

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

Financial Statements  
Years Ended  
December 31, 2020 and 2019

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

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Years Ended

December 31, 2020 and 2019

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of Meals on Wheels Program and Services of Rockland, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years 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 audits. We conducted our audits 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 from material misstatement.

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

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

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Meals on Wheels Program and Services of Rockland, Inc. as of December 31, 2020 and 2019, 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.

*Berard & Associates CPA's P.C.*

Berard & Associates. CPA's P.C.  
Suffern, New York 10901  
October 1, 2021

**MEALS ON WHEELS PROGRAMS AND SERVICES OF ROCKLAND, INC.**

Statements of Financial Position

December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<b>ASSETS</b>		
Cash	\$ 650,439	\$ 164,093
Cash - endowment	113,758	80,511
Restricted cash	7,322	5,777
Security and equipment deposits	4,000	29,198
Investments	19	19
Contracts receivable	463,660	291,328
Accounts receivable	177,262	250,857
Inventory	21,820	20,391
Prepaid expenses and other	19,586	16,821
Total current assets	<u>1,457,866</u>	<u>858,995</u>
 Building and equipment	 <u>1,835,547</u>	 <u>1,839,348</u>
 Total assets	 <u><u>\$ 3,293,413</u></u>	 <u><u>\$ 2,698,343</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
Accounts payable	\$ 55,803	\$ 74,757
Accrued expenses	82,504	140,081
Current portion of mortgage payable	72,672	70,366
Deferred Revenue	109,600	-
Security deposit	-	2,000
Total current liabilities	<u>320,579</u>	<u>287,204</u>
 Mortgage payable	 <u>1,019,722</u>	 <u>1,074,564</u>
 Total liabilities	 <u>1,340,301</u>	 <u>1,361,768</u>
<b>Net Assets</b>		
Without donor restrictions		
Operating fund	1,147,747	614,737
Net investment in building	334,169	336,211
Net investment in equipment	350,116	299,339
Board designated - endowment	113,758	80,511
	<u>1,945,790</u>	<u>1,330,798</u>
With donor restrictions		
Restricted by purpose or time - Senior Centers	<u>7,322</u>	<u>5,777</u>
 Total net assets	 <u>1,953,112</u>	 <u>1,336,575</u>
 Total liabilities and net assets	 <u><u>\$ 3,293,413</u></u>	 <u><u>\$ 2,698,343</u></u>

See notes to financial statements.

**MEALS ON WHEELS PROGRAMS AND SERVICES OF ROCKLAND, INC.**

Statement of Activities

Year Ended December 31, 2020

	Without Donor Restrictions			With Donor Restrictions	2020 Total
	Undesignated	Board Designated	Total		
<b>REVENUES</b>					
Fees and grants from governmental agencies	\$ 1,748,052	\$ -	\$ 1,748,052	\$ -	\$ 1,748,052
Fees and grants - non-governmental agencies	181,514	-	181,514	-	181,514
Program service fees	687,993	-	687,993	-	687,993
Contributions through United Way	28,667	-	28,667	-	28,667
Contributions received from participants	111,589	-	111,589	-	111,589
Special events revenue	121,507	-	121,507	-	121,507
Special events expense	(51,251)	-	(51,251)	-	(51,251)
Contributions - general	411,276	33,000	444,276	-	444,276
Contributions - senior centers	-	-	-	5,247	5,247
Contributions - in-kind	585,269	-	585,269	-	585,269
Contributions - vehicles from governmental agency	90,948	-	90,948	-	90,948
Paycheck Protection Program	363,322	-	363,322	-	363,322
Other income	5,348	-	5,348	-	5,348
Interest income	-	247	247	-	247
Realized gain (loss) on disposal of vehicle	20,400	-	20,400	-	20,400
Net assets released from restrictions	3,702	-	3,702	(3,702)	-
<b>Total revenues</b>	<b>4,308,336</b>	<b>33,247</b>	<b>4,341,583</b>	<b>1,545</b>	<b>4,343,128</b>
<b>EXPENSES</b>					
Program services					
Senior centers	438,992	-	438,992	-	438,992
Homebound	2,425,399	-	2,425,399	-	2,425,399
Adult day care	180,104	-	180,104	-	180,104
Other programs	131,368	-	131,368	-	131,368
<b>Total program expenses</b>	<b>3,175,863</b>	<b>-</b>	<b>3,175,863</b>	<b>-</b>	<b>3,175,863</b>
General and administrative	425,740	-	425,740	-	425,740
Fundraising	124,988	-	124,988	-	124,988
<b>Total expenses</b>	<b>3,726,591</b>	<b>-</b>	<b>3,726,591</b>	<b>-</b>	<b>3,726,591</b>
<b>Change in net assets</b>	<b>581,745</b>	<b>33,247</b>	<b>614,992</b>	<b>1,545</b>	<b>616,537</b>
Net assets, beginning	1,250,287	80,511	1,330,798	5,777	1,336,575
Net assets, ending	<u>\$ 1,832,032</u>	<u>\$ 113,758</u>	<u>\$ 1,945,790</u>	<u>\$ 7,322</u>	<u>\$ 1,953,112</u>

