

**FINANCIAL STATEMENTS OF
NUTRITION FOR THE ELDERLY IN
TOMPKINS COUNTY, INC.
YEARS ENDED DECEMBER 31, 2022 AND 2021**

NUTRITION FOR THE ELDERLY IN TOMPKINS COUNTY, INC.

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DECEMBER 31, 2022 AND 2021

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Nutrition for the Elderly in Tompkins County, Inc.
Ithaca, New York 14850

Opinion

We have audited the accompanying financial statements of Nutrition for the Elderly in Tompkins County, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Nutrition for the Elderly in Tompkins County, Inc. as of December 31, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Nutrition for the Elderly in Tompkins County, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Sciarabba Walker & Co. LLP

Sciarabba Walker & Co., LLP

Ithaca, New York
May 8, 2023

**NUTRITION FOR THE ELDERLY IN TOMPKINS COUNTY, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31,**

ASSETS

	2022	2021
CURRENT ASSETS:		
Cash and cash equivalents	\$ 532,303	\$ 581,028
Inventory	12,255	17,253
Grants receivable	26,600	4,316
Contracts receivable	7,775	12,726
Pledges receivable, net of allowance for uncollectible amounts of \$1,583 and \$93 in 2022 and 2021, respectively	17,063	19,156
Prepaid expenses	4,717	27,958
TOTAL CURRENT ASSETS	600,713	662,437
SPECIAL INTEREST IN ASSETS HELD BY COMMUNITY FOUNDATION	26,711	-
BEQUEST RECEIVABLE	40,000	40,000
FIXED ASSETS , net of accumulated depreciation	400,320	342,749
INTANGIBLE ASSETS , net of accumulated amortization	686	2,745
TOTAL ASSETS	\$ 1,068,430	\$ 1,047,931

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:		
Accounts payable	\$ 26,555	\$ 36,537
Salaries and fringe benefits payable	28,760	29,570
Other current liabilities	17,700	17,251
TOTAL CURRENT LIABILITIES	73,015	83,358
NET ASSETS:		
Without donor restrictions	935,415	827,570
With donor restrictions	60,000	137,003
TOTAL NET ASSETS	995,415	964,573
TOTAL LIABILITIES AND NET ASSETS	\$ 1,068,430	\$ 1,047,931

See accompanying notes.

**NUTRITION FOR THE ELDERLY IN TOMPKINS COUNTY, INC.
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
YEARS ENDED DECEMBER 31,**

	2022	2021
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS		
SUPPORT, REVENUE, AND OTHER SUPPORT:		
IIC grant	\$ 461,115	\$ 465,356
WIN grant	254,872	237,807
Federal NSIP	113,930	115,751
COFA CARES/FFCRA funds	12,934	19,695
CSE grant	95,238	123,248
Local funding	17,216	12,300
Participant contributions	135,230	178,639
Participant contract revenue	66,375	76,806
Donations and gifts	357,294	274,571
Contributions of nonfinancial assets	15,980	23,415
Miscellaneous	5,450	2,157
Realized loss on beneficial interest	(191)	-
Unrealized gain on beneficial interest	1,626	-
Gain on disposal of fixed assets	12,000	8,400
Interest and dividends	779	370
TOTAL SUPPORT, REVENUE AND OTHER SUPPORT	1,549,848	1,538,515
NET ASSETS RELEASED FROM RESTRICTIONS	131,098	148,000
EXPENSES:		
Operating expenses	1,512,227	1,436,813
Depreciation	58,816	50,916
Amortization	2,058	4,258
TOTAL EXPENSES	1,573,101	1,491,987
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	107,845	194,528
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS		
SUPPORT, REVENUE AND OTHER SUPPORT:		
Grants	45,595	180,073
Contributions received	8,500	3,730
TOTAL SUPPORT, REVENUE AND OTHER SUPPORT	54,095	183,803
NET ASSETS RELEASED FROM RESTRICTIONS	(131,098)	(148,000)
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS	(77,003)	35,803
CHANGE IN NET ASSETS	30,842	230,331
NET ASSETS, beginning of year	964,573	734,242
NET ASSETS, end of year	\$ 995,415	\$ 964,573

See accompanying notes.

