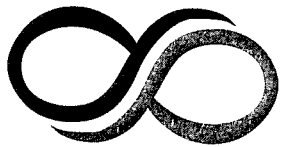


MEALS ON WHEELS  
PROGRAMS AND SERVICES OF ROCKLAND, INC.  
FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2014 AND 2013

**MEALS ON WHEELS  
PROGRAMS AND SERVICES OF ROCKLAND, INC.  
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

<u>TABLE OF CONTENTS</u>	<u>PAGE</u>
Independent Auditor's Report	1
Financial Statements:	
Statement of Financial Position	2
Statement of Activities	3
Statement of Functional Expenses	4
Statement of Changes in Cash Flows	5
Notes to Financial Statements	6-13



**Berard & Associates** CPA'S P.C.  
Certified Public Accountants

## INDEPENDENT AUDITOR'S REPORT

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

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, 2014 and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Meals on Wheels Programs and Services of Rockland, Inc. as of December 31, 2014, 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.

### ***Report on Summarized Comparative Information***

We have previously audited Meals on Wheels Programs and Services of Rockland, Inc.'s December 31, 2013 financial statements, and in our report dated April 10, 2014, we expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2013, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Berard + Associates CPA's PC*

Berard and Associates, CPA's P.C.  
Suffern, New York  
May 5, 2015

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**MEALS ON WHEELS PROGRAMS AND SERVICES OF ROCKLAND, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2014 AND 2013**

	2014	2013
<b>ASSETS</b>		
Cash	\$ 87,516	\$ 272,696
Cash-Endowment	143,523	142,746
Cash - Restricted	7,938	4,552
Investments	3	-
Contracts Receivable	395,723	312,640
Accounts Receivable	210,004	159,471
Inventory	11,279	17,196
Prepaid expenses and other	18,192	13,965
Total Current Assets	874,178	923,266
Building and Equipment (net of Depreciation)	1,983,047	2,044,853
<b>TOTAL ASSETS</b>	<b>\$ 2,857,225</b>	<b>\$ 2,968,119</b>
<b>LIABILITIES</b>		
Current Liabilities		
Accounts Payable	\$ 33,402	\$ 52,332
Accrued Expenses	120,422	113,937
Current Portion of Vehicle Loan Payable	7,105	9,171
Crisp Assessment	34,000	18,000
Current Portion of Mortgage and Note Payable	228,695	183,695
Security Deposit	2,000	2,000
Total Current Liabilities	425,624	379,135
Long-term Liabilities		
Vehicle Loan Payable	-	8,579
Crisp Assessment	108,541	159,129
Mortgage and Note Payable	1,398,159	1,451,558
Total Long-term Liabilities	1,506,700	1,619,266
<b>Total Liabilities</b>	<b>1,932,324</b>	<b>1,998,401</b>
<b>Net Assets</b>		
Unrestricted Net Assets		
Undesignated	220,300	262,313
Net Investment in Property & Equipment	531,193	539,599
Total Unrestricted	751,493	801,912
Temporarily Restricted	173,408	167,806
Permanently Restricted	-	-
<b>TOTAL NET ASSETS</b>	<b>924,901</b>	<b>969,718</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 2,857,225</b>	<b>\$ 2,968,119</b>

See Notes to Financial Statements

**MEALS ON WHEELS PROGRAMS AND SERVICES OF ROCKLAND, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEARS ENDED DECEMBER 31, 2014 and 2013**