See notes to financial statements.

**MEALS ON WHEELS PROGRAMS AND SERVICES OF ROCKLAND, INC.**

Statement of Activities

Year Ended December 31, 2019

	Without Donor Restrictions			With Donor Restrictions	2019 Total
	Undesignated	Board Designated	Total		
<b>REVENUES</b>					
Fees and grants from governmental agencies	\$ 1,768,596	\$ -	\$ 1,768,596	\$ -	\$ 1,768,596
Fees and grants - non-governmental agencies	196,951	-	196,951	-	196,951
Program service fees	831,664	-	831,664	-	831,664
Contributions through United Way	16,982	-	16,982	-	16,982
Contributions received from participants	113,648	-	113,648	-	113,648
Special events revenue	199,851	-	199,851	-	199,851
Special events expense	(73,373)	-	(73,373)	-	(73,373)
Contributions - general	203,740	-	203,740	-	203,740
Contributions - senior centers	-	-	-	20,272	20,272
Contributions - in-kind	364,207	-	364,207	-	364,207
Other income	103,449	-	103,449	-	103,449
Interest income	32	462	494	-	494
Realized gain (loss) on disposal of vehicle	1,579	-	1,579	-	1,579
Net assets released from restrictions	49,818	(26,000)	23,818	(23,818)	-
<b>Total revenues</b>	<b>3,777,144</b>	<b>(25,538)</b>	<b>3,751,606</b>	<b>(3,546)</b>	<b>3,748,060</b>
<b>EXPENSES</b>					
Program services					
Senior centers	1,215,171	-	1,215,171	-	1,215,171
Homebound	1,363,745	-	1,363,745	-	1,363,745
Adult day care	401,387	-	401,387	-	401,387
Other programs	405,339	-	405,339	-	405,339
<b>Total program expenses</b>	<b>3,385,642</b>	<b>-</b>	<b>3,385,642</b>	<b>-</b>	<b>3,385,642</b>
General and administrative	435,372	-	435,372	-	435,372
Fundraising	119,640	-	119,640	-	119,640
<b>Total expenses</b>	<b>3,940,654</b>	<b>-</b>	<b>3,940,654</b>	<b>-</b>	<b>3,940,654</b>
<b>Change in net assets</b>	<b>(163,510)</b>	<b>(25,538)</b>	<b>(189,048)</b>	<b>(3,546)</b>	<b>(192,594)</b>
Net assets, beginning	1,413,797	106,049	1,519,846	9,323	1,529,169
Net assets, ending	<u>\$ 1,250,287</u>	<u>\$ 80,511</u>	<u>\$ 1,330,798</u>	<u>\$ 5,777</u>	<u>\$ 1,336,575</u>

See notes to financial statements.

