

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

FINANCIAL REPORT

DECEMBER 31, 2021

MEALS ON WHEELS PLUS OF MANATEE, INC.

FINANCIAL REPORT
DECEMBER 31, 2021

TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT.....	1-3
FINANCIAL STATEMENTS	
Statement of Financial Position	4
Statement of Activities	5
Statement of Functional Expenses	6-8
Statement of Cash Flows	9
Notes to Financial Statements.....	10-22
SUPPLEMENTARY INFORMATION	
Schedule of Expenditures of Federal Awards	23
Notes to Schedule of Expenditures of Federal Awards	24
Schedule of Functional Expenses as Required by the Department of Elder Affairs.....	25 and 26
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	27-29
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 <i>Government Auditing Standards</i>	30 and 31
Summary Schedule of Prior Audit Findings.....	32
Schedule of Findings and Questioned Costs	33

INDEPENDENT AUDITOR'S REPORT

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

Opinion

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, 2021, and the related statements of activities, functional expenses and cash flows for the year then ended, 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 the Organization as of December 31, 2021, 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.

Basis for Opinion

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. 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 the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 these 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 the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government 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 and *Government 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 the Organization'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 the Organization'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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. 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 schedule of expenditures of federal awards 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 July 29, 2022, 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
July 29, 2022

MEALS ON WHEELS PLUS OF MANATEE, INC.

STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2021

ASSETS	
CURRENT ASSETS	
Cash	\$ 1,277,721
Grants and accounts receivable	1,257,301
Bequest receivable	1,291,338
Inventories	296,991
Prepaid expenses	25,567
	<u>4,148,918</u>
INVESTMENTS AND OTHER ASSETS	
Investments	4,346,456
Endowment fund	364,869
	<u>4,711,325</u>
PROPERTY AND EQUIPMENT, at cost, net	<u>3,629,623</u>
	<u>\$ 12,489,866</u>
LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES	
Accounts payable	\$ 82,901
Accumulated paid time-off	58,992
Accrued expenses	75,435
Current portion of long-term debt	20,813
	<u>238,141</u>
LONG-TERM LIABILITIES	
Long-term debt, less current maturities and unamortized debt issuance costs	383,666
	<u>383,666</u>
NET ASSETS	
Without donor restrictions	
Undesignated	11,335,580
Designated by the Board for future projects	223,812
	<u>11,559,392</u>
With donor restrictions	
Time or purpose	229,892
Perpetual	78,775
	<u>11,868,059</u>
	<u>\$ 12,489,866</u>

See Notes to Financial Statements.

MEALS ON WHEELS PLUS OF MANATEE, INC.

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions Time or Purpose	Perpetual	Total
	Program revenue			
Federal grants	\$ 2,412,765	\$ -	\$ -	\$ 2,412,765
State grants	61,210	-	-	61,210
County grants	83,773	-	-	83,773
Project income	205,155	-	-	205,155
Contributions	1,977,941	307,279	-	2,285,220
Special events	326,329	-	-	326,329
Meals sold	17,162	-	-	17,162
Other grants	4,689,971	-	-	4,689,971
In-kind contributions	5,146,037	-	-	5,146,037
Net assets released from restrictions	155,728	(155,728)	-	-
Total program revenue	<u>15,076,071</u>	<u>151,551</u>	<u>-</u>	<u>15,227,622</u>
Other revenue				
Rental income	34,000	-	-	34,000
Interest income	1,686	-	-	1,686
Investment income	571,393	14,021	-	585,414
Gain on sale of assets	291,287	-	-	291,287
Miscellaneous income	3,661	-	-	3,661
Total other revenue	<u>902,027</u>	<u>14,021</u>	<u>-</u>	<u>916,048</u>
Total revenue	<u>15,978,098</u>	<u>165,572</u>	<u>-</u>	<u>16,143,670</u>
Expenses				
Program services				
Food bank	6,691,597	-	-	6,691,597
Home delivered meals	2,218,033	-	-	2,218,033
Adult daycare	468,218	-	-	468,218
Renaissance on 9th	279,575	-	-	279,575
Congregate dining	62,582	-	-	62,582
Passenger transportation	262,110	-	-	262,110
Respite	48,182	-	-	48,182
Other miscellaneous programs	37,600	-	-	37,600
	<u>10,067,897</u>	<u>-</u>	<u>-</u>	<u>10,067,897</u>
Supporting services				
Management and general	370,170	-	-	370,170
Fundraising	334,179	-	-	334,179
	<u>704,349</u>	<u>-</u>	<u>-</u>	<u>704,349</u>
Total expenses	<u>10,772,246</u>	<u>-</u>	<u>-</u>	<u>10,772,246</u>
Change in net assets	5,205,852	165,572	-	5,371,424
Net assets, beginning of year	<u>6,353,540</u>	<u>64,320</u>	<u>78,775</u>	<u>6,496,635</u>
Net assets, end of year	<u>\$ 11,559,392</u>	<u>\$ 229,892</u>	<u>\$ 78,775</u>	<u>\$ 11,868,059</u>

