

**MEALS ON WHEELS PROGRAM
SERVICES OF ROCKLAND, INC.**

Financial Statements
Years Ended
December 31, 2023 and 2022

MEALS ON WHEELS PROGRAM AND SERVICES OF ROCKLAND, INC.

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Years Ended
December 31, 2023 and 2022

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
of Meals on Wheels Programs and Services of Rockland, Inc.
Of Rockland, Inc.

Opinion

We have audited the accompanying financial statements of Meals on Wheels Programs and Services of Rockland Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years 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 Meals on Wheels Programs and Services of Rockland Inc. as of December 31, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Meals on Wheels Programs and Services of Rockland Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Meals on Wheels Programs and Services of Rockland Inc.'s ability to continue as a going concern for a reasonable period of time.

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



Berard & Associates, CPA's P.C.
Suffern, New York 10901
September 22, 2024

MEALS ON WHEELS PROGRAMS AND SERVICES OF ROCKLAND, INC.

Statements of Financial Position

December 31, 2023 and 2022

	2023	2022
ASSETS		
Cash	\$ 340,246	\$ 244,944
Cash - endowment	-	125,877
Restricted cash	11,783	9,387
Security and equipment deposits	3,953	20,000
Investments	1,099,144	1,365,563
Contracts receivable	390,002	363,390
Accounts receivable	139,844	161,599
Inventory	81,530	86,927
Prepaid expenses and other	35,121	13,655
Total current assets	2,101,623	2,391,342
Right of use asset	52,792	-
Building and equipment (net of depreciation)	1,470,098	1,372,388
Total assets	\$ 3,624,513	\$ 3,763,730
LIABILITIES AND NET ASSETS		
Accounts payable	\$ 171,489	\$ 182,018
Accrued expenses	99,643	98,674
Current portion of lease liability	10,880	-
Current portion of mortgage payable	114,185	109,256
Deferred revenue	235,169	100,000
Total current liabilities	631,366	489,948
Lease liability	41,912	-
Mortgage payable	91,396	204,277
	133,308	204,277
Total liabilities	764,674	694,225
Net Assets		
Without donor restrictions		
Operating fund	1,583,539	1,875,386
Net investment in building	963,885	800,408
Net investment in equipment	300,632	258,447
Board designated - endowment	-	125,877
	2,848,056	3,060,118
With donor restrictions		
Senior centers	11,783	9,387
Total net assets	2,859,839	3,069,505
Total liabilities and net assets	\$ 3,624,513	\$ 3,763,730

See notes to financial statements.

MEALS ON WHEELS PROGRAMS AND SERVICES OF ROCKLAND, INC.

Statement of Activities Year Ended December 31, 2023

	Without Donor Restrictions			With Donor Restrictions	2023 Total
	Undesignated	Board Designated	Total		
REVENUES					
Fees and grants - governmental agencies	\$ 1,759,197	\$ -	\$ 1,759,197	\$ -	\$ 1,759,197
Fees and grants - non governmental agencies	367,112	-	367,112	-	367,112
Program service fees	1,157,354	-	1,157,354	-	1,157,354
Contributions through United Way	22,671	-	22,671	-	22,671
Contributions received from participants	83,856	-	83,856	-	83,856
Special events revenue	285,488	-	285,488	-	285,488
Special events expense	(111,583)	-	(111,583)	-	(111,583)
Contributions - general	257,515	1,500	259,015	-	259,015
Contributions - senior centers	-	-	-	5,781	5,781
Contributions - in-kind	568,962	-	568,962	-	568,962
Other income	43,056	-	43,056	-	43,056
Interest income	(10)	10	-	-	-
Net assets released from restrictions	130,772	(127,387)	3,385	(3,385)	-
Total revenues	4,564,390	(125,877)	4,438,513	2,396	4,440,909
EXPENSES					
Program services					
Senior centers	1,810,255	-	1,810,255	-	1,810,255
Homebound	2,048,226	-	2,048,226	-	2,048,226
Other programs	4,191	-	4,191	-	4,191
Total program expenses	3,862,672	-	3,862,672	-	3,862,672
General and administrative	716,439	-	716,439	-	716,439
Fundraising	207,054	-	207,054	-	207,054
Total expenses	4,786,165	-	4,786,165	-	4,786,165
Change in operating activities	(221,775)	(125,877)	(347,652)	2,396	(345,256)
NON OPERATING ACTIVITIES					
Investment income(loss)	135,590	-	135,590	-	135,590
Total nonoperating activities	135,590	-	135,590	-	135,590
Change in net assets	(86,185)	(125,877)	(212,062)	2,396	(209,666)
Net assets, beginning	2,934,241	125,877	3,060,118	9,387	3,069,505
Net assets, ending	\$ 2,848,056	\$ -	\$ 2,848,056	\$ 11,783	\$ 2,859,839

See notes to financial statements.