**NUTRITION FOR THE ELDERLY IN TOMPKINS COUNTY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022**

	Program Services						Supporting Services			
	IIC C-1	IIC C-2	WIN	Foodnet Select	CSE	Donations	Total Program Services	Fundraising Expenses	Supporting Services	Total
Wages	\$ 56,158	\$ 187,906	\$ 156,617	\$ 51,260	\$ 80,284	\$ 1,520	\$ 533,745	\$ 1,671	\$ 199,280	\$ 734,696
Fringe benefits	7,975	31,739	26,157	8,759	11,249	-	85,879	-	44,220	130,099
Meal delivery travel	4,249	15,734	13,126	4,459	4,502	2,371	44,441	-	12,049	56,490
Rent	4,705	-	-	-	-	321	5,026	713	-	5,739
Utilities	1,361	5,042	4,206	1,429	1,442	-	13,480	-	-	13,480
Building and grounds maintenance	1,107	4,100	3,421	1,162	1,173	15,220	26,183	-	-	26,183
Food	29,710	98,452	81,849	53,013	28,254	13,330	304,608	15	-	304,623
Insurance	1,887	6,988	5,830	1,981	1,999	-	18,685	-	-	18,685
Telephone	1,265	2,596	2,165	736	743	3,261	10,766	-	-	10,766
Internet	-	-	-	-	-	828	828	-	-	828
Postage	129	479	400	136	137	722	2,003	-	-	2,003
Printing	65	242	201	68	69	-	645	-	-	645
Disposables	7,520	27,849	23,233	7,889	7,967	-	74,458	92	-	74,550
Kitchen supplies	557	2,060	1,720	585	590	-	5,512	37	-	5,549
Office supplies	1,019	3,772	3,147	1,069	1,079	192	10,278	300	-	10,578
Laundry	241	893	746	253	256	-	2,389	-	-	2,389
Payroll services	626	2,315	1,932	657	663	-	6,193	-	-	6,193
Advertising and outreach	102	378	315	107	108	6,704	7,714	12,240	-	19,954
Repairs and maintenance	2,539	9,397	7,840	2,673	2,689	2,963	28,101	-	-	28,101
Audit	-	-	11,673	-	-	-	11,673	-	-	11,673
Registration	459	1,699	1,417	482	486	8,615	13,158	-	-	13,158
Computer software/web design	-	-	-	-	635	13,480	14,115	260	-	14,375
Equipment purchases	141	523	435	148	149	9,922	11,318	-	-	11,318
Bad debt expense	-	-	-	3,884	-	285	4,169	-	1,489	5,658
Miscellaneous	40	150	125	43	43	4,093	4,494	-	-	4,494
TOTALS	\$ 121,855	\$ 402,314	\$ 346,555	\$ 140,793	\$ 144,517	\$ 83,827	\$ 1,239,861	\$ 15,328	\$ 257,038	\$ 1,512,227

See accompanying notes.

**NUTRITION FOR THE ELDERLY IN TOMPKINS COUNTY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Program Services						Supporting Services			
	IIC C-1	IIC C-2	WIN	Foodnet Select	CSE	Donations	Total Program Services	Fundraising Expenses	Supporting Services	Total
Wages	\$ 51,317	\$ 173,237	\$ 144,279	\$ 47,983	\$ 71,136	\$ 1,316	\$ 489,268	\$ 995	\$ 208,651	\$ 698,914
Fringe benefits	7,261	30,659	25,260	8,544	10,693	-	82,417	-	49,636	132,053
Meal delivery travel	4,520	16,738	13,964	4,744	4,789	435	45,190	-	-	45,190
Rent	632	27	21	7	7	4,520	5,214	-	-	5,214
Utilities	1,305	4,834	4,032	1,370	1,383	-	12,924	-	-	12,924
Building and grounds maintenance	1,700	6,290	5,248	1,794	1,800	1,208	18,040	-	12,100	30,140
Food	27,191	83,211	86,062	48,518	21,598	37,031	303,611	-	-	303,611
Insurance	1,684	6,236	5,203	1,768	1,785	-	16,676	-	-	16,676
Telephone	1,217	2,436	2,030	690	697	6,993	14,063	-	1,562	15,625
Internet	-	-	-	-	-	828	828	-	-	828
Postage	117	432	360	123	124	541	1,697	-	189	1,886
Printing	115	425	355	121	122	-	1,138	-	-	1,138
Disposables	5,287	19,574	16,331	5,548	5,601	2,865	55,206	-	-	55,206
Kitchen supplies	803	2,973	2,479	842	850	-	7,947	-	-	7,947
Office supplies	1,103	4,084	3,407	1,158	1,168	2,545	13,465	300	1,529	15,294
Laundry	243	897	750	255	257	-	2,402	-	-	2,402
Payroll services	491	1,794	1,505	513	516	-	4,819	-	-	4,819
Advertising and outreach	472	1,748	1,458	495	500	6,006	10,679	13,849	-	24,528
Repairs and maintenance	1,206	4,468	3,727	1,267	1,278	-	11,946	-	-	11,946
Audit	-	-	7,405	-	-	-	7,405	-	-	7,405
Registration	841	2,320	2,077	706	813	9,062	15,819	-	-	15,819
Computer software/web design	-	-	-	-	699	7,158	7,857	1,000	-	8,857
Equipment purchases	244	1,283	1,070	365	367	5,089	8,418	-	7,596	16,014
Miscellaneous	-	-	-	-	-	2,377	2,377	-	-	2,377
TOTALS	\$ 107,749	\$ 363,666	\$ 327,023	\$ 126,811	\$ 126,183	\$ 87,974	\$ 1,139,406	\$ 16,144	\$ 281,263	\$ 1,436,813

