
**MEALS ON WHEELS
PROGRAMS AND SERVICES OF ROCKLAND, INC.
FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2018 AND 2017**

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FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017**

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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, 2018, and the related statements of activities, expenses 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, 2018, 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, 2017 financial statements, and in our report dated May 11, 2018 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, 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Emphasis of Matter

In 2018, Meals on Wheels Programs and Services of Rockland, Inc. adopted Accounting Standards Update (ASU) No. 2016-14, Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities. Our opinion is not modified with respect to this matter.

Berard & Associates CPA's P.C.

Berard & Associates, CPA's P.C.
Suffern, New York
June 20, 2019

MEALS ON WHEELS PROGRAMS AND SERVICES OF ROCKLAND, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2018 AND 2017

	2018	2017
ASSETS		
Current Assets		
Cash	\$ 290,001	\$ 137,244
Cash - Endowment	106,049	145,436
Cash - Restricted	9,324	7,753
Security and Equipment Deposits	3,000	8,679
Investments	19	19
Contracts Receivable	297,828	342,869
Accounts Receivable	232,417	231,350
Inventory	21,353	16,799
Prepaid Expenses and Other	19,238	19,523
Total Current Assets	979,229	909,672
Building and Equipment (net of Depreciation)	2,009,198	1,897,301
TOTAL ASSETS	\$ 2,988,427	\$ 2,806,973
LIABILITIES		
Current Liabilities		
Accounts Payable	\$ 105,560	\$ 85,365
Accrued Expenses	139,647	132,562
Crisp Assessment	-	18,768
Current Portion of Mortgage and Note Payable	67,122	64,140
Line of Credit	-	25,000
Security Deposit	2,000	2,000
Total Current Liabilities	314,329	327,835
Long-term Liabilities		
Mortgage and Note Payable	1,144,929	1,212,051
Total Long-term Liabilities	1,144,929	1,212,051
Total Liabilities	1,459,258	1,539,886
Net Assets		
Without Donor Restrictions		
Operating Fund	616,650	492,789
Net Investment in Building	305,043	305,005
Net Investment in Equipment	492,104	316,104
Board Designated - Endowment	106,049	145,436
	1,519,846	1,259,334
With Donor Restrictions		
Restricted by purpose or time - Senior Centers	9,323	7,753
TOTAL NET ASSETS	1,529,169	1,267,087
TOTAL LIABILITIES AND NET ASSETS	\$ 2,988,427	\$ 2,806,973

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, 2018 AND 2017

	Without Donor Restrictions			With Donor Restrictions	2018		2017	
	Undesignated	Board Designated	Total		Total	Total	Total	Total
REVENUES								
Fees and grants from governmental agencies	\$ 1,788,307	\$ -	\$ 1,788,307	\$ -	\$ 1,788,307	\$ 1,935,191	\$ 1,935,191	
Fees and grants - non-governmental agencies	273,801	-	273,801	-	273,801	50,500	50,500	
Program service fees	802,619	-	802,619	-	802,619	822,037	822,037	
Contributions through United Way	20,855	-	20,855	-	20,855	15,495	15,495	
Contributions received from participants	117,139	-	117,139	-	117,139	122,813	122,813	
Special Events - Revenue	212,149	-	212,149	-	212,149	203,581	203,581	
Special Events - Expense	(79,474)	-	(79,474)	-	(79,474)	(67,649)	(67,649)	
Contributions - General	269,976	-	269,976	-	269,976	206,340	206,340	
Contributions - Senior Centers	-	-	-	24,901	24,901	20,586	20,586	
Contributions - In-Kind	432,592	-	432,592	-	432,592	322,434	322,434	
Contributions-Vehicles from governmental agency	196,023	-	196,023	-	196,023	136,675	136,675	
Other income	9,994	-	9,994	-	9,994	57,239	57,239	
Interest income	1,047	497	1,544	-	1,544	652	652	
Realized Gain (loss) on Disposal Of Vehicle	375	-	375	-	375	500	500	
Net Assets Released from Restrictions	63,215	(39,884)	23,331	(23,331)	-	-	-	
Total support & revenue	4,108,618	(39,387)	4,069,231	1,570	4,070,801	3,826,394	3,826,394	
EXPENSES								
Program services								
Senior Centers	1,231,857	-	1,231,857	-	1,231,857	1,047,711	1,047,711	
Homebound	1,441,599	-	1,441,599	-	1,441,599	1,323,737	1,323,737	
Adult Day Care	429,286	-	429,286	-	429,286	446,191	446,191	
Other programs	330,088	-	330,088	-	330,088	324,652	324,652	
Total program services	3,432,830	-	3,432,830	-	3,432,830	3,142,291	3,142,291	
Supporting services								
General & Administration	254,058	-	254,058	-	254,058	411,150	411,150	
Fund raising	121,831	-	121,831	-	121,831	107,468	107,468	
Total supporting services	375,889	-	375,889	-	375,889	518,618	518,618	
Total expenses	3,808,719	-	3,808,719	-	3,808,719	3,660,909	3,660,909	
Change in net assets	299,899	(39,387)	260,512	1,570	262,082	165,485	165,485	
Net Assets - Beginning of Year	1,113,898	145,436	1,259,334	7,753	1,267,087	1,101,602	1,101,602	
Net Assets - End of Year	\$ 1,413,797	\$ 106,049	\$ 1,519,846	\$ 9,323	\$ 1,529,169	\$ 1,267,087	\$ 1,267,087	