See Notes to Financial Statements.

MEALS ON WHEELS PLUS OF MANATEE, INC.

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Passenger Transportation	Congregate Dining	Home Delivered Meals	Adult Daycare	Nutrition Counseling
Salaries	\$ 104,940	\$ 18,674	\$ 590,260	\$ 295,783	\$ 408
Payroll taxes and benefits	30,036	3,322	115,364	48,242	86
Travel	-	-	2,091	150	-
Communications and postage	1,490	-	6,106	9,762	-
Utilities	-	4	14,825	6,460	-
Printing and supplies	935	-	7,155	4,916	-
Food and food supplies	-	-	75,425	-	-
Maintenance and repairs	20,050	955	11,470	19,638	-
Professional fees	2,713	681	18,705	11,613	858
Advertising	-	-	-	-	-
Insurance	23,714	-	15,065	8,511	-
In-kind volunteer mileage	-	-	122,068	-	-
In-kind occupancy	-	29,623	-	-	-
In-kind miscellaneous	-	-	510	340	-
Depreciation	74,880	1,836	9,600	19,577	-
Food bank food distributed	-	-	-	-	-
Special event expenses	-	-	-	-	-
Other	3,352	52	12,716	24,287	-
	<u>262,110</u>	<u>55,147</u>	<u>1,001,360</u>	<u>449,279</u>	<u>1,352</u>
Meal cost allocated	-	7,435	1,216,673	18,939	-
Total expenses	<u>\$ 262,110</u>	<u>\$ 62,582</u>	<u>\$ 2,218,033</u>	<u>\$ 468,218</u>	<u>\$ 1,352</u>

See Notes to Financial Statements.

(Continued)

MEALS ON WHEELS PLUS OF MANATEE, INC.

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Respite</u>	<u>Outreach</u>	<u>Food Bank</u>	<u>Renaissance on 9th</u>	<u>Meal Production</u>	<u>Total Program Services</u>
Salaries	\$ 43,099	\$ 23,664	\$ 484,359	\$ 9,249	\$ -	\$ 1,570,436
Payroll taxes and benefits	5,083	3,846	99,221	2,377	-	307,577
Travel	-	26	-	-	-	2,267
Communications and postage	-	3,385	12,558	5,731	-	39,032
Utilities	-	4,373	24,627	(9,718)	-	40,571
Printing and supplies	-	954	40,605	1,475	-	56,040
Food and food supplies	-	-	863,986	-	1,243,047	2,182,458
Maintenance and repairs	-	-	50,074	4,623	-	106,810
Professional fees	-	-	11,193	4,680	-	50,443
Advertising	-	-	50	-	-	50
Insurance	-	-	26,435	21,262	-	94,987
In-kind volunteer mileage	-	-	-	-	-	122,068
In-kind occupancy	-	-	-	-	-	29,623
In-kind miscellaneous	-	-	510	10,240	-	11,600
Depreciation	-	-	44,182	180,598	-	330,673
Food bank food distributed	-	-	5,018,569	-	-	5,018,569
Special event expenses	-	-	-	-	-	-
Other	-	-	15,228	49,058	-	104,693
	<u>48,182</u>	<u>36,248</u>	<u>6,691,597</u>	<u>279,575</u>	<u>1,243,047</u>	<u>10,067,897</u>
Meal cost allocated	-	-	-	-	(1,243,047)	-
Total expenses	<u>\$ 48,182</u>	<u>\$ 36,248</u>	<u>\$ 6,691,597</u>	<u>\$ 279,575</u>	<u>\$ -</u>	<u>\$ 10,067,897</u>