See accompanying notes.

NUTRITION FOR THE ELDERLY IN TOMPKINS COUNTY, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31,

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 30,842	\$ 230,331
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation expense	58,816	50,916
Amortization expense	2,058	4,258
Realized loss on beneficial interest	191	-
Unrealized gain on beneficial interest	(1,626)	-
Gain on disposal of fixed assets	(12,000)	(8,400)
Changes in inventory	4,998	(5,712)
Changes in grants receivable	(22,284)	17,469
Changes in contracts receivable	4,951	(45)
Changes in pledges receivable, net	2,093	1,982
Changes in prepaid expenses	23,241	(6,121)
Changes in accounts payable	(9,980)	1,872
Changes in salaries and fringe benefits payable	(810)	6,548
Changes in other current liabilities	449	(8,559)
NET CASH PROVIDED BY OPERATING ACTIVITIES	80,939	284,539
CASH FLOWS FROM INVESTING ACTIVITIES:		
Investment in beneficial interest	(25,276)	-
Purchase of capitalized assets	(116,388)	(85,695)
Proceeds from sale of capitalized assets	12,000	8,400
NET CASH USED IN INVESTING ACTIVITIES	(129,664)	(77,295)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(48,725)	207,244
CASH AND CASH EQUIVALENTS, beginning of year	581,028	373,784
CASH AND CASH EQUIVALENTS, end of year	\$ 532,303	\$ 581,028
SUPPLEMENTAL INFORMATION ON CASH FLOWS:		
Cash paid during the year for:		
Interest	\$ -	\$ 1,720
Taxes	-	-

See accompanying notes.

**NUTRITION FOR THE ELDERLY IN TOMPKINS COUNTY, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The Organization: The Organization (known as “Foodnet” and “Foodnet Meals on Wheels”) is a private, not-for-profit corporation created to help the elderly remain in independent living as long as possible and appropriate through maintenance of a healthy diet, provision of opportunities for socialization, and referrals to other services as needed. Components include: delivery of meals to individuals throughout Tompkins County and nutrition services. The Organization began operations in January 1987.

Accounting Method: The Organization’s financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Income Taxes: The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization accounts for income taxes in accordance with FASB Accounting Standards Codification (ASC) 740, *Income Taxes*. FASB ASC 740-10 clarifies the accounting for income taxes by prescribing a minimum recognition threshold that a tax position is required to meet before being recognized in the financial statements.

Cash and Cash Equivalents: For cash flow reporting purposes, cash and cash equivalents consist of cash, checking accounts, and certificates of deposit.

Fixed Assets and Intangibles: Vehicles, equipment, building improvements, land, building, and intangible assets are stated at cost if purchased or fair value if donated. Depreciation and amortization are provided over the estimated useful lives of 3 to 40 years by the straight-line method. Repairs and maintenance are expensed while major betterments having a cost basis exceeding \$2,500 and greater than one-year service life are capitalized.

Leases: The Organization has made an accounting policy election to not recognize lease assets and lease liabilities for leases with a term of 12 months or less unless the Organization has the ability and intent to extend the lease beyond a 12-month term.

Estimates and Assumptions: Management of the Organization uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. 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. Actual results could vary from the estimates that management uses.

Presentation: The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Contributions: Contributions received are recorded as support with donor restrictions or support without donor restrictions depending on the existence or nature of any donor restrictions. Generally, contributions received, including unconditional promises to give, are recognized as revenue in the same period received at their fair values.

