
Maintenance and repairs	3,430	93	-	3,523	149,295
Printing and supplies	4,508	3,450	-	7,958	56,107
Professional fees	20,758	20,841	-	41,599	84,539
Staff training	199	10	-	209	407
Depreciation	21,225	128	-	21,353	362,396
Food and food supplies	-	-	-	-	2,094,680
Fundraising	-	-	-	-	-
Other in-kind expenses	-	-	-	-	4,871,107
Other	(10,283)	-	-	-	-
	612,536	321,198	-	933,733	152,457
Management and general allocated	(612,536)	20,640	-	(591,896)	-
Total expenses	\$ -	\$ 341,837	\$ -	\$ 341,837	\$ 10,144,977

OTHER AUDITOR'S REPORTS



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

**Board of Directors
Meals on Wheels PLUS of Manatee, Inc.
Bradenton, Florida**

Report on Compliance for the Major Federal Program

We have audited Meals on Wheels PLUS of Manatee, Inc.'s (the "Organization") compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on the Organization's major federal program for the year ended December 31, 2020. The Organization's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Organization's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the Organization's compliance.

Opinion on the Major Federal Program

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2020.

Report on Internal Control Over Compliance

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Bradenton, Florida
May 26, 2021

Mauldin & Jenkins, LLC



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER
MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Board of Directors

Meals on Wheels PLUS of Manatee, Inc.

Bradenton, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Meals on Wheels PLUS of Manatee, Inc. (the "Organization"), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated May 26, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mauldin & Jenkins, LLC

Bradenton, Florida
May 26, 2021

MEALS ON WHEELS PLUS OF MANATEE, INC.

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2020**

There were no findings requiring disclosure in the December 31, 2019, financial statements.

MEALS ON WHEELS PLUS OF MANATEE, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED DECEMBER 31, 2020

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued Unmodified

Internal control over financial reporting:

- Material weakness(es) identified ___ yes X no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? ___ yes X none reported

Noncompliance material to financial statements noted? ___ yes X no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? ___ yes X no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? ___ yes X none reported

Type of auditor’s report issued on compliance for major programs. Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)? ___ yes X no

Identification of major programs:

CFDA Number 93.044, 93.045, 93.053

Name of Federal Program or Cluster OAA Title III (Cluster)

Dollar threshold used to distinguish between Type A and Type B programs \$750,000

Auditee qualified as low-risk auditee? X yes ___ no

Section II – Financial Statement Findings

No matters reported.

Section III – Federal Award Findings and Questioned Costs

No matters reported.