(Continued)

MEALS ON WHEELS PLUS OF MANATEE, INC.

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Management and General</u>	<u>Fundraising</u>	<u>Total Expenses</u>
Salaries	\$ 175,871	\$ 205,372	\$ 1,951,679
Payroll taxes and benefits	41,901	29,030	378,508
Travel	305	195	2,767
Communications and postage	3,294	6,715	49,041
Utilities	5,589	2,611	48,771
Printing and supplies	7,739	6,436	70,215
Food and food supplies	-	-	2,182,458
Maintenance and repairs	7,153	100	114,063
Professional fees	41,394	13,410	105,247
Advertising	1,062	8,549	9,661
Insurance	8,892	-	103,879
In-kind volunteer mileage	-	-	122,068
In-kind occupancy	-	-	29,623
In-kind miscellaneous	-	-	11,600
Depreciation	22,870	2,861	356,404
Food bank food distributed	-	-	5,018,569
Special event expenses	-	27,319	27,319
Other	54,100	31,581	190,374
	<u>370,170</u>	<u>334,179</u>	<u>10,772,246</u>
Meal cost allocated	<u>-</u>	<u>-</u>	<u>-</u>
Total expenses	<u>\$ 370,170</u>	<u>\$ 334,179</u>	<u>\$ 10,772,246</u>

MEALS ON WHEELS PLUS OF MANATEE, INC.

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2021**

CASH FLOWS FROM OPERATING ACTIVITIES	
Increase in net assets	\$ 5,371,424
Adjustments to reconcile increase in net assets to net cash provided by operating activities	
Depreciation and amortization	369,384
Gain on sale of property and equipment	(291,287)
Realized and unrealized (gains)	(424,830)
Change in fair value of the endowment fund	(44,958)
Change in assets and liabilities	
(Increase) in grants and accounts receivable	(940,925)
(Increase) in bequest receivable	(204,282)
Decrease in inventories	43,552
(Increase) in prepaid expenses	(8,867)
(Decrease) in accounts payable	(55,510)
(Decrease) in accumulated paid time off	(4,645)
(Decrease) in deposits	(480,500)
Increase in accrued expenses	19,087
Net cash provided by operating activities	<u>3,347,643</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of property and equipment	(2,353,255)
Proceeds from the sale of property and equipment	2,672,862
Purchase of investments	(11,020,459)
Proceeds from the sale of investments	7,079,833
Net cash (used in) investing activities	<u>(3,621,019)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Payments on long-term debt	(1,143,008)
Net cash (used in) financing activities	<u>(1,143,008)</u>
Net (decrease) in cash	(1,416,384)
Cash, beginning of year	<u>2,694,105</u>
Cash, end of year	<u>\$ 1,277,721</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION	
Cash payments for interest	<u>\$ 79,926</u>

See Notes to Financial Statements.

MEALS ON WHEELS PLUS OF MANATEE, INC.

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021

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, 2021

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, 2021, 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, 2021

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, 2021 was \$356,404.

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 \$325,658 for the year ended December 31, 2021.

MEALS ON WHEELS PLUS OF MANATEE, INC.

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021

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, 2021, advertising costs totaled \$9,661.

MEALS ON WHEELS PLUS OF MANATEE, INC.

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021

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 \$223,812 at December 31, 2021.