See accompanying notes and independent auditor's report.

MEALS ON WHEELS PROGRAMS AND SERVICES OF ROCKLAND, INC.
STATEMENT OF EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

	Senior Centers	Homebound	Adult Day Care	Other Programs	Total Programs	Gen'l & Admin.	Fund Raising	Total Non-Program	2018 Total Expenses	2017 Total Expenses
Salaries	\$ 654,389	\$ 573,155	\$ 203,769	\$ 115,564	\$ 1,546,877	\$ 126,726	\$ 92,639	\$ 219,365	\$ 1,766,242	\$ 1,750,814
In-Kind Salaries	49,429	235,168	7,909	12,666	305,172	31,067	-	31,067	336,239	223,393
Payroll taxes	62,424	48,802	19,487	9,754	140,467	11,940	8,225	20,165	160,632	167,041
Employee benefits	64,578	27,492	17,475	5,726	115,271	-	6,398	6,398	121,669	126,021
Total Salaries and Related Expenses	830,820	884,617	248,640	143,710	2,107,787	169,733	107,262	276,995	2,384,762	2,267,269
Food	50,777	270,584	8,452	92,966	422,779	-	-	-	422,779	419,342
In-Kind Food	5,920	59,266	-	65,186	65,186	-	-	-	65,186	62,656
Supplies	15,475	66,639	5,438	21,707	109,259	2,652	387	3,039	112,298	120,049
In-Kind Supplies	5,977	-	440	6,417	6,417	-	-	-	6,417	4,075
Professional Fees	33,859	6,174	27,816	21,481	89,330	4,257	598	4,855	94,185	79,490
In-Kind Professional Fees	-	-	-	-	-	750	-	750	750	8,310
Occupancy	53,217	27,079	24,002	11,863	116,161	5,847	2,238	8,085	124,246	125,791
In-Kind Rent	24,000	-	-	-	24,000	-	-	-	24,000	24,000
Vehicle operation	67,983	25,084	22,461	4,357	119,885	5	-	5	119,890	109,317
Conferences & Meetings	335	694	1,063	173	2,265	474	18	492	2,757	3,203
Travel	3,252	1,145	672	-	5,069	-	230	230	5,299	6,278
Advertising	2,610	2,688	18,638	773	24,709	1,496	355	1,851	26,560	20,439
Postage	348	3,352	1,059	231	4,990	464	895	1,359	6,349	6,401
Repairs & maintenance	6,579	14,127	6,527	4,661	31,894	5,519	352	5,871	37,765	80,328
Cleaning & extermination	10,418	16,811	7,574	7,060	41,863	1,449	486	1,935	43,798	42,208
Telephone	9,644	2,188	2,877	712	15,421	1,835	54	1,889	17,310	18,373
Insurance	6,538	7,191	3,777	2,870	20,376	3,597	854	4,451	24,827	24,245
Printing costs	-	-	-	-	-	-	6,404	6,404	6,404	7,347
Dues & subscriptions	5,866	3,729	4,630	1,169	15,394	4,178	172	4,350	19,744	16,905
Equipment	183	524	16	181	904	-	-	-	904	660
Bad Debts Expense	-	-	-	-	-	8,762	-	8,762	8,762	9,273
Interest Expense	12,462	15,557	17,349	4,858	50,226	21,781	679	22,460	72,686	69,958
Senior center event	23,331	-	-	-	23,331	-	-	-	23,331	22,393
Miscellaneous	324	2,668	315	97	3,404	270	7	277	3,681	2,748
Total Expenses Before Depreciation & Amort.	1,169,918	1,410,117	401,746	318,869	3,300,650	233,059	120,991	354,060	3,654,710	3,551,058
Depreciation and Amortization	61,939	31,482	27,540	11,219	132,180	20,989	840	21,829	154,009	109,851
Total Expenses	\$ 1,231,857	\$ 1,441,599	\$ 429,286	\$ 330,088	\$ 3,432,830	\$ 254,058	\$ 121,831	\$ 375,889	\$ 3,808,719	\$ 3,660,909