MEALS ON WHEELS PROGRAMS AND SERVICES OF ROCKLAND, INC.

Statement of Activities Year Ended December 31, 2022

	Without Donor Restrictions			With Donor Restrictions	2022 Total
	Undesignated	Board Designated	Total		
REVENUES					
Fees and grants from governmental agencies	\$ 1,473,439	\$ -	\$ 1,473,439	\$ -	\$ 1,473,439
Fees and grants - non-governmental agencies	186,369	-	186,369	-	186,369
Program service fees	1,457,797	-	1,457,797	-	1,457,797
Contributions through United Way	38,122	-	38,122	-	38,122
Contributions received from participants	82,957	-	82,957	-	82,957
Special events revenue	217,276	-	217,276	-	217,276
Special events expense	(85,682)	-	(85,682)	-	(85,682)
Contributions - general	543,095	6,000	549,095	-	549,095
Contributions - senior centers	-	-	-	1,550	1,550
Contributions - in-kind	541,990	-	541,990	-	541,990
Other income	18,440	-	18,440	-	18,440
Interest income	-	61	61	-	61
Net assets released from restrictions	235	-	235	(235)	-
Total revenues	4,474,038	6,061	4,480,099	1,315	4,481,414
EXPENSES					
Program services					
Senior centers	784,550	-	784,550	-	784,550
Homebound	2,905,458	-	2,905,458	-	2,905,458
Other programs	176,531	-	176,531	-	176,531
Total program expenses	3,866,539	-	3,866,539	-	3,866,539
General and administrative	491,430	-	491,430	-	491,430
Fundraising	117,157	-	117,157	-	117,157
Total expenses	4,475,126	-	4,475,126	-	4,475,126
Change in operating activities	(1,088)	6,061	4,973	1,315	6,288
NON OPERATING ACTIVITIES					
Investment Income	(189,075)	-	(189,075)	-	(189,075)
Realized gain on partial sale of building	341,342	-	341,342	-	341,342
Total nonoperating activities	152,267	-	152,267	-	152,267
Change in net assets	151,179	6,061	157,240	1,315	158,555
Net assets, beginning	2,783,062	119,816	2,902,878	8,072	2,910,950
Net assets, ending	\$ 2,934,241	\$ 125,877	\$ 3,060,118	\$ 9,387	\$ 3,069,505

See notes to financial statements.

MEALS ON WHEELS PROGRAMS AND SERVICES OF ROCKLAND, INC.

Statement of Functional Expenses

Year Ended December 31, 2023

	Senior		Other	Total	General	Fund	Direct Cost of	Total	2023
	Centers	Homebound	Programs	Programs	& Admin.	Raising	Donor Benefit	Non-Program	Total
									Expenses
Salaries	\$ 645,614	\$ 565,582	\$ -	\$ 1,211,196	\$ 435,368	\$ 127,418	\$ -	\$ 562,786	\$ 1,773,982
Payroll taxes	53,994	47,449	-	101,443	48,392	10,320	-	58,712	160,155
Employee benefits	22,379	15,056	-	37,435	23,996	1,771	-	25,767	63,202
Total salaries and related costs	721,987	628,087	-	1,350,074	507,756	139,509	-	647,265	1,997,339
Food	518,987	584,370	-	1,103,357	-	-	-	-	1,103,357
Supplies	90,890	100,607	59	191,556	3,052	618	-	3,670	195,226
Professional fees	33,085	7,642	173	40,900	25,476	33,764	-	59,240	100,140
Occupancy	88,925	44,623	351	133,899	17,565	4,265	-	21,830	155,729
Vehicle operation	107,602	58,620	9	166,231	477	9	-	486	166,717
Conferences and meetings	1,785	1,258	63	3,106	4,125	1,492	-	5,617	8,723
Travel	452	211	-	663	-	-	-	-	663
Advertising	5,081	3,635	175	8,891	8,779	7,352	-	16,131	25,022
Postage	633	5,311	23	5,967	1,134	2,547	-	3,681	9,648
Repairs and maintenance	24,123	18,275	533	42,931	26,750	533	-	27,283	70,214
Cleaning and extermination	19,720	17,980	38	37,738	1,922	38	-	1,960	39,698
Telephone	9,267	1,886	52	11,205	2,601	52	-	2,653	13,858
Insurance	19,557	12,781	1,791	34,129	9,343	1,848	-	11,191	45,320
Printing costs	-	-	-	-	-	7,211	-	7,211	7,211
Dues and subscriptions	19,304	16,122	-	35,426	15,475	6,397	-	21,872	57,298
Equipment	3,685	9,278	-	12,963	-	-	-	-	12,963
Bad debts expense	-	-	-	-	5,000	-	-	5,000	5,000
Interest bank charge expense	5,915	4,148	210	10,273	10,489	341	-	10,830	21,103
Depreciation and amortization	91,589	37,455	702	129,746	37,800	702	-	38,502	168,248
Senior center event	3,385	-	-	3,385	-	-	-	-	3,385
Entertainment and event expenses	-	-	-	-	-	-	111,583	111,583	111,583
Miscellaneous	4,687	4,686	12	9,385	580	376	-	956	10,341
Total before in-kind expenses	1,770,659	1,556,975	4,191	3,331,825	678,324	207,054	111,583	996,961	4,328,786
In-kind salaries	34,746	435,283	-	470,029	38,115	-	-	38,115	508,144
In-kind food	-	55,968	-	55,968	-	-	-	-	55,968
In-kind supplies	4,850	-	-	4,850	-	-	-	-	4,850
Total in-kind expenses	39,596	491,251	-	530,847	38,115	-	-	38,115	568,962
Less expenses included with revenue on the statement of activities	-	-	-	-	-	-	(111,583)	(111,583)	(111,583)
Total expenses	\$ 1,810,255	\$ 2,048,226	\$ 4,191	\$ 3,862,672	\$ 716,439	\$ 207,054	\$ -	\$ 923,493	\$ 4,786,165