	2014			2013 Total
	Unrestricted	Temporarily Restricted	Total	
<b>SUPPORT AND REVENUE</b>				
Contributions through United Way	\$ 15,196	\$ -	\$ 15,196	\$ 16,193
Contributions received from participants	136,095	-	136,095	138,778
Special Events - Revenue	239,410	-	239,410	215,957
Special Event Expenses	(61,819)	-	(61,819)	(45,569)
Contributions - General	254,932	1,440	256,372	258,039
Contributions - Senior Centers	2,221	21,754	23,975	21,475
Contributions-Inkind	263,765	-	263,765	251,333
Fees and grants from governmental agencies	1,849,349	-	1,849,349	1,867,925
Program service fees	844,572	-	844,572	887,865
Other income	12,650	-	12,650	10,650
Investment income	11	776	787	784
Realized Gain (loss) on sale of investment	(54)	-	(54)	-
Net Assets Released from Restrictions	18,368	(18,368)	-	-
Total support & revenue	<u>3,574,696</u>	<u>5,602</u>	<u>3,580,298</u>	<u>3,623,430</u>
<b>EXPENSES</b>				
Program services				
Senior Centers	1,158,391	-	1,158,391	1,162,871
Homebound	1,150,222	-	1,150,222	1,130,778
Adult Day Care	505,852	-	505,852	576,705
Other programs	279,463	-	279,463	272,042
Total program services	<u>3,093,928</u>	<u>-</u>	<u>3,093,928</u>	<u>3,142,396</u>
Supporting services				
General & Administration	404,574	-	404,574	368,101
Fund raising	126,613	-	126,613	118,205
Total supporting services	<u>531,187</u>	<u>-</u>	<u>531,187</u>	<u>486,306</u>
Total expenses	<u>3,625,115</u>	<u>-</u>	<u>3,625,115</u>	<u>3,628,702</u>
Change in net assets	(50,419)	5,602	(44,817)	(5,272)
Net Assets - Beginning of Year	<u>801,912</u>	<u>167,806</u>	<u>969,718</u>	<u>974,990</u>
Net Assets - End of Year	<u>\$ 751,493</u>	<u>\$ 173,408</u>	<u>\$ 924,901</u>	<u>\$ 969,718</u>