**MEALS ON WHEELS PROGRAMS AND SERVICES OF ROCKLAND, INC.**  
Statement of Functional Expenses  
Year Ended December 31, 2020

	Senior		Adult	Adult	Total	General	Fund	Direct Cost of	Total	2020
	Centers	Homebound	Day Care	Learning	Programs	& Admin.	Raising	Donor Benefit	Non-Program	Total
										Expenses
Salaries	\$ 149,115	\$ 799,803	\$ 49,080	\$ 35,845	\$ 1,033,843	\$ 238,814	\$ 99,060	\$ -	\$ 337,874	\$ 1,371,717
Payroll taxes	13,181	65,372	4,217	2,832	85,602	21,182	8,047	-	29,229	114,831
Employee benefits	24,523	33,965	5,828	2,225	66,541	16,158	6,654	-	22,812	89,353
Total salaries and related costs	186,819	899,140	59,125	40,902	1,185,986	276,154	113,761	-	389,915	1,575,901
Food	14,049	626,052	-	48,162	688,263	-	-	-	-	688,263
Supplies	5,152	126,642	3,948	9,536	145,278	3,797	158	-	3,955	149,233
Professional fees	7,124	5,328	5,430	3,807	21,689	14,261	175	-	14,436	36,125
Occupancy	27,719	33,874	21,707	6,060	89,360	3,995	2,079	-	6,074	95,434
Vehicle operation	42,257	29,558	13,737	1,403	86,955	43	2	-	45	87,000
Conferences and meetings	116	298	187	22	623	187	7	-	194	817
Travel	432	600	33	38	1,103	33	1	-	34	1,137
Advertising	995	2,872	1,338	160	5,365	1,338	54	-	1,392	6,757
Postage	317	4,659	799	60	5,835	497	1,374	-	1,871	7,706
Repairs and maintenance	4,132	26,583	6,571	2,189	39,475	5,956	238	-	6,194	45,669
Cleaning and extermination	4,176	31,695	3,630	3,539	43,040	964	128	-	1,092	44,132
Telephone	4,530	2,290	2,190	200	9,210	1,109	44	-	1,153	10,363
Insurance	11,705	18,593	7,965	2,918	41,181	2,245	1,747	-	3,992	45,173
Printing costs	-	-	-	-	-	-	3,631	-	3,631	3,631
Dues and subscriptions	2,943	7,047	4,992	637	15,619	4,692	188	-	4,880	20,499
Equipment	663	27,413	126	2,064	30,266	126	5	-	131	30,397
Bad debts expense	-	-	-	-	-	44,217	-	-	44,217	44,217
Interest bank charge expense	9,111	17,830	14,638	1,733	43,312	14,638	586	-	15,224	58,536
Depreciation and amortization	82,409	45,663	32,038	5,011	165,121	20,262	810	-	21,072	186,193
Senior center event	3,702	-	-	-	3,702	-	-	-	-	3,702
Entertainment and event expenses	-	-	-	-	-	-	-	51,251	51,251	51,251
Miscellaneous	36	365	6	24	431	6	-	-	6	437
Total before in-kind expenses	408,387	1,906,502	178,460	128,465	2,621,814	394,520	124,988	51,251	570,759	3,192,573
In-kind salaries	22,065	474,310	1,644	2,903	500,922	26,220	-	-	26,220	527,142
In-kind food	-	44,587	-	-	44,587	-	-	-	-	44,587
In-kind supplies	2,540	-	-	-	2,540	5,000	-	-	5,000	7,540
In-kind rent	6,000	-	-	-	6,000	-	-	-	-	6,000
Total in-kind expenses	30,605	518,897	1,644	2,903	554,049	31,220	-	-	31,220	585,269
Less expenses included with revenue on the statement of activities	-	-	-	-	-	-	-	(51,251)	(51,251)	(51,251)
Total Expenses	\$ 438,992	\$ 2,425,399	\$ 180,104	\$ 131,368	\$ 3,175,863	\$ 425,740	\$ 124,988	\$ -	\$ 550,728	\$ 3,726,591

See notes to financial statements.