See notes to financial statements.

MEALS ON WHEELS PROGRAMS AND SERVICES OF ROCKLAND, INC.

Statement of Functional Expenses

Year Ended December 31, 2022

	Senior Centers	Homebound	Other Programs	Total Programs	General & Admin.	Fund Raising	Direct Cost of Donor Benefit	Total Non-Program	2022 Total Expenses
Salaries	\$ 375,664	\$ 762,393	\$ 37,225	\$ 1,175,282	\$ 283,900	\$ 75,752	\$ -	\$ 359,652	\$ 1,534,934
Payroll taxes	30,112	62,404	3,091	95,607	35,561	6,034	-	41,595	137,202
Employee benefits	17,629	37,327	3,821	58,777	14,958	708	-	15,666	74,443
Total salaries and related costs	423,405	862,124	44,137	1,329,666	334,419	82,494	-	416,913	1,746,579
Food	22,394	1,013,166	77,257	1,112,817	-	-	-	-	1,112,817
Supplies	9,575	204,785	16,513	230,873	4,016	1,965	-	5,981	236,854
Professional fees	18,959	6,534	1,533	27,026	21,258	1,156	-	22,414	49,440
Occupancy	50,425	60,328	5,785	116,538	11,546	4,900	-	16,446	132,984
Vehicle operation	83,780	70,750	3,581	158,111	13	-	-	13	158,124
Conferences and meetings	676	1,421	298	2,395	1,755	255	-	2,010	4,405
Travel	419	174	-	593	12	-	-	12	605
Advertising	2,457	6,382	661	9,500	3,649	931	-	4,580	14,080
Postage	280	4,254	149	4,683	426	979	-	1,405	6,088
Repairs and maintenance	5,947	27,711	4,571	38,229	8,062	1,796	-	9,858	48,087
Cleaning and extermination	4,010	33,819	2,823	40,652	886	249	-	1,135	41,787
Telephone	7,617	2,944	549	11,110	1,082	363	-	1,445	12,555
Insurance	13,117	21,469	3,913	38,499	1,735	2,588	-	4,323	42,822
Printing costs	-	-	-	-	-	5,522	-	5,522	5,522
Dues and subscriptions	4,824	21,209	954	26,987	6,301	6,382	-	12,683	39,670
Equipment	530	4,889	567	5,986	494	211	-	705	6,691
Bad debts expense	-	-	-	-	30,000	-	-	30,000	30,000
Interest bank charge expense	6,027	12,869	2,433	21,329	14,417	2,128	-	16,545	37,874
Depreciation and amortization	103,072	62,375	9,572	175,019	16,375	5,238	-	21,613	196,632
Senior center event	235	-	-	235	-	-	-	-	235
Entertainment and event expenses	-	-	-	-	-	-	85,682	85,682	85,682
Miscellaneous	1,497	4,049	185	5,731	3,554	-	-	3,554	9,285
Total before in-kind expenses	759,246	2,421,252	175,481	3,355,979	460,000	117,157	85,682	662,839	4,018,818
In-kind salaries	22,489	430,903	1,050	454,442	31,430	-	-	31,430	485,872
In-kind food	-	53,303	-	53,303	-	-	-	-	53,303
In-kind supplies	2,815	-	-	2,815	-	-	-	-	2,815
Total in-kind expenses	25,304	484,206	1,050	510,560	31,430	-	-	31,430	541,990
Less expenses included with revenue on the statement of activities	-	-	-	-	-	-	(85,682)	(85,682)	(85,682)
Total Expenses	\$ 784,550	\$ 2,905,458	\$ 176,531	\$ 3,866,539	\$ 491,430	\$ 117,157	\$ -	\$ 608,587	\$ 4,475,126