See Notes to Financial Statements

MEALS ON WHEELS PROGRAMS AND SERVICES OF ROCKLAND, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	Senior Centers		Adult Day Care		Other Programs		Total		Gen'l & Admin.		Fund Raising		Total		2014 Total		2013 Total	
	\$		\$		\$		\$		\$		\$		\$		\$		\$	
Salaries	606,239	488,006	302,215	102,326	1,498,786	231,829	86,577	318,406	231,829	86,577	318,406	1,817,192	1,836,408					
Inkind Salaries	51,479	110,934	12,544	10,509	185,466	2,750	-	2,750	2,750	-	2,750	188,216	155,095					
Payroll taxes	48,453	38,950	24,628	8,122	120,153	17,955	6,864	24,819	17,955	6,864	24,819	144,972	143,330					
Employee benefits	35,285	31,713	20,384	8,565	95,947	73,932	1,743	75,675	73,932	1,743	75,675	171,622	168,942					
<b>Total Salaries and Related Expenses</b>	<b>741,456</b>	<b>669,603</b>	<b>359,771</b>	<b>129,522</b>	<b>1,900,352</b>	<b>326,466</b>	<b>95,184</b>	<b>421,650</b>	<b>326,466</b>	<b>95,184</b>	<b>421,650</b>	<b>2,322,002</b>	<b>2,303,775</b>					
Food	79,025	237,203	-	78,279	394,507	-	-	-	-	-	-	394,507	373,544					
In Kind Food	1,800	47,622	-	-	49,422	-	-	-	-	-	-	49,422	59,623					
Supplies	19,529	44,666	5,584	14,893	84,672	4,219	1,645	5,864	4,219	1,645	5,864	90,536	90,167					
In Kind Supplies	2,128	-	-	-	2,128	-	-	-	-	-	-	2,128	2,615					
Professional Fees	27,731	4,064	17,847	10,759	60,401	4,621	185	4,806	4,621	185	4,806	65,207	53,119					
Vehicle operation	78,885	20,874	23,744	3,171	126,674	232	9	241	232	9	241	126,915	133,552					
Conferences & Meetings	218	437	398	118	1,171	180	120	300	180	120	300	1,471	4,320					
Travel	2,796	1,321	1,104	11	5,232	-	-	-	-	-	-	5,232	6,485					
Advertising	3,742	3,787	3,669	512	11,710	1,907	1,325	3,232	1,907	1,325	3,232	14,942	11,598					
Postage	483	3,882	1,261	383	6,009	587	1,050	1,637	587	1,050	1,637	7,646	7,512					
Repairs & maintenance	8,242	13,350	7,214	4,185	32,991	6,161	259	6,420	6,161	259	6,420	39,411	47,963					
Cleaning & extermination	12,120	15,744	7,601	6,319	41,784	1,553	491	2,044	1,553	491	2,044	43,828	43,719					
Occupancy	58,975	26,609	24,415	11,520	121,519	4,473	2,311	6,784	4,473	2,311	6,784	128,303	126,749					
In Kind Rent	24,000	-	-	-	24,000	-	-	-	-	-	-	24,000	24,000					
Telephone	9,625	2,292	3,430	725	16,072	1,472	59	1,531	1,472	59	1,531	17,603	24,515					
Insurance	8,398	7,321	4,585	2,755	23,059	1,621	847	2,468	1,621	847	2,468	25,527	17,939					
Printing costs	-	-	-	-	-	-	20,375	20,375	-	20,375	20,375	20,375	22,211					
Dues & subscriptions	129	136	915	41	1,221	156	6	162	156	6	162	1,383	2,281					
Equipment	170	-	501	9	680	12	1	13	12	1	13	693	4,437					
Bad Debt Expense	-	-	-	-	-	8,419	-	8,419	8,419	-	8,419	8,419	2,448					
Interest Expense	16,065	16,464	19,353	5,271	57,153	20,853	1,892	22,745	20,853	1,892	22,745	79,898	79,366					
Senior center event	18,409	-	585	-	18,994	-	-	-	-	-	-	18,994	21,726					
Miscellaneous	-	168	346	-	514	283	-	283	283	-	283	796	4,873					
<b>Total Expenses Before Depreciation &amp; Amort.</b>	<b>1,113,926</b>	<b>1,115,543</b>	<b>482,323</b>	<b>268,473</b>	<b>2,980,265</b>	<b>383,215</b>	<b>125,759</b>	<b>508,974</b>	<b>383,215</b>	<b>125,759</b>	<b>508,974</b>	<b>3,489,239</b>	<b>3,468,537</b>					
<b>Depreciation and Amortization</b>	<b>44,465</b>	<b>34,679</b>	<b>23,529</b>	<b>10,990</b>	<b>113,663</b>	<b>21,359</b>	<b>854</b>	<b>22,213</b>	<b>21,359</b>	<b>854</b>	<b>22,213</b>	<b>135,876</b>	<b>160,164</b>					
<b>Total Expenses</b>	<b>\$ 1,158,391</b>	<b>\$ 1,150,222</b>	<b>\$ 505,852</b>	<b>\$ 279,463</b>	<b>\$ 3,093,928</b>	<b>\$ 404,574</b>	<b>\$ 126,613</b>	<b>\$ 531,187</b>	<b>\$ 404,574</b>	<b>\$ 126,613</b>	<b>\$ 531,187</b>	<b>\$ 3,625,115</b>	<b>\$ 3,628,701</b>					

See Notes to Financial Statements

**MEALS ON WHEELS PROGRAMS AND SERVICES OF ROCKLAND, INC.**  
**STATEMENT OF CHANGES IN CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

	<b>2014</b>	<b>2013</b>
Cash Flow from Operating Activities		
Increase (Decrease) in net assets	\$ (44,817)	\$ (5,272)
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Depreciation and amortization	135,876	160,164
Changes in operating assets and liabilities		
Accounts receivable	(50,533)	24,966
Contracts receivable	(83,083)	103,923
Inventory	5,917	(2,743)
Prepaid expenses and other	(4,228)	(1,567)
Accounts payable	(18,930)	18,802
Accrued expenses	6,485	(8,482)
Net Cash Provided by (Used for) Operating Activities	(53,313)	289,791
Cash Flows from Financing Activities:		
Payments on Notes Payable	(98,631)	(119,300)
Change in Line of Credit	45,000	66,636
Net Cash Provided by (Used for) Financing Activities	(53,631)	(52,664)
Cash Flows from Investing Activities		
Purchase of securities	(3)	-
Net (Purchase)/Disposal of property and equipment	(74,070)	(33,314)
Net Cash Used for Investing Activities	(74,073)	(33,314)
Net increase (decrease) in Cash and Cash Equivalents	(181,017)	203,813
Cash and Cash Equivalents - Beginning of Year	419,994	216,181
Cash and Cash Equivalents - End of Year	\$ 238,977	\$ 419,994
Supplemental Disclosures of Cash Flow Information		
Interest	\$ 79,898	\$ 79,366
Income Taxes	n/a	n/a
Supplemental information of Non-cash items:		
Donated revenue/ expenses	\$ 263,765	\$ 251,333