**MEALS ON WHEELS PROGRAMS AND SERVICES OF ROCKLAND, INC.**

Statement of Functional Expenses

Year Ended December 31, 2019

	Senior		Adult	Adult	Total	General	Fund	Direct Cost of	Total	2019
	Centers	Homebound	Day Care	Learning	Programs	& Admin.	Raising	Donor Benefit	Non-Program	Total
										Expenses
Salaries	\$ 612,904	\$ 546,785	\$ 185,004	\$ 127,583	\$ 1,472,276	\$ 221,454	\$ 91,930	\$ -	\$ 313,384	\$ 1,785,660
Payroll taxes	52,859	45,293	15,156	9,660	122,968	21,330	7,609	-	28,939	151,907
Employee benefits	55,182	36,250	13,158	8,821	113,411	19,039	6,698	-	25,737	139,148
Total salaries and related costs	<u>720,945</u>	<u>628,328</u>	<u>213,318</u>	<u>146,064</u>	<u>1,708,655</u>	<u>261,823</u>	<u>106,237</u>	<u>-</u>	<u>368,060</u>	<u>2,076,715</u>
Food	45,237	271,383	9,050	126,644	452,314	-	-	-	-	452,314
Supplies	12,944	59,562	6,577	26,735	105,818	3,770	149	-	3,919	109,737
Professional fees	37,378	2,101	12,761	21,712	73,952	17,275	469	-	17,744	91,696
Occupancy	52,648	25,469	23,930	13,820	115,867	4,255	2,210	-	6,465	122,332
Vehicle operation	78,704	23,310	38,806	5,792	146,612	-	-	-	-	146,612
Conferences and meetings	1,731	2,234	2,520	1,266	7,751	3,465	118	-	3,583	11,334
Travel	3,574	1,255	424	422	5,675	101	216	-	317	5,992
Advertising	2,117	2,639	2,553	1,356	8,665	2,183	1,099	-	3,282	11,947
Postage	296	3,051	963	144	4,454	407	946	-	1,353	5,807
Repairs and maintenance	20,396	30,194	27,238	12,861	90,689	25,132	997	-	26,129	116,818
Cleaning and extermination	10,341	16,460	7,761	8,856	43,418	1,498	488	-	1,986	45,404
Telephone	10,484	1,915	3,076	817	16,292	1,433	57	-	1,490	17,782
Insurance	6,556	6,895	4,192	3,299	20,942	4,737	871	-	5,608	26,550
Printing costs	-	-	-	-	-	-	3,799	-	3,799	3,799
Dues and subscriptions	6,159	4,210	4,787	1,548	16,704	4,378	175	-	4,553	21,257
Equipment	1,075	980	813	434	3,302	438	18	-	456	3,758
Bad debts expense	-	-	-	-	-	37,067	-	-	37,067	37,067
Interest bank charge expense	10,231	12,530	14,691	5,081	42,533	20,988	575	-	21,563	64,096
Depreciation and amortization	87,866	33,150	21,710	15,383	158,109	20,425	816	-	21,241	179,350
Senior center event	23,818	-	-	-	23,818	-	-	-	-	23,818
Entertainment and event expenses	-	-	-	-	-	-	-	73,373	73,373	73,373
Miscellaneous	189	1,484	181	2	1,856	6	400	-	406	2,262
Total before in-kind expenses	<u>1,132,689</u>	<u>1,127,150</u>	<u>395,351</u>	<u>392,236</u>	<u>3,047,426</u>	<u>409,381</u>	<u>119,640</u>	<u>73,373</u>	<u>602,394</u>	<u>3,649,820</u>
In-kind salaries	44,864	162,939	5,736	13,103	226,642	25,991	-	-	25,991	252,633
In-kind food	8,500	73,656	-	-	82,156	-	-	-	-	82,156
In-kind supplies	5,118	-	300	-	5,418	-	-	-	-	5,418
In-kind rent	24,000	-	-	-	24,000	-	-	-	-	24,000
Total in-kind expenses	<u>82,482</u>	<u>236,595</u>	<u>6,036</u>	<u>13,103</u>	<u>338,216</u>	<u>25,991</u>	<u>-</u>	<u>-</u>	<u>25,991</u>	<u>364,207</u>
Less expenses included with revenue on the statement of activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(73,373)</u>	<u>(73,373)</u>	<u>(73,373)</u>
Total Expenses	<u>\$ 1,215,171</u>	<u>\$ 1,363,745</u>	<u>\$ 401,387</u>	<u>\$ 405,339</u>	<u>\$ 3,385,642</u>	<u>\$ 435,372</u>	<u>\$ 119,640</u>	<u>\$ -</u>	<u>\$ 555,012</u>	<u>\$ 3,940,654</u>

See notes to financial statements.