See notes to financial statements.

MEALS ON WHEELS PROGRAMS AND SERVICES OF ROCKLAND, INC.

Statements of Cash Flows Years Ended December 31, 2023 and 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (209,666)	\$ 158,555
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	168,248	196,632
Gain on partial sale of building	-	(341,342)
Unrealized (gain)/loss on investments	(106,483)	208,911
Interest and dividend income	(36,724)	(28,889)
Changes in operating assets and liabilities:		
Decrease in security and equipment deposits	16,047	4,080
(Increase) decrease in accounts receivable	21,755	(81,312)
(Increase) in contracts receivable	(26,612)	(153,578)
(Increase) decrease in inventory	5,397	(54,446)
(Increase) decrease in prepaid expenses and other	(21,466)	257
Increase in deferred revenue	135,169	25,000
Increase (decrease) in accounts payable	(10,529)	85,231
Increase in accrued expenses	969	7,128
Cash provided (used) by operating activities	(63,895)	26,227
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds on partial sale of building	-	617,825
Purchase of property and equipment	(265,959)	(79,413)
Purchase of investments	(537,724)	(25,000)
Sale of investments	947,351	9,054
Cash provided (used) by investing activities	143,668	522,466
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on mortgage payable	(107,952)	(705,361)
Cash(used) by financing activities	(107,952)	(705,361)
(Decrease) in cash, cash equivalents, and restricted cash	(28,179)	(156,668)
Cash, cash equivalents and restricted cash, beginning of year	380,208	536,876
Cash, cash equivalents and restricted cash, ending of year	<u>\$ 352,029</u>	<u>\$ 380,208</u>
Supplemental Information:		
Interest	\$ 21,103	\$ 37,874
Income taxes	-	-
Non-cash items:		
Donated revenue / expenses	\$ 568,962	\$ 541,990

See notes to financial statements.

MEALS ON WHEELS PROGRAMS AND SERVICES OF ROCKLAND, INC.

Notes to Financial Statements

December 31, 2023 and 2022

NOTE 1 - ORGANIZATION AND PURPOSE

Meals on Wheels Programs and Services of Rockland, Inc. (the "Organization") was formed under the Not-For-Profit Corporation Law of New York as Meals on Wheels of Rockland County, Inc. Its mission is to provide a wide range of services and programs to homebound and senior citizens of Rockland County, New York. The Organization receives 40% of its support from government agencies and 33% from program service fees.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

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

Basis of Presentation

The Organization reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions. Net assets with donor restrictions are subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, such as those that the donor stipulates those resources be maintained in perpetuity.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

Cash and Cash Equivalents

For purposes of the Statements of Cash Flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents, unless the investments are held for meeting restrictions for purchase of property and equipment, payment of long-term debt, or endowment.

Accounts Receivable

Accounts receivables are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. This allowance is reevaluated based on current economic conditions. For for years ended December 31, 2023 and 2022 the organizations allowances totaled \$274,657 and \$269,657. There have been no current economic conditions or policy changes that have led to an adjustment to its allowance.

Inventory

Inventory consisting principally of commissary products is valued at the lower of cost (first-in first-out method) or market. Inventory consists of food and packaging materials for meals.

MEALS ON WHEELS PROGRAMS AND SERVICES OF ROCKLAND, INC.

Notes to Financial Statements

December 31, 2023 and 2022

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Investments

Investments are recorded at fair value. Net appreciation or depreciation in the fair value of investments, which consists of the realized gains or losses and the unrealized appreciation or depreciation on those investments, is recognized in the statement of activities. Realized gains and losses on the sale of investments are generally determined on the specific identification method on the trade date.

The fair value of debt and equity securities with readily determinable fair values are generally based on quoted market prices obtained from active markets.