See Notes to Financial Statements

**MEALS ON WHEELS PROGRAMS AND SERVICES OF ROCKLAND, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

**Note 1 – Summary of Significant Accounting Policies**

**Nature of Activities**

Meals on Wheels Programs and Services of Rockland, Inc. (the "Organization") were initially 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 agency receives 52% of its support from government agencies and 24% from program service fees.

**Financial Statement Presentation**

The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

**Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount and disclosures. Actual results could differ from those estimates.

**Concentrations of Credit Risk**

Financial instruments that potentially subject the Organization to concentrations of credit risk are principally cash and cash equivalent accounts on deposit with financial institution, which at times may exceed federally insured limits. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000, through December 31, 2014. For the years ended December 31, 2014 and 2013, respectively, the balances did not exceed the insured limits.

**Cash and Cash Equivalents**

For purposes of the Statements of Cash Flows, the Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

**Promise to Give**

Support is recognized when the donor makes a promise to give to the organization, that is, in substance unconditional. Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported, as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are classified to unrestricted net assets.

**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  
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

**Note 1 – Summary of Significant Accounting Policies (Cont'd)**

**Property and Equipment**

Depreciation is provided using the straight-line method over the estimated useful lives of the assets. Expenditures for maintenance and repairs are charged to expense as incurred and renewal and betterments are capitalized. Upon sales or retirement, the cost of the asset and the related accumulated depreciation are removed from the accounts and the resulting gain or loss is included in the results of operations. Leasehold improvements are amortized over the lesser of the useful life of the asset or the term of the lease. The Organization's policy is the capitalize assets costing over \$5,000.

**Support and Revenue**

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 accounts receivable.

Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Contributed Services, Space and Goods

During the years ended December 31, 2014 and 2013, many individuals volunteer their time and perform a variety of tasks that assist the organizations. In 2014 and 2013 estimated contributed services were \$188,216 and \$155,095 respectively, which were recorded as In-kind Salaries. The agency has estimated it received over 21,582 volunteer hours in 2014 and 34,299 in 2013.

For the years ended December 31, 2014 and 2013 the agency received \$24,000 and \$24,000 of rent without charge which was recorded as In-Kind Rent. For the years ended December 31, 2014 and 2013 the agency received \$49,422 and \$59,926 of food donations which were recorded as In-Kind Food. For the years ended December 31, 2014 and 2013 the agency received \$2,128 and \$2,615 of supplies which were recorded as In-Kind Supplies. For the years ended December 31, 2014 and 2013 the agency received \$0 and \$10,000 of equipment which was recorded as In-Kind equipment.

**MEALS ON WHEELS PROGRAMS AND SERVICES OF ROCKLAND, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

**Note 1 – Summary of Significant Accounting Policies (Cont'd)**

**Allocation of Expenses**

The Organization allocates its expenses on a functional basis among its various program and supporting services. Expenses which can be identified with a specific program or supporting Activity is charged directly to that activity. Other expenses that are common to several functions are allocated among the program and supporting services benefited.

**Direct Write-Off Method for Accounts Receivable**

The Organization uses the direct write off method for recording bad debt expense relating to their accounts receivable. The balance is bad debt expense is comprised of those accounts that they do not expect to collect. If monies are received subsequent to their write-off those amounts are recognized as income in that year. During 2014 and 2013, bad debt expense was \$8,419 and \$2,448 respectively.