**MEALS ON WHEELS PROGRAMS AND SERVICES OF ROCKLAND, INC.**

Statements of Cash Flows

Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 616,537	\$ (192,594)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	186,193	179,350
Gain on disposal of vehicle	(20,400)	(1,579)
Changes in operating assets and liabilities:		
Security and equipment deposits	25,198	(26,198)
Accounts receivable	73,595	(18,440)
Contracts receivable	(172,332)	6,500
Inventory	(1,429)	962
Prepaid expenses and other	(2,765)	2,417
Deferred revenue	109,600	-
Security deposit	(2,000)	-
Accounts payable	(18,954)	(30,803)
Accrued expenses	(57,577)	434
Cash provided (used) by operating activities	<u>735,666</u>	<u>(79,951)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds on sale of vehicles	20,400	1,579
Purchase of property and equipment	(182,392)	(9,500)
Cash provided (used) by investing activities	<u>(161,992)</u>	<u>(7,921)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payments on mortgage payable	(52,536)	(67,121)
Borrowings from line of credit	(166,000)	(1,012,500)
Payments on line of credit	166,000	1,012,500
Cash provided (used) by financing activities	<u>(52,536)</u>	<u>(67,121)</u>
Increase (decrease) in cash, cash equivalents, and restricted cas	521,138	(154,993)
Cash equivalents and restricted cash, beginning of year	<u>250,381</u>	<u>405,374</u>
Cash equivalents and restricted cash, ending of year	<u>\$ 771,519</u>	<u>\$ 250,381</u>
 Supplemental Information:		
Interest	\$ 58,536	\$ 64,096
Income taxes	n/a	n/a
Non-cash items:		
Donated revenue / expenses	\$ 585,269	\$ 364,207

See notes to financial statements.

## MEALS ON WHEELS PROGRAMS AND SERVICES OF ROCKLAND, INC.

Notes to Financial Statements

December 31, 2020 and 2019

### NOTE 1 - ORGANIZATION AND PURPOSE

Meals on Wheels Programs and Services of Rockland, Inc. (the "Organization") was 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 50% of its support from government agencies and 16% 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.

#### 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, 2020 and 2019

### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

#### 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.

#### 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 2020 and 2019.

#### 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, 2020 and 2019, many individuals volunteer their time and perform a variety of tasks that assist the organizations. In 2020 and 2019, estimated contributed services were \$527,142 and \$251,433, respectively, which were recorded as In-kind salaries. The agency has estimated it received over 42,924 volunteer hours in 2020 and 33,993 in 2019.

## MEALS ON WHEELS PROGRAMS AND SERVICES OF ROCKLAND, INC.

Notes to Financial Statements

December 31, 2020 and 2019

### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

#### Donated Services, Space and Goods

For the years ended December 31, 2020 and 2019 the agency received \$6,000 and \$24,000 of rent without charge which was recorded as In-Kind Rent. For the years ended December 31, 2020 and 2019 the agency received \$44,587 and \$82,156 of food donations which were recorded as In-Kind Food. For the years ended December 31, 2020 and 2019 the agency received \$7,540 and \$5,418 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 \$6,757 and \$11,947 for 2020 and 2019, 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.

## MEALS ON WHEELS PROGRAMS AND SERVICES OF ROCKLAND, INC.

Notes to Financial Statements

December 31, 2020 and 2019

### 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 2020, the Agency delivered 236,804 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. Due to the pandemic, these centers were closed in mid-March of 2020. During 2020, the programs provided 4,868 days of service to seniors at all of our centers. As of the date of this report, two of these senior centers have opened during 2021.

#### Adult Day Care Programs

A fee for service program, Bobbi Lewis is designed for functionally or cognitively impaired, frail, isolated and dependent older adults. The program is structured to help maintain or improve the client's level of physical, social and emotional functioning. Transportation, meals and snacks are provided. Due to the pandemic, this program was closed in mid-March. During 2020, the adult day programs provided 926 days of service to participants. This program is not expected to re-open.

#### 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 an average of four to six weeks; meeting weekly for two hours a session. During 2020 one course was held. Due to the pandemic, this program was closed in mid-March.

