

MEALS ON WHEELS  
OF CHESAPEAKE, INC.  
FINANCIAL STATEMENTS  
June 30, 2023

MEALS ON WHEELS OF CHESAPEAKE, INC.

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### **Independent Accountants' Review Report**

The Board of Directors  
Meals on Wheels of Chesapeake, Inc.  
Chesapeake, Virginia

We have reviewed the accompanying financial statements of Meals on Wheels of Chesapeake, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

#### **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.

#### **Accountants' Responsibility**

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

#### **Accountants' Conclusion**

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

*Yeager & Company CPAs*

Chesapeake, Virginia  
December 18, 2023

MEALS ON WHEELS OF CHESAPEAKE, INC.  
STATEMENT OF FINANCIAL POSITION  
JUNE 30, 2023

ASSETS

Current assets

Cash	\$ 90,413
Certificate of Deposit	47,788
Accounts receivable - meals served	18,707
Gift card inventory	<u>1,611</u>
Total current assets	<u>158,519</u>

TOTAL ASSETS \$ 158,519

LIABILITIES

Current liabilities

Accounts payable	\$ <u>24,393</u>
Total current liabilities	<u>24,393</u>

NET ASSETS

Net assets with donor restrictions	8,120
Net assets without donor restrictions	<u>126,006</u>
Total net assets	<u>134,126</u>

TOTAL LIABILITIES AND NET ASSETS \$ 158,519

See accompanying notes and independent accountants' review report.

MEALS ON WHEELS OF CHESAPEAKE, INC.  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2023

	<u>With Donor Restrictions</u>	<u>Without Donor Restrictions</u>	<u>Total</u>
<b>OPERATING ACTIVITIES:</b>			
<b>Public support and revenue:</b>			
Meals served revenue	\$ 7,717	\$ 242,522	\$ 250,239
Donations - corporate and general public	15,000	75,609	90,609
United Way funding	-	41,146	41,146
<b>Net assets released from restrictions:</b>			
Satisfaction of program restrictions	<u>(22,097)</u>	<u>22,097</u>	
Total support and revenue	620	381,374	<u>381,994</u>
<b>Expenses:</b>			
Program expenses	-	313,140	313,140
Management and general	-	41,057	41,057
Total expenses	<u>-</u>	<u>354,197</u>	<u>354,197</u>
Change in net assets from operating activities	620	27,177	27,797
<b>INVESTMENT ACTIVITIES:</b>			
Net investment income (loss)	-	987	987
Interest income on certificate of deposit	-	32	32
Change in net assets from nonoperating activities	<u>-</u>	<u>1,019</u>	<u>1,019</u>
Change in net assets	620	28,196	28,816
NET ASSETS - Beginning of year	<u>7,500</u>	<u>97,810</u>	<u>105,310</u>
NET ASSETS - End of year	<u>\$ 8,120</u>	<u>\$ 126,006</u>	<u>\$ 134,126</u>

See accompanying notes and independent accountants' review report.

MEALS ON WHEELS OF CHESAPEAKE, INC.  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2023

CASH FLOWS FROM OPERATING & INVESTMENT ACTIVITIES:

Change in net assets	\$	28,816
Adjustments to reconcile change in net assets to cash provided by operating activities:		
(Increase) Decrease in receivables - meals sold		2,122
(Increase) Decrease in gift card inventory		(367)
Increase (decrease) in accounts payable		8,766
(Earnings) Loss on investments		<u>(1,012)</u>
NET CASH USED BY OPERATING ACTIVITIES		38,325
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from the sale of investments		19,629
CASH, BEGINNING OF YEAR		<u>32,459</u>
CASH, END OF YEAR	\$	<u><u>90,413</u></u>

See accompanying notes and independent accountants' review report.

MEALS ON WHEELS OF CHESAPEAKE, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2023

	<u>PROGRAM</u> <u>SERVICES</u>	<u>MANAGEMENT</u> <u>AND</u> <u>GENERAL</u>	<u>TOTAL</u>
Meals	\$ 226,000	\$ -	\$ 226,000
Salaries	59,678	26,996	86,674
Veterinarian Services	7,351	-	7,351
Office Expense	5,814	2,409	8,223
Volunteer Recognition	5,285	-	5,285
Taxes	4,651	2,065	6,716
Pet Food and Supplies	4,361	-	4,361
Professional Fees	-	4,062	4,062
Board and Staff Development	-	2,740	2,740
Insurance	-	1,529	1,529
Dues & Subscriptions	-	650	650
Postage	-	368	368
Marketing	-	238	238
Totals	\$ <u>313,140</u>	\$ <u>41,057</u>	\$ <u>354,197</u>

See accompanying notes and independent accountants' review report.

MEALS ON WHEELS OF CHESAPEAKE, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023

NOTE 1 - Description of Organization

Nature of Activity

Meals on Wheels of Chesapeake, Inc., was incorporated December 8, 1976 in the Commonwealth of Virginia. The Organization offers a community service of house-delivered meals to the disabled, aged and chronically ill residents of Chesapeake, Virginia who are not able to provide, obtain, or prepare their own nourishing food, or who are unable to fully understand and prepare a modified diet. Sources of revenue for the Organization include donations from United Way, the general public, Title III fee-for-services funding through Senior Services of Southeastern Virginia, and fees charged to clients for meals delivered.

NOTE 2 - Significant Accounting Policies

Basis of Presentation

The financial statements of the Organization have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America. Net assets and all balances and transactions are presented based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified and reported as follows:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed stipulations.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. These donor restrictions are temporary in nature and will be met by actions of the Organization or by the passage of time.

Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of donor restrictions (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Investments

The Organization did hold investments in the United Way Foundation Investment Fund however, on June 2, 2023, the account was closed and the funds were transferred to the Organization's checking account. Realized gains and losses on those investments are presented in the statement of activities. Investment return is presented net of investment fees. The average cost method is primarily used to determine the basis for computing realized gains or losses.

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 amounts and disclosures. Accordingly, actual results could differ from those estimates.



MEALS ON WHEELS OF CHESAPEAKE, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023

NOTE 2 - Significant Accounting Policies - (continued)

Receivables

Receivables represent the amounts due but not collected from individual clients for meals served and the amount of reimbursement due from Senior Services of Southeastern Virginia (SSSEVA) for meals served. SSSEVA is billed on a monthly basis for meals served the prior month. Amounts not collected from individual clients due to hardship are covered by a meal sponsorship donation. There were no receivables over 90 days past due as of June 30, 2023.

Revenue from Meals Served

Individual clients are billed monthly at the beginning of the month for meals served the previous month. Revenue is recognized at month's end when the meals billed have all been served to clients. Senior Services of Southeastern Virginia (SSSEVA) is billed at the end of month for meals served and revenue is recorded monthly when billed. The Organization currently has a contract with SSSEVA effective October 1, 2021 through September 30, 2024 to provide meals to SSSEVA clients. Beginning October 1, 2024, the contract with SSSEVA will renew on an annual basis.

Contributions

Unconditional contributions are recognized when pledged and recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Gifts of cash and other assets are reported with donor restricted support if they are received with donor stipulations that limit the use of the donated assets. All contributions received to date have been unconditional.

Functional Allocation of Expenses

The costs of providing programs and supporting services has been summarized on a functional basis in the statement of functional expenses. Expenses that can be identified directly with the program of providing education and curricular activities are charged to program expenses. General and administrative expenses include expenses which provide for the overall support and direction of the organization. Such allocations are determined by management on an equitable basis.

The expenses that are allocated include the following:

<u>Expense</u>	<u>Method of Allocation</u>
Salaries and payroll taxes	Time and Effort
Office expense	Actual expense

Income Taxes

The organization is a not-for-profit organization which is exempt from income taxes under Section 501c(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation.

We believe the organization has appropriate support for any tax positions taken affecting its annual filing requirements, and as such, does not have any uncertain tax positions that are material to the financial statements. The Organization's Forms 990, Return of Organization Exempt from Income Tax, for the years ending 2022, 2021, and 2020 are subject to examination by the IRS, generally for three years after they were filed.

MEALS ON WHEELS OF CHESAPEAKE, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023

NOTE 2 - Significant Accounting Policies - (continued)

Donated Services

Volunteers contribute significant amounts of time to the program delivery services; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles.

Advertising Costs

Advertising costs are expensed as incurred. Advertising expenses during the year ended June 30, 2023 were \$238.

Fund-raising Costs

Fund raising costs allocated to the Organization from the United Way's annual campaign were \$9,129 for the year ending June 30, 2023. Contributions received from United Way are net of these fund raising costs. The net amount of \$41,146 is reported in the financial statements.

NOTE 3 - Subsequent Events

The organization has evaluated subsequent events through December 18, 2023 which is the date the financial statements were available to be issued.

On May 15, 2023, the United Way of South Hampton Roads awarded the Organization an operational funding grant of \$59,813 from the Thriving Families funding category. This award amount is subject to actual receipt of pledged funds by the United Way. The grant award will be distributed to the Organization in twelve monthly installments beginning July 2023.

NOTE 4 - Investments

The Organization liquidated the investment account held with the United Way Foundation during the year ended June 30, 2023.

The composition of the investment return reported in the statement of activities is as follows:

Interest and dividends	\$ 235
Realized gain (loss) on investments	801
Fees	(49)
Total investment return	<u>\$ 987</u>

See independent accountants' review report.

MEALS ON WHEELS OF CHESAPEAKE, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023

NOTE 5 - Donated Office Space

The Organization currently uses office space donated by Chesapeake Regional Hospital.

NOTE 6 - Liquidity

Meals on Wheels of Chesapeake, Inc. financial assets available within one year of the balance sheet date for general expenditure are as follows:

Cash	\$ 90,413
Certificate of Deposit	47,788
Accounts receivable - meals served	18,707
	<u>\$ 156,908</u>

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

NOTE 7 - Special Events

The Organization holds special events annually to show appreciation for volunteers and to raise awareness about the organization's mission. Costs of these events are reflected in Program expenses in the Statement of Activities.

NOTE 8 - Net Assets with Donor Restrictions

The Organization has currently been awarded two grants totaling \$22,500 from Meals on Wheels of America, which span the fiscal years ending June 30, 2023 and June 30, 2024. The Meals on Wheels Loves Pets - Discovery Grant is to be used for pet care of certain senior clients of the Organization. The money may be used for pet care such as feeding, grooming, and veterinary services, as well as wages of staff developing and running the program. The initial grant period runs from February 28, 2022 through July 31, 2023. As of June 30, 2023, the Organization had received all funds awarded and grant expenditures totaled \$14,380. As of July 31, 2023, grant expenditures totaled \$15,000.

During the year ending June 30, 2023, contributions totaling \$7,717 were received with the donor restriction of using the contribution specifically to pay for meals provided to clients with an inability to pay due to financial hardship. These contributions were fully expended for that purpose during the year.