

MEALS ON WHEELS
PROGRAMS AND SERVICES OF ROCKLAND, INC.
FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2016 AND 2015

**MEALS ON WHEELS
PROGRAMS AND SERVICES OF ROCKLAND, INC.
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

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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, 2016, 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, 2016, 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, 2015 financial statements, and in our report dated April 27, 2016, 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, 2016, is consistent, in all material respects, with the audited financial statements from which it has been derived.

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MEALS ON WHEELS PROGRAMS AND SERVICES OF ROCKLAND, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2016 AND 2015

	2016	2015
ASSETS		
Current Assets		
Cash	\$ 160,785	\$ 104,262
Cash-Endowment	144,784	144,179
Cash - Restricted	9,560	8,340
Security and Equipment Deposits	53,291	3,500
Investments	19	3
Contracts Receivable	336,909	431,329
Accounts Receivable	240,062	206,704
Inventory	16,151	13,204
Prepaid expenses and other	20,429	17,855
Total Current Assets	981,990	929,376
Building and Equipment (net of Depreciation)	1,804,393	1,895,072
TOTAL ASSETS	\$ 2,786,383	\$ 2,824,448
LIABILITIES		
Current Liabilities		
Accounts Payable	\$ 70,418	\$ 37,928
Accrued Expenses	136,017	131,277
Crisp Assessment	45,096	45,085
Current Portion of Mortgage and Note Payable	136,291	318,397
Security Deposit	2,000	2,000
Total Current Liabilities	389,822	534,687
Long-term Liabilities		
Crisp Assessment	18,768	45,085
Mortgage and Note Payable	1,276,191	1,337,483
Total Long-term Liabilities	1,294,959	1,382,568
Total Liabilities	1,684,781	1,917,255
Net Assets		
Unrestricted Net Assets		
Undesignated	478,503	254,042
Net Investment in Building & Equipment	466,911	499,192
Total Unrestricted	945,414	753,234
Temporarily Restricted	156,188	153,959
Permanently Restricted	-	-
TOTAL NET ASSETS	1,101,602	907,193
TOTAL LIABILITIES AND NET ASSETS	\$ 2,786,383	\$ 2,824,448

See accompanying notes and independent auditor's report.

MEALS ON WHEELS PROGRAMS AND SERVICES OF ROCKLAND, INC.
STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

	2016			2015 Total
	Unrestricted	Temporarily Restricted	Total	
SUPPORT AND REVENUE				
Contributions through United Way	\$ 13,242	\$ -	\$ 13,242	\$ 13,394
Contributions received from participants	116,547	-	116,547	127,547
Special Events Revenue	220,371	-	220,371	243,998
Special Event Expenses	(63,196)	-	(63,196)	(68,324)
Contributions - General	287,523	-	287,523	200,790
Contributions - Senior Centers	-	18,477	18,477	22,076
Contributions-Inkind	296,147	-	296,147	279,165
Fees and grants from governmental agencies	1,850,578	-	1,850,578	1,806,471
Fees and grants - non-governmental agencies	80,999	1,000	81,999	44,660
Program service fees	894,552	-	894,552	881,353
Other income	11,259	-	11,259	29,605
Investment income	58	650	708	749
Realized Gain (loss) on sale of investment	97	-	97	-
Net Assets Released from Restrictions	17,898	(17,898)	-	-
Total support & revenue	<u>3,726,075</u>	<u>2,229</u>	<u>3,728,304</u>	<u>3,581,484</u>
EXPENSES				
Program services				
Senior Centers	995,814	-	995,814	1,076,104
Homebound	1,194,055	-	1,194,055	1,173,144
Adult Day Care	478,212	-	478,212	534,791
Other programs	339,859	-	339,859	269,904
Total program services	<u>3,007,940</u>	<u>-</u>	<u>3,007,940</u>	<u>3,053,943</u>
Supporting services				
General & Administration	419,729	-	419,729	415,106
Fund raising	106,226	-	106,226	130,143
Total supporting services	<u>525,955</u>	<u>-</u>	<u>525,955</u>	<u>545,249</u>
Total expenses	<u>3,533,895</u>	<u>-</u>	<u>3,533,895</u>	<u>3,599,192</u>
Change in net assets	192,180	2,229	194,409	(17,708)
Net Assets - Beginning of Year	<u>753,234</u>	<u>153,959</u>	<u>907,193</u>	<u>924,901</u>
Net Assets - End of Year	<u>\$ 945,414</u>	<u>\$ 156,188</u>	<u>\$ 1,101,602</u>	<u>\$ 907,193</u>

See accompanying notes and independent auditor's report.