Revenue Recognition: Under ASC 606, the Organization recognizes revenue from contracts with customers at the amount that reflects the consideration to which the Organization expects to be entitled in exchange for providing home delivered meals and/or nutrition services to customers based on agreements with third-party payors (private health insurers). The Organization does not recognize revenue in cases where collectability is not probable and defers the recognition until collection becomes probable or when payment is received.

The Organization recognizes revenue when its performance obligation is satisfied by the transfer of service to the customer. The transfer is deemed to occur when the customer obtains control of the service (i.e. receives the meal and/or nutrition service). Control refers to the ability to direct the use of and obtain substantially all of the benefits from the service. The Organization recognizes revenue at the point in time each performance obligation is satisfied.

Practical Expedients: Incremental costs of obtaining a contract are capitalized if the contract is for a period of more than one year. If a contract's period is less than one year, the costs are expensed when incurred.

Additionally, no adjustment is made for the effects of a significant financing component as the period between the time of service and the time of payment is typically less than one year.

Functional Expenses: The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Direct program services are allocated based on a percentage of total meals projected to be served in each program. 100% of payroll service, audit and bookkeeping are allocated to supporting services, while 10% of postage, telephone and office supplies are allocated to supporting services. Expenses incurred for fundraising are 100% allocated to either the Annual Fund or Capital Fund accounts. The Organization allocates salaries and benefits on the basis of estimated time and effort.

B. REVENUE FROM CONTRACTS WITH CUSTOMERS:

Performance Obligations

The Organization enters into contracts with its customers to provide home delivered meals and/or nutrition services. The rate charged for each type of service is fixed and determined based on agreements with private health insurers. The insurers are invoiced at the end of each month of service. Amounts billed and due from insurers are classified as receivables on the statements of financial position. The Organization is not obligated to provide refunds for unused goods or services at the end of the month.

Disaggregation of Revenues

Participant contract revenue consists of revenue from delivered meals and is recognized at a point in time.

Contract Balances

The following table presents the beginning and ending balances from contracts with customers:

	<u>2022</u>	<u>2021</u>
Contracts receivable, net, as of January 1	\$ 12,726	\$ 12,681
Contracts receivable, net, as of December 31	7,775	12,726

Receivables represent the Organization's unconditional rights to such consideration.

C. LIQUIDITY AND AVAILABILITY OF RESOURCES:

The following reflects the Organization's financial assets as of the statement of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions.

	<u>2022</u>	<u>2021</u>
Total current assets	\$ 600,713	\$ 662,437
Less:		
Inventory	12,255	17,253
Prepaid expenses	4,717	27,958
Financial assets	<u>583,741</u>	<u>617,226</u>
Less: those unavailable for general expenditures within one year, due to:		
Contributions restricted for capital expenditures	<u>-</u>	<u>81,753</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 583,741</u>	<u>\$ 535,473</u>

The Organization has \$583,741 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures. None of this amount is subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the statement of financial position date. The portion of receivables that are subject to implied time restrictions are expected to be collected within one year. The Organization has a goal to maintain financial assets, which consist of cash on hand, to meet 30 days of normal operating expenses, which are, on average, approximately \$121,000. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other

obligations come due. The Organization also has a line of credit in the amount of \$30,000, which it can draw upon in the event of an unanticipated liquidity need.

D. BENEFICIAL INTEREST HELD BY COMMUNITY FOUNDATION:

During 2022, the Organization invested in a beneficial interest held by Community Foundation in the amount of \$25,000. The investment cost and fair market value were as follows as of December 31,

	<u>Cost</u>	<u>Market Value</u>	<u>Unrealized Gain</u>
2022	\$ 25,085	\$ 26,711	\$ 1,626

Investment returns are summarized below for the year ended December 31,

	<u>2022</u>
Realized loss	\$ (191)
Unrealized gain	1,626
Total unrestricted investment gain	<u>\$ 1,435</u>

The Organization paid investment consulting fees of \$142 in 2022, which is reported in miscellaneous expenses.

E. CONTRIBUTED NONFINANCIAL ASSETS:

Contributed nonfinancial assets recognized within the statement of activities included the following, as of December 31,

	<u>2022</u>	<u>2021</u>
Food	\$ -	\$ 3,180
Printing and supplies	650	450
Advertisements	11,250	11,250
Equipment	-	4,455
Rent	4,080	4,080
	<u>\$ 15,980</u>	<u>\$ 23,415</u>

The Organization recognizes contributed nonfinancial assets within revenue. Contributed nonfinancial assets did not have donor-imposed restrictions.