Fair Value Measurements

The fair value of the Organization's financial instruments approximate the carrying amounts reported in the statement of financial position for cash and cash equivalents, accounts receivable, short term investments and accounts payable and accrued expenses.

Fair value represents the price that would be received upon the sale of an asset or paid upon the transfer a liability in an orderly transaction between market participants as of the measurement date. Valuation techniques that are consistent with the market, income or cost approach are used to measure fair value.

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels as follows:

- Level I inputs - Quoted prices (unadjusted) in active markets of identical assets or liabilities that the organization has the ability to access at the measurement date. Quoted market prices in an active market provide the most reliable evidence of fair value and should be used to measure fair value whenever available.
- Level II inputs - Inputs other than quoted prices included within Level I that are observable for the asset or liability, either directly or indirectly (such as quoted prices for similar assets or liabilities in active markets).
- Level III inputs - Are unobservable inputs when observable inputs are not available. Unobservable inputs should be developed based on the best information available.

Property and Equipment

The Organization capitalizes all expenditures for property and equipment in excess of \$5,000. Purchases of property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the useful lives of the assets.

Grant Revenue

Grant revenue, which is conditional upon allowable expenditures being incurred, is recognized as the expenses are incurred. Amounts received prior to the occurrence of expenditures are recorded as deferred revenue. Grant funds expended prior to the receipt of funds are recorded as contracts receivable.

MEALS ON WHEELS PROGRAMS AND SERVICES OF ROCKLAND, INC.

Notes to Financial Statements

December 31, 2023 and 2022

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Leases

At the inception of a contract, we assess whether the contract is, or contains, a lease. A lease is classified as a finance lease if any one of the following criteria are met: the lease transfers ownership of the asset by the end of the lease term, the lease contains an option to purchase the asset that is reasonably certain to be exercised, the lease term is for a major part of the remaining useful life of the asset or the present value of the lease payments equals or exceeds substantially all of the fair value of the asset. A lease is classified as an operating lease if it does not meet any one of the criteria.

For all leases a ROU asset and lease liability are recognized at the lease commencement date. The lease liability represents the present value of the lease payments under the lease. The ROU asset is initially measured at cost, which includes the initial lease liability, plus any initial direct costs incurred, less any lease incentives received. The lease liability is initially measured as the present value of the lease payments, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the risk-free rate. The Organization recognizes lease liabilities with an initial, individual value of \$50,000 or more.

Government Grants

A significant portion of the Organization's revenues consists of government grants from various Federal, New York State and Rockland County governmental source. Thus, its funding is vulnerable to changes in the legislative priorities of federal, state, and local governments. Meals on Wheels Programs and Services of Rockland, Inc. recognizes revenue from these sources when the contractual obligations are met. There are occasions when funding source reimbursements for prior years are adjusted in the current year. Such adjustments may be due to funding source audit findings, additional monies available over and above original contractual amounts, etc. The amount of such adjustments was not material in 2023 and 2022.

Revenue and Revenue Recognition

Revenue is recognized when earned. Program service fees and payments under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed, or expenditures are incurred, respectively. Contributions are recognized when cash, or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met or the donor has explicitly released the restriction.

Revenue With and Without Donor Restrictions

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

Donated Services, Space and Goods

During the year ended December 31, 2023 and 2022, many individuals volunteer their time and perform a variety of tasks that assist the organizations. In 2023 and 2022, estimated contributed services were \$508,144 and \$485,872, respectively, which were recorded as In-kind salaries. The Organization has estimated it received over 35,704 volunteer hours in 2023 and 34,431 in 2022.

MEALS ON WHEELS PROGRAMS AND SERVICES OF ROCKLAND, INC.

Notes to Financial Statements

December 31, 2023 and 2022

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Donated Services, Space and Goods

For the years ended December 31, 2023 and 2022 the Organization received \$55,968 and \$51,717 of food donations which were recorded as In-Kind Food. For the years ended December 31, 2023 and 2022 the Organization received \$4,850 and \$2,815 of supplies which were recorded as In-Kind Supplies.

Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities. The Statement of Functional Expenses presents the natural classification of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The expenses that are allocated include occupancy and depreciation, which are allocated on a square footage basis, as well as personnel costs, professional services, office expenses, information technology, insurance, and other, which are allocated on the basis of estimates of time and effort.

Advertising Expenses

Advertising expenses are expensed as incurred. The expenses incurred for advertising were \$25,022 and \$14,080 for 2023 and 2022, respectively.

Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. On an ongoing basis, management evaluates the estimates and assumptions based on new information. Management believes that the estimates and assumptions are reasonable in the circumstances; however, actual results could differ from those estimates.