Investments

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value based on quoted market prices. Increases and decreases in fair value are recognized in the period in which they occur and the carrying values of the investments are adjusted to reflect these fluctuations. Cash and cash equivalents designated for long-term purposes are classified as investments. Net investment income is reported in the combined statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

The Organization invests in a variety of investment vehicles, as described in Note 9. These investment securities are exposed to interest rate, market, credit and other risks depending on the nature of the specific investment. Accordingly, it is reasonably possible that these factors will result in changes in the value of the Organization's investments, which could materially affect amounts reported in the combined financial statements.

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 available cash from investments, when necessary.

MEALS ON WHEELS PLUS OF MANATEE, INC.

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021

NOTE 2. LIQUIDITY AND AVAILABILITY (CONTINUED)

The following table reflects the Organization's total financial assets as of December 31, 2021, 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	\$ 1,277,721
Grants and accounts receivable	1,257,301
Investments	4,346,456
Less: purpose restrictions included in cash	<u>(129,680)</u>
Financial assets available to meet operating expenditures	<u>\$ 6,751,798</u>

NOTE 3. PROPERTY AND EQUIPMENT

Property and equipment consists of the following at December 31, 2021:

Land	\$ 583,123
Buildings and improvements	3,408,167
Furniture, fixtures and equipment	483,997
Vehicles	<u>865,137</u>
	5,340,424
Less accumulated depreciation	<u>1,710,801</u>
	<u>\$ 3,629,623</u>

NOTE 4. FAIR VALUE MEASUREMENTS

The Organization adopted the *Fair Value Measurements and Disclosures Topic* of the FASB Accounting Standards Codification which provides enhanced guidance for using fair value to measure assets and liabilities and clarifies the principle that fair value should be based on the assumptions market participants would use when pricing the assets or liabilities and establishes a hierarchy that prioritizes the information used to develop those assumptions.

MEALS ON WHEELS PLUS OF MANATEE, INC.

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021

NOTE 4. FAIR VALUE MEASUREMENTS (CONTINUED)

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.

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

Investments

Fixed income funds and equities: 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.

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.

MEALS ON WHEELS PLUS OF MANATEE, INC.

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021

NOTE 4. FAIR VALUE MEASUREMENTS (CONTINUED)

The following table presents the Organization's financial instruments measured at fair value on a recurring basis at December 31, 2021:

	Level 1	Level 2	Level 3	Total
Investments				
Cash and cash equivalents	\$ 166,475	\$ -	\$ -	\$ 166,475
Fixed income funds	1,253,961	-	-	1,253,961
Equities	2,926,020	-	-	2,926,020
	<u>\$ 4,346,456</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,346,456</u>
Endowment				
Cash and cash equivalents	\$ 2,829	\$ -	\$ -	\$ 2,829
Common and preferred stock	242,920	-	-	242,920
Debt	84,195	-	-	84,195
Commodities	12,701	-	-	12,701
Real estate funds	18,722	-	-	18,722
Other alternatives	-	-	3,502	3,502
	<u>\$ 361,367</u>	<u>\$ -</u>	<u>\$ 3,502</u>	<u>\$ 364,869</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, 2021:

Fair value, beginning of the year	\$ 7,852
Change in value of endowment assets	<u>(4,350)</u>
	<u>\$ 3,502</u>

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 prior year, the line of credit was renewed with a new maturity date of May 1, 2021. The new permanent line of credit had an available balance of \$500,000 with an interest rate of prime minus .425%. This line was secured by a blanket lien on business real and personal property. The line of credit expired May 1, 2021, and was not renewed.

MEALS ON WHEELS PLUS OF MANATEE, INC.

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021

NOTE 6. LONG-TERM DEBT

Long-term debt consisted of the following at December 31, 2021:

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.	\$ 410,482
	<u>410,482</u>
Less current maturities	20,813
Less unamortized debt issuance costs	6,003
	<u>\$ 383,666</u>

Total interest expense for the year ended December 31, 2021 was \$79,926.

The loan agreement above contains a financial covenant related to debt service coverage. The Organization was in compliance of this covenant at December 31, 2021.

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, 2021.