### NOTE 4 - PROPERTY AND EQUIPMENT

Building and equipment consisted of the following at December 31, 2020 and 2019:

<u>Account</u>	<u>2020</u>	<u>2019</u>
Building	\$ 2,500,000	\$ 2,500,000
Closing Costs	58,868	58,868
Vehicles	588,077	857,755
Kitchen Equipment	270,471	223,170
Furniture and Office Equipment	218,283	213,177
Leasehold Improvements	472,070	455,771
Accumulated Depreciation	(2,272,222)	(2,469,393)
Net Building and Equipment	<u>\$ 1,835,547</u>	<u>\$ 1,839,348</u>

## **MEALS ON WHEELS PROGRAMS AND SERVICES OF ROCKLAND, INC.**

Notes to Financial Statements

December 31, 2020 and 2019

### **NOTE 4 - PROPERTY AND EQUIPMENT - Continued**

During 2020, Meals on Wheels received two buses through a grant from the New York State Department of Transportation. The grant has performance requirement and restrictions on disposing of the asset through December 31, 2025. New York State has reversionary interest in the event that 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 requirement and restrictions on disposing of the asset through December 31, 2022. New York State has reversionary interest in the event that Meals on Wheels does not meet such requirements and restrictions.

In 2020, Meals on Wheels and Services of Rockland, Inc wrote off \$383,363 of vehicles that were fully depreciated. These vehicles were sold for \$20,400. In 2019, Meals on Wheels and Services of Rockland, Inc wrote off \$71,308 of vehicles that were fully depreciated. These vehicles were sold for \$1,579.

Depreciation expense for 2020 and 2019 was \$186,193 and \$179,350 respectively.

### **NOTE 5 - CONCENTRATION OF CREDIT RISK**

Meals on Wheels Program and Services of Rockland Inc. maintain cash balances at five 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, 2020, the Organization exceeded insurance limits balances in one bank by \$396,872. Management believes this institution is a reputable bank and does not believe there is any risk of loss. For the year ended December 31, 2019, the balances did not exceed the insured limits.

At December 31, 2020 and 2019, the Organization held \$19 in a money market fund which is not insured by the FDIC.

### **NOTE 6 – 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 2020 and 2019, the 403(b) contributions were \$8,300 and \$11,106, respectively. The agency also has a Section 125 Plan (medical premiums only) for employees employed after three (3) months.

**MEALS ON WHEELS PROGRAMS AND SERVICES OF ROCKLAND, INC.**

Notes to Financial Statements

December 31, 2020 and 2019

**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. At December 31, 2020 and 2019, the balance outstanding on the line of credit was \$0 for both years. The organization is in compliance in both 2020 and 2019 for this covenant.

Interest expense related to this line of credit for the years then ended December 31, 2020 and 2019 was \$320 and \$3,690 respectively.

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.

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.

December 31, 2020 balance: \$1,092,394

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

2021	\$	72,672
2022		75,022
2023		79,586
2024		80,804
2025		83,180
Thereafter		<u>701,130</u>
		<u>\$ 1,092,394</u>

In 2020, because of the COVID-19 pandemic, the bank allowed the Organization to not make principal payments for three months. During this period, the Organization continued to pay interest. The principal payments have extended the mortgage payments for three months.

**MEALS ON WHEELS PROGRAMS AND SERVICES OF ROCKLAND, INC.**

Notes to Financial Statements

December 31, 2020 and 2019

**NOTE 8 – COMMITMENTS AND CONTIGENCIES**

The Organization has a one-year lease on one of their senior centers in New City, New York commencing May 2021. The monthly payment is \$1,630 and the lease expires in February 28, 2022. Due to COVID-19, only three months of rent was paid for the senior centers in 2020. Payments for the year ended December 31, 2020 and 2019 were \$7,140 and \$27,800.

The Organization also has a five-year lease for a copier, which ends in January 2023. Monthly payments on this lease are \$268.