Income Tax Status

The Organization is exempt from federal income tax under Section 501(c) (3), though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the code. Meals on Wheels Program and Services of Rockland, Inc. has processes presently in place to ensure the maintenance of its tax-exempt status: to identify and report unrelated income: to determine its filing and tax obligations in jurisdictions for which it has nexus: and to identify and evaluate other matters that may be considered tax positions. Meals on Wheels Program and Services of Rockland, Inc has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements.

NOTE 3 - PROGRAMS

Homebound Program

Offers a variety of prepared and packaged home delivered meals that are delivered every weekday (including holidays) and provide meals for up to seven days a week to Rockland County residents who are homebound due to illness, advancing age or physical handicap and who are unable to shop or prepare meals for themselves. A variety of funding options are available. In 2023, the Organization delivered 168,800 meals through this program.

MEALS ON WHEELS PROGRAMS AND SERVICES OF ROCKLAND, INC.

Notes to Financial Statements

December 31, 2023 and 2022

NOTE 3 – PROGRAMS- Continued

Rockland Senior Centers Program

The organization operates multipurpose Senior Centers strategically located across Rockland open five days a week to residents 60 and older. The Centers offer a variety of support services including transportation, recreation, health screening, advocacy, information and referral and a hot meal. Participants contribute toward the costs of the meals. Due to the pandemic, these centers were closed in mid-March of 2020. In May and June 2021, the Organization reopened two of its senior centers since they were shut down in March of 2020. In April of 2022, the third senior center was reopened. During 2023, the programs provided 22,884 days of service to seniors at the three centers. A fourth center opened in January 2024.

Other Programs

Included in other programs are contract meals with other organizations.

NOTE 4 - CONCENTRATION OF CREDIT RISK

Meals on Wheels Program and Services of Rockland Inc. maintains cash balances at four banks. The bank accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per bank. For the year ended December 31, 2023, the Organization exceeded insurance limits balances in one bank by \$183,406. Management believes this institution is a reputable bank and does not believe there is any risk of loss. At December 31, 2023, the Organization held \$1,099,144, in an investment account which is not insured by the FDIC.

NOTE 5 – INVESTMENTS AND FAIR VALUE MEASUREMENTS

Generally accepted accounting principles provide a framework for measuring fair value. That framework establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

At December 31, 2023 and 2022, the Organization's investments consisted of publicly traded securities totaling \$1,099,144 and \$1,365,563. Investments are reported at fair value using a Level 1 measure as summarized below:

	2023	2022
Cash	\$ 159,684	\$ 281,533
Mutual Funds	539,216	-
Equities	400,244	1,084,030
Total investments	<u>\$ 1,099,144</u>	<u>\$ 1,365,563</u>

At December 31, 2023 and 2022, investment income consist of the following:

	2023	2022
Interest & Dividends income	\$ 36,734	\$ 27,726
Unrealized gain or (loss)	106,483	(208,911)
Advisory fees	(7,627)	(7,890)
Total investment income	<u>\$ 135,590</u>	<u>\$ (189,075)</u>

MEALS ON WHEELS PROGRAMS AND SERVICES OF ROCKLAND, INC.

Notes to Financial Statements

December 31, 2023 and 2022

NOTE 6 - PROPERTY AND EQUIPMENT

Building and equipment consisted of the following at December 31, 2023 and 2022:

Account	2023	2022
Building	\$ 2,073,652	\$ 1,975,000
Closing Costs	58,868	58,868
Vehicles	706,973	588,077
Kitchen Equipment	448,894	448,894
Furniture and Office Equipment	196,245	218,283
Leasehold Improvements	530,443	513,758
Accumulated Depreciation	(2,544,977)	(2,430,492)
Net Building and Equipment	<u>\$ 1,470,098</u>	<u>\$ 1,372,388</u>

Depreciation expense for 2023 and 2022 was \$168,248 and \$196,632 respectively.

Additions for 2023 and 2022 was \$256,958 and \$79,413 respectively

During 2020, Meals on Wheels received two buses through a grant from the New York State Department of Transportation. The grant has performance requirements and restrictions on disposing of the asset through December 31, 2025. New York State has reversionary interest if Meals on Wheels does not meet such requirements and restrictions.

During 2018, Meals on Wheels received three buses, for a total of 6 buses, through a grant from the New York State Department of Transportation. The grant has performance requirements and restrictions on disposing of the asset through December 31, 2022. New York State has reversionary interest if Meals on Wheels does not meet such requirements and restrictions.

In 2022, Meals on Wheels Programs and Services of Rockland, Inc sold a portion of their building that had a net book value of \$308,658 for \$650,000. This sale resulted in a gain of \$341,342 which was recorded as a nonoperating activity on the Statements of Activities.