**Property and Equipment**

Property and equipment are stated at cost or fair value at date of donation. Depreciation is provided using the straight-line method over the estimated useful lives of the assets as follows:

Office equipment	5 years
Vehicles	5 years
Telephone equipment	7 years
Commissary equipment and leasehold improvements	10 years

Additions and betterments of \$5,000 or more are capitalized, while maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

**Income Taxes**

**Income Tax Status**

The Organization is exempt from federal income tax under Section 501(c) (3) of the Internal Revenue Code. However, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. In addition, the Organization qualifies for the charitable contribution deductions under Section 170(b) (1) (A) and has been classified as an organization other than a private foundation under Section 509(a) (2).

**Comparative Financial Statements**

The financial information shown for 2014 in the accompanying financial statements is included to provide a basis for comparison with 2013 and presents summarized totals only.

**MEALS ON WHEELS PROGRAMS AND SERVICES OF ROCKLAND, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

**Note 1 – Summary of Significant Accounting Policies (Cont'd)**

**Uncertainty in Income Taxes**

The Organization has adopted the provisions of FASB ASC Reference 740 *Accounting for Uncertainty in Income Taxes-an interpretation of FASB Statement NO. 109* (FIN 48). Under

FIN 48, an organization must recognize the tax benefit associated with tax positions taken for tax return purposes when it is more likely than not the position will be sustained upon examination by a taxing authority. The Organization does not believe they have taken any material uncertain tax positions and, accordingly they have not recorded any liability for unrecognized tax benefits. The Organization has filed for and received income tax exemptions in the jurisdictions where required to do so.

The Organization's Federal Return of Organization Exempt from Income Tax Returns 2014, 2013 and 2012 are subject to examination by the IRS, generally three years after they were filed.

Additionally, it has filed Internal Revenue Service Form 990 informational returns, as required, and all other applicable returns in jurisdictions where so required. For the years ended December 31, 2014 and 2013, there were no interest or penalties recorded or included in the statement of activities.

**Subsequent Events**

Management has evaluated subsequent events after the balance sheet date through May 5, 2015, the date the financial statements are available to be issued.

**Note 2 –Programs**

Homebound Program

Offers a variety of prepared and packaged home delivered meals five 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 sliding scales options are available. In 2014, the Agency delivered 132,888 meals through this program.

Rockland Senior Centers Program

Five 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. During 2014, the programs provided 24,736 days of service to seniors at all of our centers.

**MEALS ON WHEELS PROGRAMS AND SERVICES OF ROCKLAND, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

**Note 2 –Programs (Cont'd)**

Adult Day Care Programs

A fee for service program, Bobbi Lewis is designed for functionally or cognitively impaired, frail, isolated and dependent older adults. Intergenerational supports clients who are physically limited and or suffer from mild short-term memory loss. Both programs are structured to help maintain or improve the client's level of physical, social and emotional functioning, Transportation, meals and snacks are provided. During 2014, the adult day programs provided 5,317 days of service to participants.

The Adult Learning Center

The Adult Learning Center is a state of the art educational learning center which affords older adults the opportunity to learn how to use computers and communication technology. Courses run for six or eight weeks, two hours a session. This is a fee for service program which is open to all adults living in Rockland County. This program served 76 clients during 2014 and was taught by 25 volunteers.

**Note 3 – Property and Equipment**

Property and equipment consisted of the following at December 31, 2014 and 2013:

<u>Account</u>	<u>2014</u>	<u>2013</u>
Building	\$2,500,000	\$2,500,000
Closing Costs	58,868	58,868
Vehicles	583,513	624,123
Kitchen Equipment	173,988	159,188
Furniture and Office Equipment	215,863	169,587
Leasehold Improvements	437,445	424,450
Depreciation	<u>(1,986,630)</u>	<u>(1,891,360)</u>
	<u>\$ 1,983,047</u>	<u>\$ 2,044,856</u>

Several vehicles were purchased with UMTA Grant monies. UMTA has a reversionary interest in the vehicles if sold. Generally these vehicles can be released after 5 years or 150,000 miles.