MEALS ON WHEELS PROGRAMS AND SERVICES OF ROCKLAND, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

	Senior Centers	Homebound	Adult Day Care	Other Programs	Total	Gen'l & Admin.	Fund Raising	Total	2016 Total Expenses	2015 Total Expenses
Salaries	\$ 552,598	\$ 513,134	\$ 300,094	\$ 128,024	\$ 1,493,850	\$ 218,601	\$ 61,593	\$ 280,194	\$ 1,774,044	\$ 1,828,553
In-kind Salaries	55,736	117,309	7,377	4,483	184,905	19,550	-	19,550	204,455	198,560
Payroll taxes	42,676	39,988	23,048	9,933	115,645	16,813	4,691	21,504	137,149	137,338
Employee benefits	33,420	27,483	14,305	10,010	85,218	80,230	957	81,187	166,405	175,560
Total Salaries and Related Expenses	684,430	697,914	344,824	152,450	1,879,618	335,194	67,241	402,435	2,282,053	2,340,011
Food	53,326	239,304	-	100,683	393,313	-	-	-	393,313	356,794
In Kind Food	2,950	53,063	-	-	56,013	-	-	-	56,013	53,681
Supplies	16,211	50,401	3,652	21,565	91,829	2,631	184	2,815	94,644	92,459
In Kind Supplies	2,670	-	200	-	2,870	-	-	-	2,870	2,925
Professional Fees	27,027	3,889	14,347	10,319	55,582	1,256	1,671	2,927	58,509	57,439
In Kind Professional Fees	-	-	-	-	-	8,809	-	8,809	-	-
Vehicle operation	50,095	21,397	20,608	4,110	96,210	18	1	19	96,229	119,800
Conferences & Meetings	545	892	463	158	2,058	410	16	426	2,484	4,778
Travel	2,916	1,164	857	34	4,971	-	-	-	4,971	5,123
Advertising	3,245	3,510	3,218	1,197	11,170	2,315	788	3,103	14,273	13,833
Postage	398	3,450	1,116	348	5,312	517	919	1,436	6,748	7,472
Repairs & maintenance	9,106	17,001	8,316	6,279	40,702	5,975	396	6,371	47,073	33,798
Cleaning & extermination	10,089	13,560	6,945	6,565	37,159	1,394	484	1,878	39,037	41,493
Occupancy	56,057	27,877	25,280	13,795	123,009	4,623	2,393	7,016	130,025	134,315
In Kind Rent	24,000	-	-	-	24,000	-	-	-	24,000	24,000
Telephone	10,260	2,520	3,244	956	16,980	1,840	73	1,913	18,893	18,723
Insurance	7,233	7,175	4,401	3,221	22,030	1,558	885	2,443	24,473	24,134
Dues & subscriptions	-	-	-	-	-	-	12,225	12,225	12,225	18,705
Printing costs	2,014	748	798	277	3,837	708	28	736	4,573	4,745
Equipment	142	989	-	266	1,397	-	-	-	1,397	2,071
Bad Debt Expense	-	-	-	-	-	12,591	-	12,591	12,591	24,710
Interest Expense	14,210	16,584	18,777	6,009	55,580	18,828	795	19,623	75,203	75,840
Senior center event	-	-	-	-	-	-	17,257	17,257	17,257	21,674
Miscellaneous	279	2,315	129	8	2,731	25	28	53	2,784	7,305
Total Expenses Before Depreciation & Amort.	977,203	1,163,753	457,175	328,240	2,926,371	398,692	105,384	504,076	3,430,447	3,485,828
Depreciation and Amortization	18,611	30,302	21,037	11,619	81,569	21,037	842	21,879	103,448	113,364
Total Expenses	\$ 995,814	\$ 1,194,055	\$ 478,212	\$ 339,859	\$ 3,007,940	\$ 419,729	\$ 106,226	\$ 525,955	\$ 3,533,895	\$ 3,599,192

See accompanying notes and independent auditor's report.

MEALS ON WHEELS PROGRAMS AND SERVICES OF ROCKLAND, INC.
STATEMENT OF CHANGES IN CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
Cash Flow from Operating Activities		
Increase (Decrease) in net assets	\$ 194,409	\$ (17,708)
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Depreciation and amortization	103,448	113,364
Changes in operating assets and liabilities		
Security and equipment deposits	(49,791)	(3,500)
Accounts receivable	(33,358)	3,300
Contracts receivable	94,420	(35,606)
Inventory	(2,947)	(1,925)
Prepaid expenses and other	(2,574)	337
Accounts payable	32,490	4,526
Accrued expenses	4,740	10,855
Net Cash Provided by Operating Activities	340,837	73,643
Cash Flows from Financing Activities:		
Payments on Notes Payable	(84,704)	(115,450)
Change in Line of Credit	(185,000)	85,000
Net Cash Used for Financing Activities	(269,704)	(30,450)
Cash Flows from Investing Activities		
Purchase of securities	(16)	-
Net Purchase of property and equipment	(12,769)	(25,389)
Net Cash Used for Investing Activities	(12,785)	(25,389)
Net increase in Cash and Cash Equivalents	58,348	17,804
Cash and Cash Equivalents - Beginning of Year	256,781	238,977
Cash and Cash Equivalents - End of Year	<u>\$ 315,129</u>	<u>\$ 256,781</u>
Supplemental Disclosures of Cash Flow Information		
Interest	<u>\$ 75,203</u>	<u>\$ 75,840</u>
Income Taxes	<u>n/a</u>	<u>n/a</u>
Supplemental information of Non-cash items:		
Donated revenue / expenses	<u>\$ 296,147</u>	<u>\$ 279,165</u>

See accompanying notes and independent auditor's report.