Contributed food will be used for home delivered meal generation. Supplies, printing and advertisements were used primarily for the Mac 'n Cheese Bowl special event. In valuing these contributed goods and services, the Organization estimated the fair market value based on costs of comparable goods and services.

Contributed equipment consisted of labor and supplies utilized to set up the external freezer. The labor and supplies were contributed by the construction contractor. The fair market value of the contributed equipment was estimated by the donor.

The Organization provides meals at an on-site location. Ithaca Housing Authority contributes the rental space for this location at a fair market value of \$340 per month, as determined by the Housing Authority. The agreement is a 12-month lease.

Educational institutions provide interns for various projects during 2022 and 2021. The fair value of the services performed were not recognized in the financial statements because they did not meet the criteria for recognition under generally accepted accounting principles.

F. INVENTORY:

Inventory is valued at cost and consisted of food and supplies on hand at December 31,

	2022	2021
Food	\$ 10,056	\$ 13,379
Kitchen and office supplies	432	302
Disposables	1,767	3,572
	<u>\$ 12,255</u>	<u>\$ 17,253</u>

G. PROMISES TO GIVE:

As of December 31, 2022 and 2021, unconditional promises to give due in less than one year totaled \$17,063 and \$19,156, net of allowance for uncollectible amounts of \$1,583 and \$93, respectively. There are no unconditional promises to give due in more than one year. The Organization had no conditional promises as of December 31, 2022 and 2021.

H. BEQUEST RECEIVABLE:

The Organization is a beneficiary in a trust and due to receive \$40,000 at the date of death of the bequeathor. Bequest receivable is the amount to be received upon death of the bequeathor. During 2022, the Organization was notified of the death of the bequeathor, and expects to receive the funds during 2023.

I. FIXED ASSETS AND INTANGIBLES:

The Organization's fixed assets consisted of the following at December 31,

	2022	2021
Land	\$ 30,000	\$ 30,000
Building	270,000	270,000
Building improvements	238,212	228,503
Vehicles	226,337	235,929
Equipment	278,002	204,059
	<u>1,042,551</u>	<u>968,491</u>
Less: accumulated depreciation	642,231	625,742
	<u>\$ 400,320</u>	<u>\$ 342,749</u>

Depreciation expense for the years ended December 31, 2022 and 2021 was \$58,816 and \$50,916, respectively.

Title to equipment purchased with grant monies, administered by Tompkins County Office of the Aging, would be transferred to Tompkins County if the programs should cease to exist or are passed on to another organization in the future. Title to equipment donated to the Organization purchased from donated funds would remain with the Organization.

At December 31, 2022, the Organization owned nine vehicles which are available for meal deliveries.

The Organization's intangible assets consisted of the following at December 31,

	<u>2022</u>	<u>2021</u>
Website design	\$ 11,000	\$ 11,000
Software costs	10,292	10,292
	<u>21,292</u>	<u>21,292</u>
Less: accumulated amortization	20,606	18,547
	<u>\$ 686</u>	<u>\$ 2,745</u>

The amortization expense for website design was \$0 and \$2,200 for the years ended December 31, 2022 and 2021, respectively.

The amortization expense for client database software was \$2,058 for the years ended December 31, 2022 and 2021.

J. LINE OF CREDIT:

The Organization has a \$30,000 line of credit with Tompkins Trust Company for the years ended December 31, 2022 and 2021. The bank line of credit bears interest at prime plus 2% (9.50% and 5.25% at December 31, 2022 and 2021, respectively). As of December 31, 2022 and 2021, the balance was \$0.

K. RESTRICTED NET ASSETS:

Net assets with donor restrictions comprised the following as of December 31,

	<u>2022</u>	<u>2021</u>
Subject to expenditure for program services and equipment:		
Staff development	\$ -	\$ 2,750
Kitchen equipment	-	79,003
Subject to the passage of time:		
Contributions to be used for subsequent year's activities	20,000	15,250
Bequest to be received at date of death of the bequeathor to be used for programs	40,000	40,000
Total net assets with donor restrictions	<u>\$ 60,000</u>	<u>\$ 137,003</u>

L. PENSION PLAN:

The Organization allows employees to participate in a tax-deferred annuity plan. Employees are eligible upon commencement of employment and may contribute a percentage of their salary up to \$19,500 and also contribute a catch-up maximum of \$6,500. The Organization does not match employee contributions nor contribute any other amounts to the plan.

M. CONCENTRATIONS:

The Organization received 58.5% and 55.8% of its funding from Tompkins County Office of the Aging during the years ended December 31, 2022 and 2021, respectively.