NOTE 7 – NOTES AND LOANS PAYABLE

Line of Credit

The Organization has a \$600,000 bank line of credit with TD Bank. Interest on any outstanding balance under this agreement is charged at the bank's prime rate and is payable monthly. The Collateral for the line of credit is the property and equipment of the Organization. Under the terms of the bank line of credit, on an annual basis, Meals On Wheels is required to pay down the line of credit to \$100,000 or less for 30 consecutive days. On December 31, 2023 and 2022, there was no balance outstanding on the line of credit. The organization is in compliance in both 2023 and 2022 for this covenant.

There was no interest expense related to this line of credit for the years then ended December 31, 2023 and 2022.

MEALS ON WHEELS PROGRAMS AND SERVICES OF ROCKLAND, INC.

Notes to Financial Statements

December 31, 2023 and 2022

NOTE 7 – NOTES AND LOANS PAYABLE- Continued

Mortgage Loan Payable

The Mortgage Loan for a first mortgage lien on condominium is as follows:

Lender: TD Bank

Original Amount: \$1,585,000

Terms: 20 years fully amortizing with monthly payments coming due July 30, 2032. Due to a large payment of \$606,000 in February 2022, the loan will be paid in full in 2025.

Interest Rate: 4.14% fixed rate mortgage

December 31, 2023 balance: \$205,581

Minimum principal payments on this loan for the next five years are as follows:

2024	\$	114,185
2025		91,396
	\$	<u>205,581</u>

NOTE 8 – LEASES

The Organization leased a copier under a long-term operating lease agreements. The leases expires in 2028. There are no renewal options included in its lease agreement that are reasonably certain to be exercised.

While the agreement provides for minimum lease payments, it also includes payments adjusted for certain operating expenses. Variable payments that are not determinable at the lease commencement are not included in the measurement of the lease asset and liability. The lease agreement does not include any material residual value guarantees or restrictive covenants.

The weighted-average discount rate is based on the discount rate implicit in the lease. The Organization has elected the option to use the risk-free rate determined using a period comparable to the lease terms as the discount rate for leases where the implicit rate is not readily determinable. Tappan Organization has applied the risk-free rate option to all classes of assets.

Total right- of-use assets and lease liabilities at December 31, 2023 and 2022 are as follows:

	2023	2022
Lease Assets – Classification in Statement of Financial Position		
Operating right – of – use asset	\$ 52,792	\$ -
Lease Liabilities – Classification in Statement of Financial Position		
Operating lease liabilities	\$ 52,792	\$ -

MEALS ON WHEELS PROGRAMS AND SERVICES OF ROCKLAND, INC.

Notes to Financial Statements

December 31, 2023 and 2022

NOTE 8 – LEASES- Continued

The components of operating lease expenses that are included the statement of activities for the year ended December 31, 2023 and 2022 was as follows:

	2023	2022
Operating lease cost	\$ 5,229	\$ -

Weighted average lease term and discount rate as of December 31, 2023 and 2022 were as follows:

	2023	2022
Weighted – average remaining lease term in years		
Operating right-of-use asset	4.71	-
Lease Liabilities – Classification in Statement of Financial Position		
Operating lease liabilities	2.95%	-

The following table summarizes the supplemental cash flow information for the year ended December 31, 2023 and 2022:

	2023	2022
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating leases	\$ 5,992	\$ -

The Future minimum lease payments under noncancelable operating and finance leases with terms greater than on year are listed below as of December 31, 2023:

2024	\$	12,233
2025		12,528
2026		12,528
2027		12,528
2028		6,536
Total Lease Payment		56,353
Less: Interest Portion		(3,561)
Present value of lease liabilities	\$	52,792

NOTE 9 – NET ASSETS WITH DONOR RESTRICTIONS

Donor restricted net assets consist of funds designated for the senior centers. Each Senior Center has at least one bank account to use only for their activities. The following activity and balances are recorded in the financial statements:

January 1, 2023 balances	\$	9,387
Senior Center Contributions		5,731
Activity Expenses		(3,335)
December 31, 2023, ending balance	\$	11,783
January 1, 2022 balances	\$	8,072
Senior Center Contributions		1,550
Activity Expenses		(235)
December 31, 2022, ending balance	\$	9,387

MEALS ON WHEELS PROGRAMS AND SERVICES OF ROCKLAND, INC.