During 2014 and 2013, respectively \$46,277 and \$10,735 of Computer Equipment, \$12,995 and \$12,500 of Leasehold Improvement and \$14,800 and \$0 of Commissary equipment were acquired.

During 2014 and 2013, respectively \$40,610 and \$0 of vehicles were written off.

Depreciation and amortization expense for 2014 and 2013 was \$135,875 and \$160,164, respectively.

**MEALS ON WHEELS PROGRAMS AND SERVICES OF ROCKLAND, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

**Note 4 – Line of Credit**

The Organization has a \$600,000 bank line of credit. 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. At December 31, 2014 and 2013 the balance outstanding on the line of credit was \$175,000 and 130,000 respectively.

Interest expenses related to this line of credit for the years then ended December 31, 2014 and 2013 was \$6,915 and \$4,969.

**Note 5 – Notes Payable and Loans Payable**

The Mortgage Loan is as follows:

Lender: TD Bank  
Amount: \$1,585,000

Terms: 20 years fully amortizing with monthly payments  
Interest Rate: Floating at LIBOR Plus 2.25%  
Concurrent with the closing of the financing Meals on Wheels entered into an Interest swap with TD bank fixing the floating rate at 4.49% for ten years.

Security: 1<sup>st</sup> mortgage lien on condominium  
December 31, 2014 balance: \$1,451,854

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

2015	\$ 55,974
2016	58,397
2017	61,291
2018	64,406
2019	67,381
Thereafter	<u>1,144,405</u>
	<u>\$1,451,854</u>

**Vehicle Payable**

Meals on Wheels entered into a loan agreement to purchase a 2012 Ford Van. The total cost of the Vehicle was \$27,514. Monthly payments are \$764.27 for 36 months.

The terms of the loan are as follows:

Lender: Ford Motor Credit  
Amount: \$27,514  
Terms: 36 months  
Rate: 1.9%

Minimum principal payments on this loan for the next year is \$7,105

**MEALS ON WHEELS PROGRAMS AND SERVICES OF ROCKLAND, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

**Note 6 – Endowment Funds**

The Board of Directors has 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, 2014 and 2013, \$143,523 and \$142,746 have been set aside in a separate account and at December 31, 2014 and 2013 \$20,507 and \$20,507 was pending a transfer from the operating account.

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. All Endowments 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, 2014

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor restricted Endowment funds	\$ -	\$ -	\$ -	\$ -
Board restricted	<u>\$164,030</u>	-	-	<u>\$164,030</u>
	<u>\$164,030</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$164,030</u>

**MEALS ON WHEELS PROGRAMS AND SERVICES OF ROCKLAND, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

**Note 7 – Temporarily Restricted Net Assets**

Temporarily 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, 2014 balances	\$ 4,552
Senior Center Contributions	21,754
Event Expenses	<u>(18,368)</u>
Ending balances	<u>\$ 7,938</u>

There is also \$1,440 of unspent donations of pet food

**Note 8 – Employee Benefit Plans**

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 2014 and 2013, the 403(b) contributions were \$16,956 and \$17,940, respectively. The agency also has a Section 125 Plan (medical premiums only) for employees employed after three (3) months.

**Note 9 – Crisp Assessment**

For the years 1998 through 2008 Meals on Wheels Programs and Services of Rockland, Inc. was a member of the Community Residence Insurance Saving Plan (CRISP), a Group Self Insurance Trust to cover Workers Compensation. This trust was closed by the NYS Workers Compensation Board (WCB) as a result of a large deficit in the premiums collected during the life of the trust to pay out existing and future claims.

Subsequent to being taken over by the WCB, former members have been assessed amounts to make up this deficit. The amount allocated to Meals on Wheels was \$204,507.

Under a Memorandum of Understanding with the WCB, Meals on Wheels will make payments of about \$3,000 a month as part of a payment plan agreed by the members of CRISP to fund the deficit prior to a final liquidation of the trust. At December 31, 2014 and 2013 the balance outstanding on the Crisp Assessment was \$142,541 and \$177,129 respectively.