N. ADVERTISING COSTS:

Advertising costs are expensed as incurred. For the years ended December 31, 2022 and 2021, advertising expense was \$19,954 and \$24,528, respectively.

O. FAIR VALUE MEASUREMENTS:

Accounting Standards Code 820 established a three-tier hierarchy for fair value measurements, which prioritizes the inputs used in measuring fair value as follows.

- Level 1 - Observable inputs such as quoted prices for identical instruments in active markets.
- Level 2 - Inputs other than quoted prices in active markets that are observable either directly or indirectly through corroboration with observable market data.
- Level 3 - Unobservable inputs in which there is little or no market data, which would require the Organization to develop its own assumptions.

As of December 31, 2022 and 2021, the Organization held certain assets that were measured at fair value on a recurring basis. The fair value of investments is obtained from readily available market prices. Unconditional promises that the Organization expects to receive in more than one year are reported at fair value initially and in subsequent periods. Unconditional promises to give that will be paid in more than one year are measured in the aggregate using present value techniques that consider the promised cash flows. The following table presents the Organization's financial assets measured at fair value on a recurring basis as of December 31, 2022 subject to the disclosure requirements of the guidance on fair value:

ASSETS:	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Beneficial interest in trusts	\$ 40,000	\$ -	\$ -	\$ 40,000
Beneficial interest in assets held by Community Foundation	26,711	-	-	26,711
Pledges receivable	17,063	-	-	17,063

Assets measured at fair value on a recurring basis using significant unobservable inputs (level 3 inputs):

Unconditional promises to give	
January 1, 2022	\$ 19,156
New pledges received	121,175
Collections	(121,779)
Allowance for doubtful accounts	(1,489)
December 31, 2022	<u>\$ 17,063</u>

Beneficial interest in assets held by Community Foundation	
January 1, 2022	\$ -
Investment by the Organization	25,000
Realized loss	(191)
Unrealized gain	1,626
Interest income	418
Investment fees	(142)
December 31, 2022	<u>\$ 26,711</u>

The following table presents the Organization's financial assets measured at fair value on a recurring basis as of December 31, 2021 subject to the disclosure requirements of the guidance on fair value:

ASSETS:	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Beneficial interest in trusts	\$ 40,000	\$ -	\$ -	\$ 40,000
Pledges receivable	19,156	-	-	19,156

Assets measured at fair value on a recurring basis using significant unobservable inputs (level 3 inputs):

Unconditional promises to give	
January 1, 2021	\$ 21,138
New pledges received	55,123
Collections	(57,105)
December 31, 2021	<u>\$ 19,156</u>

P. IMPACTS OF COVID-19:

At the onset of the COVID-19 pandemic, the Organization experienced a significant increase in contribution revenue from government and private organization grants as well as private individuals. Contribution revenue continues to be strong in 2022 but is less than during the height of the pandemic. The Organization continues to closely monitor the impact of the COVID-19 pandemic on all aspects of business, including how it impacts customers, vendors, employees, and the Organization's ability to provide services to customers. This is specifically important around food costs, supply chain and the cost of fuel. The ongoing impact of the COVID-19 pandemic on operating results, cash flows and financial condition continue to be determined by factors which are

uncertain, unpredictable, and outside of the Organization's control. The Organization continues to monitor, develop contingency plans, update processes and procedures and evaluate efficiency in areas within its control to offset those outside of any control but is cognizant that if disruptions do arise, these could materially adversely impact business.

Q. ADOPTION OF NEW ACCOUNTING STANDARD:

On January 1, 2022, the Organization adopted the Accounting Standards Update (ASU) 2016-02 *Leases* and all subsequent amendments to the ASU (collectively, "Topic 842"), which create recognition of assets and liabilities that arise from leases. Management has evaluated the impact of the standard and has determined that no change to its current accounting policies and procedures are necessary. Consequently, there is no impact on the current year financial statement line items presented.

On January 1, 2022, the Organization adopted the ASU 2020-07 *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The core principle of the guidance is that a not-for-profit organization presents contributed nonfinancial assets as a separate line item in the statement of activities and changes in net assets, apart from other contributions of cash or financial assets with applicable footnote disclosures. The Organization adopted the provisions of this guidance retrospectively in 2022. See Note E for additional disclosure.

R. SUBSEQUENT EVENTS:

Subsequent events were evaluated through May 8, 2023, which is the date the financial statements were available to be issued, and no events required disclosure.