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, 2018 AND 2017

	2018	2017
Cash Flow from Operating Activities		
Increase/(Decrease) in net assets	\$ 262,082	\$ 165,485
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Depreciation and amortization	154,009	109,851
Changes in operating assets and liabilities		
(Increase)/Decrease in Security and equipment	5,679	44,612
(Increase)/Decrease in Accounts receivable	(1,067)	8,712
(Increase)/Decrease in Contracts receivable	45,041	(5,960)
(Increase)/Decrease in Inventory	(4,554)	(648)
(Increase)/Decrease in Prepaid expenses and other	285	906
Increase/(Decrease) in Accounts payable	20,195	14,947
Increase/(Decrease) in Accrued expenses	7,085	(3,455)
Net Cash Provided by Operating Activities	488,755	334,450
Cash Flows from Financing Activities:		
Payments on Notes Payable	(82,908)	(106,387)
Borrowings from Line of Credit	(1,012,500)	
Payments on Line of Credit	987,500	(50,000)
Net Cash Used for Financing Activities	(107,908)	(156,387)
Cash Flows from Investing Activities		
Net Purchase of property and equipment	(265,906)	(202,759)
Net Cash Used for Investing Activities	(265,906)	(202,759)
Net increase/(decrease) in Cash and Cash Equivalents	114,941	(24,696)
Cash - Beginning of Year	290,433	315,129
Cash - End of Year	\$ 405,374	\$ 290,433
Supplemental Disclosures of Cash Flow Information		
Interest	\$ 72,686	\$ 69,958
Income Taxes	n/a	n/a
Supplemental information of Non-cash items:		
Donated revenue / expenses	\$ 432,592	\$ 322,434

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, 2018 AND 2017**

Note 1 – Summary of Significant Accounting Policies

Nature of Activities

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 52% of its support from government agencies and 20% from program service fees.

Financial Statement Presentation

Recently Issued Accounting Standards

The Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. The Organization adopted the provisions of this new standard during the year ended December 31, 2018. In addition to changes in terminology used to describe categories of net assets throughout the financial statements, new disclosures were added regarding liquidity and the availability of resources, and disclosures related to functional allocation of expenses were expanded.

Net Assets Without Donor Restrictions

Net assets without donor restrictions are available for use at the discretion of the board of directors (the Board) and/or management for general operating purposes. From time to time the Board designates a portion of these net assets for specific purposes which makes them unavailable for use at management's discretion. For example, the Board could designate a portion of net assets without donor restrictions as a quasi-endowment (an amount to be treated by management as if it were part of the donor restricted endowment) for the purpose of securing the Organization's long-term financial viability.

Net Assets With Donor Restrictions

Net assets with donor restrictions consist of assets whose use is limited by donor-imposed, time and/or purpose restrictions. The Organization reports gifts of cash and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction end or purpose restriction ends or purpose restriction is accomplished, the net assets are reclassified as net assets without donor restriction and reported in the statements of activities as net assets released from restrictions. Some net assets with donor restrictions may include a stipulation that assets provided be maintained permanently (perpetual in nature).

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.

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, 2018 AND 2017

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.

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
Building	27.5 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.

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.

Contributed Services, Space and Goods

During the year ended December 31, 2018 and 2017, many individuals volunteer their time and perform a variety of tasks that assist the organizations. In 2018 and 2017 estimated contributed services were \$336,239 and \$223,393, respectively, which were recorded as In-kind Salaries. The agency has estimated it received over 30,539 volunteer hours in 2018 and 21,198 in 2017.

For the years ended December 31, 2018 and 2017 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, 2018 and 2017 the agency received \$65,186 and \$62,656 of food donations which were recorded as In-Kind Food. For the years ended December 31, 2018 and 2017 the agency received \$6,417 and \$4,075 of supplies which were recorded as In-Kind Supplies. For the years ended December 31, 2018 and 2017 the agency received \$750 and \$8,310 of legal services which was recorded as In-Kind Professional Services.

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 are charged directly to that activity. Depreciation, operations and maintenance expense are allocated based on square footage. Costs of all other categories were allocated on estimates of time and effort.