Future minimum payments on these two leases for the next five years are as follows:

Year Ending December 31:	<u>Rent</u>	<u>Copier</u>	<u>Total</u>
2021	\$ 12,225	\$ 3,216	\$ 19,516
2022	3,260	3,216	6,476
2023	,	268	268
	<u>\$ 15,485</u>	<u>\$ 6,700</u>	<u>\$ 26,260</u>

**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, 2020 balances	\$ 5,777
Senior Center Contributions	5,247
Activity Expenses	<u>(3,702)</u>
December 31, 2020, ending balance	<u>\$ 7,322</u>
January 1, 2019 balances	\$ 9,323
Senior Center Contributions	20,272
Activity Expenses	<u>(23,818)</u>
December 31, 2019, ending balance	<u>\$ 5,777</u>

**NOTE 10 – 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, 2020 and 2019, \$113,758 and \$80,511 have been set aside in a separate account.



**MEALS ON WHEELS PROGRAMS AND SERVICES OF ROCKLAND, INC.**

Notes to Financial Statements

December 31, 2020 and 2019

**NOTE 10 – ENDOWMENT FUNDS**– Continued

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, 2020:

	<u>Beginning Balance</u>	<u>Revenues</u>	<u>Transferred to Net Assets</u>	<u>Ending Balance</u>
Board Designated	\$ 80,511	\$ 247	\$ 33,000	\$ 113,758
Total	\$ 80,511	\$ 247	\$ 33,000	\$ 113,758

Endowment Net Asset Composition by Type of Fund as of December 31, 2019:

	<u>Beginning Balance</u>	<u>Revenues</u>	<u>Net Assets Released</u>	<u>Ending Balance</u>
Board Designated	\$ 106,049	\$ 462	\$ (26,000)	\$ 80,511
Total	\$ 106,049	\$ 462	\$ (26,000)	\$ 80,511

## MEALS ON WHEELS PROGRAMS AND SERVICES OF ROCKLAND, INC.

Notes to Financial Statements

December 31, 2020 and 2019

### NOTE 11 – PAYCHECK PROTECTION PROGRAM (PPP)

#### Paycheck Protection Program

On April 29, 2020, Meals on Wheels Programs and Services of Rockland, Inc. received loan proceeds of \$363,322 under the Paycheck Protection Program (“PPP”). The PPP which was established as part of the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”) provides for loans to qualifying businesses for amounts up to 2.5 times certain average monthly payroll expenses and other qualifying business. The loan and accrued interest, or a portion thereof, may be forgiven so long as the borrower uses the loan proceeds for eligible purposes. Meals on Wheels Programs and Services of Rockland, Inc. has submitted the PPP for forgiveness as on August 12, 2021. The Organization has been notified that the entire loan has been forgiven and the revenue is recognized in the Statement of Activities.

### 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, 2020, 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>2020</u>	<u>2019</u>
Cash	\$ 650,439	\$ 164,093
Cash - Endowment	113,758	80,511
Cash - Restricted	7,322	5,777
Investments	19	19
Receivables	640,922	542,185
Financial assets, available at year end	<u>1,412,460</u>	<u>792,585</u>
Less those unavailable for general expenditure within one year due to:		
Donor Restricted	<u>(7,322)</u>	<u>(5,777)</u>
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 1,405,138</u>	<u>\$ 786,808</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 7, that can be drawn upon should additional funds be required.

**MEALS ON WHEELS PROGRAMS AND SERVICES OF ROCKLAND, INC.**

Notes to Financial Statements

December 31, 2020 and 2019

**NOTE 13 – SUBSEQUENT EVENTS**

Meals on Wheel Program and Services of Rockland, Inc. continues to comply with CDC guidelines and New York state regulations for social distancing and other safety precautions.

The financial statements do not include any adjustments that might result from the outcome of these uncertainties.

In January 2020, a lawsuit was brought against the Organization due to a bus accident. As of the date of this report, the outcome is unable to be determined. At this time, all costs of the lawsuit is expected to be covered by insurance.

In January 2021, the organization received a one-time unrestricted donation of \$1,500,000. This donation is to be used for the organization's tax-exempt purpose.

In late September 2021, Meals on Wheels Programs and Services of Rockland, Inc. entered into a contract with a non-profit organization for the sale of one of the agency's condominium units in Nanuet, New York for \$650,000. The closing date is expected to occur in late December 2021.

Management has evaluated subsequent events after the balance sheet date through October 1, 2022, the date the financial statements are available to be issued.