Aggregate maturities on the long-term debt at December 31, 2021 are as follows:

2022	\$ 20,813
2023	21,544
2024	22,265
2025	23,083
2026	23,894
Thereafter	298,883
	<u>\$ 410,482</u>

NOTE 7. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions of time or purpose at December 31, 2021 consist of the following:

Endowment earnings	\$ 62,282
Food Bank box trucks	90,470
Selby nutrition	77,140
	<u>\$ 229,892</u>

Net assets with donor restrictions of time or purpose consist of \$167,610 in cash and \$62,282 of endowment earnings.

MEALS ON WHEELS PLUS OF MANATEE, INC.

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021

NOTE 8. NET ASSETS RELEASED FROM RESTRICTIONS

Net assets were released from donor restrictions during 2021 by incurring expenses satisfying the restricted purposes specified by donors as follows:

Purpose restrictions accomplished:

Produce on Wheels	\$	75,953
Vehicles		14,530
Food programs		52,385
Capital improvements		11,514
Other		1,346
	\$	<u>155,728</u>

NOTE 9. INVESTMENTS

Investments are stated at fair value. The composition of investments as of December 31, 2021 is as follows:

Cash and cash equivalents	\$	166,475
Corporate bonds		1,253,961
Corporate stock		<u>2,926,020</u>
Balance, end of year	\$	<u>4,346,456</u>

Investments are held in professionally managed accounts. Investment income is comprised of the following for the year ended December 31, 2021:

Interest and dividends	\$	189,729
Realized and unrealized gains		424,830
Investment fees		<u>(27,459)</u>
	\$	<u>587,100</u>

MEALS ON WHEELS PLUS OF MANATEE, INC.

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021

NOTE 10. 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, 2021 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	\$ -	\$ 62,282	\$ 78,775	\$ 141,057
Board designated endowment funds	223,812	-	-	223,812
	<u>\$ 223,812</u>	<u>\$ 62,282</u>	<u>\$ 78,775</u>	<u>\$ 364,869</u>

MEALS ON WHEELS PLUS OF MANATEE, INC.

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021

NOTE 10. ENDOWMENTS (CONTINUED)

Changes in endowment net assets for the year ended December 31, 2021 are as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>		<u>Total</u>
		<u>Time or Purpose</u>	<u>Perpetuity</u>	
Endowment net assets, beginning of year	\$ 173,875	\$ 48,262	\$ 78,775	\$ 300,912
Investment return				
Interest and dividend income	5,491	2,488	-	7,979
Realized gains	17,598	7,976	-	25,574
Unrealized losses	9,177	4,159	-	13,336
Total investment return	<u>32,266</u>	<u>14,623</u>	<u>-</u>	<u>46,889</u>
Contributions and other income	19,000	-	-	19,000
Disbursements	-	-	-	-
Administrative fees	(1,329)	(603)	-	(1,932)
	<u>\$ 223,812</u>	<u>\$ 62,282</u>	<u>\$ 78,775</u>	<u>\$ 364,869</u>

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, 2021.

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 11. 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, 2021, the Organization made \$27,716 in matching contributions to the plan.

NOTE 12. DONATED MATERIALS, FACILITIES AND SERVICES

Donated items are included in revenues as follows:

Food to food bank	\$ 4,983,256
Adult day care	340
Congregate dining program	29,623
Home delivered meals	122,578
Senior enrichment center	10,240
	<u>\$ 5,146,037</u>

MEALS ON WHEELS PLUS OF MANATEE, INC.

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021

NOTE 13. 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, 2021, local matching requirements were met.

NOTE 14. MAJOR SUPPORTER

For the year ended December 31, 2021, the Organization received approximately 15% 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, 2021, accounts receivable from the federal government was \$113,840.

NOTE 15. SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through July 29, 2022, the date which the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

MEALS ON WHEELS PLUS OF MANATEE, INC.