Notes to Financial Statements

December 31, 2023 and 2022

NOTE 10 – ENDOWMENT FUNDS

The Board of Directors established the Aaron and Thelma Sandler Endowment Fund to administer the gifts, tributes, bequests and/or other donations received by the Board and designated for the Endowment Fund. As of December 31, 2022, the balance of the Endowment of \$125,877 had been set aside in a separate account. During the year ended December 31, 2023, the board elected to move its endowment into its investments and use the funds to support the organization.

Interpretation of Relevant Law

The Endowment fund is established to permit individuals, corporations and/or other entities the opportunity to make charitable gifts, tributes, bequests and/or other donations that will become a source of financial support. The objective of the fund is to conserve as much principal as possible and use principal and/or income from the fund, as necessary. Endowment designations, other than written donor designations, can be redesignated by a majority vote of the Board of Directors.

Return Objectives and Risk Parameters

The investment objective of the endowment fund shall be to realize income without undue exposure to risk. The Organization shall hold and manage invested funds, guided by the recommendations given by the Finance Committee of the Board of Directors. These funds are under the control of the Finance Committee and are invested in active market Level 1 assets.

Spending Policy and How the Investment Objectives Related to Spending Policy

The use of principal and/or income from any Donor designated endowment funds shall be consistent with the terms of the gift, tribute, bequest and/or donation. The use of principal and/or income from any non-designated or Board designated funds may be used for any purpose(s) the Board of Directors shall designate. The Finance Committee shall make recommendations to the Executive Committee with respect to use of principal and/or income from the Endowment Funds, and, the Executive Committee, if in agreement, shall forward that recommendation to the Board of Directors for their consideration and/or vote. Any withdrawal of principal and/or income must be approved by a majority vote of the Board of Directors.

Endowment Net Asset Composition by Type of Fund as of December 31, 2023:

	Beginning		Transfer to		Ending
	Balance	Revenues	Net Asset	Release	Balance
Board Designated	<u>\$ 125,878</u>	<u>\$ 10</u>	<u>\$ 1,500</u>	<u>\$127,388</u>	<u>\$ -</u>

Endowment Net Asset Composition by Type of Fund as of December 31, 2022:

	Beginning		Transfer to		Ending
	Balance	Revenues	Net Asset	Release	Balance
Board Designated	<u>\$119,820</u>	<u>\$ 58</u>	<u>\$ 6,000</u>	<u>\$ -</u>	<u>\$ 125,878</u>

MEALS ON WHEELS PROGRAMS AND SERVICES OF ROCKLAND, INC.

Notes to Financial Statements

December 31, 2023 and 2022

NOTE 11 – DEFINED CONTRIBUTION PLAN

The Organization maintains a 403(b) plan for any employee employed after 30 days. Employee contributions are allowed up to IRS regulations. The Organization matches employee contributions up to 2% of their salary. This match begins once an employee has worked one year and 1,000 hours. Employees are vested immediately in employee contributions and in employer contributions after three years. During 2023 and 2022, the 403(b) contributions were \$9,381 and \$11,064, respectively. The Organization also has a Section 125 Plan (medical premiums only) for employees employed after three (3) months.

NOTE 12 – LIQUIDITY AND FUNDS AVAILABLE

The Organization receives significant government grant revenues, contributions, and promises to give from donors, and considers contributions restricted or unrestricted for programs and services which are ongoing, major, and central to annual operations to be available to meet cash needs for general purposes. Meals on Wheels strives to maintain liquid financial assets sufficient to cover beyond 60 days of general expenditures.

The following table reflects the Organization's financial assets as of December 31, 2023, reduced by amounts not available for general expenditure within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year, or because the Board has set aside the funds for specific reserve or long-term investments as Board designated. Board designations could be drawn upon if the Board approves that action.

<u>Financial Assets:</u>	<u>2023</u>	<u>2022</u>
Cash	\$ 340,246	\$ 244,944
Cash - Endowment	-	125,877
Cash - Restricted	11,783	9,387
Investments	1,099,144	1,365,563
Receivables	529,846	524,988
Financial assets, available at year end	1,981,019	2,270,759
Less those unavailable for general expenditure within one year due to:		
Donor Restricted	(9,387)	(9,387)
Endowment	-	(125,877)
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 1,971,632</u>	<u>\$ 2,135,495</u>

The Organization regularly monitors its cashflow and liquidity needs through monthly budget and financial reporting and analysis. In the event of unanticipated liquidity needs, Meals on Wheels Program and Services of Rockland can draw upon a line of credit of \$600,000, as noted in Note 8.

NOTE 13 – SUBSEQUENT EVENTS

Management has evaluated subsequent events after the balance sheet date through September 22, 2024, the date the financial statements are available to be issued.