**MEALS ON WHEELS PROGRAMS AND SERVICES OF ROCKLAND, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016 AND 2015**

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 47% 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. At December 31, 2016, the Organization held cash accounts at six financial institutions for which the balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. For the years ended December 31, 2016 and 2015, respectively, the balances did not exceed the insured limits. At December 31, 2016, the Organization held \$19 in a money market fund which is not insured by the FDIC.

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 YEAR ENDED DECEMBER 31, 2016 AND 2015**

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 to 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 year ended December 31, 2016 and 2015, many individuals volunteer their time and perform a variety of tasks that assist the organizations. In 2016 and 2015 estimated contributed services were \$204,455 and \$198,559, respectively, which were recorded as In-kind Salaries. The agency has estimated it received over 21,198 volunteer hours in 2016 and 21,582 in 2015.

For the years ended December 31, 2016 and 2015 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, 2016 and 2015 the agency received \$56,013 and \$53,681 of food donations which were recorded as In-Kind Food. For the years ended December 31, 2016 and 2015 the agency received \$2,870 and \$2,925 of supplies which were recorded as In-Kind Supplies. For the years ended December 31, 2016 and 2015 the agency received \$8,809 and \$0 of legal services which was recorded as In-Kind Professional Services.

**MEALS ON WHEELS PROGRAMS AND SERVICES OF ROCKLAND, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016 AND 2015**

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 2016 and 2015, bad debt expense was \$12,591 and \$24,710 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 2016 in the accompanying financial statements is included to provide a basis for comparison with 2015 and presents summarized totals only.

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

Subsequent Events

Management has evaluated subsequent events after the balance sheet date through May 4, 2017, the date the financial statements are available to be issued.

**MEALS ON WHEELS PROGRAMS AND SERVICES OF ROCKLAND, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016 AND 2015**

Note 2 –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 2016, the Agency delivered 122,139 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 2016, the programs provided 27,892 days of service to seniors at all of our centers.

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 2016, the adult day programs provided 5,281 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 187 clients during 2016 and was taught by 19 volunteers.

Note 3 – Property and Equipment

Property and equipment consisted of the following at December 31, 2016 and 2015:

<u>Account</u>	<u>2016</u>	<u>2015</u>
Building	\$2,500,000	\$ 2,500,000
Closing Costs	58,868	58,868
Vehicles	583,513	583,513
Kitchen Equipment	207,146	199,376
Furniture and Office Equipment	205,866	215,863
Leasehold Improvements	437,445	437,445
Depreciation	<u>(2,188,445)</u>	<u>(2,099,993)</u>
	<u>\$1,804,393</u>	<u>\$ 1,895,072</u>

In years past, 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.

**MEALS ON WHEELS PROGRAMS AND SERVICES OF ROCKLAND, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016 AND 2015**

During 2016 and 2015, respectively \$5,000 and \$0 of Computer Equipment and \$7,770 and \$25,388 of Commissary equipment were acquired.

Depreciation and amortization expense for 2016 and 2015 was \$103,448 and \$113,364, respectively.

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, 2016 and 2015 the balance outstanding on the line of credit was \$75,000 and \$260,000 respectively.

Interest expenses related to this line of credit for the years then ended December 31, 2016 and 2015 was \$8,069 and \$7,150.

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: 1st mortgage lien on condominium
December 31, 2016 balance: \$1,337,482

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

2017	61,291
2018	64,140
2019	67,122
2020	70,095
2021	73,500
Thereafter	<u>1,001,334</u>
	<u>\$1,337,482</u>

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, 2016 and 2015, \$144,784 and \$144,179 have been set aside in a separate account.

**MEALS ON WHEELS PROGRAMS AND SERVICES OF ROCKLAND, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016 AND 2015**

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, 2016

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor restricted Endowment funds	\$ -	\$ -	\$ -	\$ -
Board restricted	\$ 144,784	-	-	\$ 144,784
	<u>\$ 144,784</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 144,784</u>

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, 2016 balances	\$ 8,340
Senior Center Contributions	18,477
Event Expenses	<u>(17,257)</u>
Ending balances	<u>\$ 9,560</u>

**MEALS ON WHEELS PROGRAMS AND SERVICES OF ROCKLAND, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016 AND 2015**

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 2016 and 2015, the 403(b) contributions were \$14,084 and \$14,118, 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 \$173,346.

Under a Memorandum of Understanding with the WCB, Meals on Wheels was making payments of \$2,882 a month as part of a payment plan agreed upon by the members of CRISP to fund the deficit prior to a final liquidation of the trust. In early 2016, a final settlement was arrived at for the December 31, 2015 balance of \$90,170 with monthly payments of \$3,758 for two years. At December 31, 2016 and 2015 the balance outstanding on the Crisp Assessment was \$63,864 and \$90,170, respectively.