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2021**

<u>Federal Grantor/Pass Through Grantor/Program or Cluster Title</u>	<u>Assistance Listing Number</u>	<u>Contract or Project Number</u>	<u>Federal Expenditures</u>
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-2021-MOW	\$ 7,625
OAA Title IIIB Transportation	93.044	OAA-2021-MOW	3,550
OAA Title IIIB Telephone Reassurance	93.044	OAA-2021-MOW	227,217
OAA Title IIIB - Screenings/Assessments	93.044	OAA-2021-MOW	496
OAA Title IIIC-1 Outreach	93.045	OAA-2021-MOW	10,228
OAA Title IIIC-1 Congregate Meals	93.045	OAA-2021-MOW	1,499
OAA Title IIIC-1 Home Delivered Meals	93.045	OAA-2021-MOW	154,096
OAA Title IIIC-1 Congregate Meals Screening	93.045	OAA-2021-MOW	85
OAA Title IIIC-1 Telephone Reassurance	93.045	OAA-2021-MOW	61,760
OAA Title IIIC-2 Home Del'd Meals	93.045	OAA-2021-MOW	878,413
OAA Title IIIC-2 Screenings/Assessments	93.045	OAA-2021-MOW	30,559
OAA Title IIIC-2 Nutrition Counseling	93.045	OAA-2021-MOW	3,220
OAA Title COC2 Home Delivered Meals	93.045	OAA-2021-MOW	179,028
OAA Title COC2 Nutrition Counseling	93.045	OAA-2021-MOW	230
OAA Title COC2 Screenings/Assessments	93.045	OAA-2021-MOW	2,972
OAA Title COC2 Telephone Reassurance	93.045	OAA-2021-MOW	40,382
OAA Title COVA Telephone Reassurance	93.045	OAA-2021-MOW	11,056
OAA Title COVA Telephone Reassurance	93.045	OAA-2021-MOW	8,480
OAA Title CA3C Home Delivered Meals (CARES Act)	93.045	OAA-2021-MOW	1,734
Nutrition Services Incentive Program	93.053	OAA-2021-MOW	<u>148,311</u>
Subtotal - Aging Cluster			1,770,939
OAA Title IIIE Telephone Reassurance	93.052	OAA-2021-MOW	89,777
OAA Title IIIE Screening/Assessments	93.052	OAA-2021-MOW	<u>24</u>
Total U.S. Department of Health and Human Services			<u>1,860,740</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)	6,466
Total U.S. Department of Transportation			<u>6,466</u>
U.S. Department of Homeland Security			
Passed through Emergency Food and Shelter National Program			
Passed through local board - Phase 38	97.024	Phase 38	29,030
			<u>29,030</u>
U.S. Department of Housing and Urban Development			
Passed through City of Bradenton - CDBG Program	14.225	B-19-UC-12-0018	33,456
Passed through City of Bradenton - CDBG Program (CARES Act)	14.225	B-19-UC-12-0018	75,191
Passed through Manatee County - CDBG Program	14.218	B-19-UC-12-0018	49,992
Passed through Manatee County - CDBG Program (CARES Act)	14.218	B-19-UC-12-0018	257,889
Total U.S. Department of Housing and Urban Development			<u>416,528</u>
U.S. Treasury Department			
Passed through Manatee County - CARES Act Coronavirus Relief Fund	21.019		100,000
Total U.S. Treasury Department			<u>100,000</u>
Total Expenditures of Federal Awards			<u>\$ 2,412,764</u>

MEALS ON WHEELS PLUS OF MANATEE, INC.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED DECEMBER 31, 2021

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, 2021. 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, 2021