**MEALS ON WHEELS PROGRAMS AND SERVICES OF ROCKLAND, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018 AND 2017**

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

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 2018 and 2017, bad debt expense was \$8,762 and \$9,273, respectively.

Income Taxes

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. 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 2017 in the accompanying financial statements is included to provide a basis for comparison with 2018 and presents summarized totals only.

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 2018, the Agency delivered 122,748 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 2018, the programs provided 26,159 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. 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. During 2018, the adult day programs provided 3,714 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 an average of four to six weeks; meeting weekly for two hours a session. This is a fee free program which is open to older adults living in Rockland County. This program served 37 clients during 2018 and was taught by 15 volunteers.

**MEALS ON WHEELS PROGRAMS AND SERVICES OF ROCKLAND, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018 AND 2017**

Note 3 - 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, 2018, 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 year ended December 31, 2018 the Organization's cash account at one institution exceeded the insured balance by \$47,522. Management believes this institution is a reputable bank and does not believe there is any risk of loss. For the year ended December 31, 2017, the balances did not exceed the insured limits.

At December 31, 2018, the Organization held \$19 in a money market fund which is not insured by the FDIC.

Note 4 – Building and Equipment

Building and equipment consisted of the following at December 31, 2018 and 2017:

<u>Account</u>	<u>2018</u>	<u>2017</u>
Building	\$ 2,500,000	\$ 2,500,000
Closing Costs	58,868	58,868
Vehicles	929,063	724,503
Kitchen Equipment	223,170	223,170
Furniture and Office Equipment	192,897	159,330
Leasehold Improvements	446,270	446,270
Accumulated Depreciation	<u>(2,341,070)</u>	<u>(2,214,840)</u>
Net Building and Equipment	<u>\$ 2,009,198</u>	<u>\$ 1,897,301</u>

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. The State has reversionary interest in the event that Meals on Wheels does not meet such requirements and restrictions.

During 2018, Meals on Wheels received a box truck as part of a contract with Rockland County Solid Waste Authority.

Depreciation expense for 2018 and 2017 was \$154,009 and \$109,851 respectively.

Note 5 – 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. 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, 2018 and 2017, the balance outstanding on the line of credit was \$0 and \$25,000, respectively. The organization is in compliance in both 2018 and 2017 for this covenant.

Interest expense related to this line of credit for the years then ended December 31, 2018 and 2017 was \$10,217 and \$5,121 respectively.

MEALS ON WHEELS PROGRAMS AND SERVICES OF ROCKLAND, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018 AND 2017

Note 6 – Mortgage

The Mortgage Loan is as follows:

Lender: TD Bank
Original 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, 2018 balance: \$1,212,051

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

2019	\$	67,122
2020		70,095
2021		73,500
2022		76,927
2023		80,493
Thereafter		843,914
		<u>\$ 1,212,051</u>

Note 7 – 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, 2018 and 2017, \$106,049 and \$145,436 have been set aside in a separate 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.

**MEALS ON WHEELS PROGRAMS AND SERVICES OF ROCKLAND, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018 AND 2017**

Note 7 – Endowment Funds (Cont'd)

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, 2018:

	<u>Beginning Balance</u>	<u>Revenues</u>	<u>Net Assets Released</u>	<u>Ending Balance</u>
Board Designated	\$ 145,436	497	(39,884)	\$ 106,049
Total	<u>\$ 145,436</u>	<u>\$ 497</u>	<u>\$ (39,884)</u>	<u>\$ 106,049</u>

Note 8 – Donor Restricted Net Assets

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, 2018 balances	\$ 7,753
Senior Center Contributions	24,901
Activity Expenses	<u>(23,331)</u>
Ending balances	<u>\$ 9,323</u>

Note 9 – 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 2018 and 2017, the 403(b) contributions were \$14,465 and \$13,198, respectively. The agency also has a Section 125 Plan (medical premiums only) for employees employed after three (3) months.

Note 10 – 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

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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018 AND 2017

Note 10 – Crisp Assessment (Cont'd)

two years. At December 31, 2018 and 2017 the balance outstanding on the Crisp Assessment was \$0 and \$18,768 , respectively.

Note 11 – Liquidity and Funds Available

The following table reflects the Organization's financial assets as of December 31, 2018, 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.

Financial Assets:

Cash	\$ 290,001
Cash - Endowment	106,049
Cash - Restricted	9,324
Investments	<u>19</u>
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 405,393</u>

Note 12 – Subsequent Events

Management has evaluated subsequent events after the balance sheet date through June 20, 2019, the date the financial statements are available to be issued.