	Passenger Transportation	Congregate Dining	Home Delivered Meals	Adult Daycare	Nutrition Counseling	Screening and Assessment	Telephone Reassurance	Outreach	Non-DOEA Services	Total Program Services
Salaries	\$ 2,804	\$ 1,225	\$ 476,851	\$ 9,382	\$ 2,421	\$ 25,287	\$ 226,927	\$ 4,819	\$ 439,045	\$ 1,188,761
Payroll taxes and benefits	514	225	87,406	1,720	443	4,635	41,595	884	80,476	217,898
Travel	-	-	2,090	150	-	-	-	26	-	2,266
Communications and postage	1,490	-	6,105	6,832	-	580	4,730	3,165	16,129	39,031
Utilities	-	-	9,440	6,459	-	-	14,370	1,791	8,508	40,568
Advertising	-	-	-	-	-	-	-	-	50	50
Insurance	6,254	-	27,065	8,511	-	-	5,460	-	47,697	94,987
Gas, maintenance and repairs	7,075	-	22,425	9,637	-	-	12,975	-	54,695	106,807
	2,409	-	10,992	6,550	-	-	-	-	8,208	28,159
Printing and supplies	936	-	7,165	4,916	-	-	9,870	954	32,210	56,051
Professional fees	2,713	672	1,292,342	3,271	1,470	-	9,230	-	15,522	1,325,220
Staff training	326	-	316	503	-	-	-	-	-	1,145
Depreciation	8,210	-	61,437	9,577	-	-	26,670	-	228,658	334,552
Food and food supplies	-	-	-	-	-	-	-	-	-	-
Other in-kind expenses	-	-	152,201	340	-	-	-	-	5,029,319	5,181,860
Other	2,073	-	123,179	6,889	960	-	17,850	-	862,351	1,013,302
	34,804	2,122	2,279,014	74,737	5,294	30,502	369,677	11,639	6,822,868	9,630,657
Management and general allocated	2,823	172	184,833	6,061	429	2,474	29,982	944	553,348	781,065
Total expenses	\$ 37,627	\$ 2,294	\$ 2,463,847	\$ 80,798	\$ 5,723	\$ 32,976	\$ 399,659	\$ 12,583	\$ 7,376,216	\$ 10,411,722
Total units	217	168	315,559	98	42	1,287	17,061	262	N/A	
Rate per unit	\$ 173.39	\$ 13.66	\$ 7.81	\$ 824.47	\$ 136.27	\$ 25.62	\$ 23.43	\$ 48.03	\$ N/A	

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, 2021

	Management and General	Fundraising	Unallowable Expenses	Total Support Services	Total Expenses
Salaries	\$ 540,827	\$ 196,387	\$ -	\$ 737,214	\$ 1,925,975
Payroll taxes and benefits	99,132	35,997	-	135,129	353,027
Travel	305	195	-	500	2,766
Communications and postage	3,295	6,716	-	10,011	49,042
Utilities	5,589	2,611	-	8,200	48,768
Advertising	-	9,610	-	9,610	9,660
Insurance	8,892	-	-	8,892	103,879
Maintenance and repairs	7,153	100	-	7,253	114,060
Printing and supplies	5,623	16,344	-	21,967	50,126
Professional fees	7,739	6,436	-	14,175	70,226
Depreciation	31,393	13,410	-	44,803	1,370,023
Staff training	70	-	-	70	1,215
Food and food supplies	31,970	2,861	-	34,831	369,383
Other in-kind expenses	-	-	-	-	-
Other	66,123	42,811	-	108,934	5,181,860
	<u>808,111</u>	<u>333,478</u>	<u>-</u>	<u>1,141,589</u>	<u>1,122,236</u>
Management and general allocated	<u>(808,111)</u>	<u>27,046</u>	<u>-</u>	<u>(781,065)</u>	<u>-</u>
Total expenses	<u>\$ -</u>	<u>\$ 360,524</u>	<u>\$ -</u>	<u>\$ 360,524</u>	<u>\$ 10,772,246</u>

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**

Opinion on 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, 2021. 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.

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, 2021.

Basis for Opinion on the Major Federal Program

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Organization's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

Mauldin & Jenkins, LLC

Bradenton, Florida
July 29, 2022



**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, 2021, 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 July 29, 2022.

Report on 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 were not identified.

Report on 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 statements. 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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Bradenton, Florida
July 29, 2022

Mauldin & Jenkins, LLC

MEALS ON WHEELS PLUS OF MANATEE, INC.
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2021

There were no findings requiring disclosure in the December 31, 2020 financial statements.

MEALS ON WHEELS PLUS OF MANATEE, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2021

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.