



FINANCIAL STATEMENTS

Year Ended June 30, 2024

with

Independent Auditors' Report

MEALS ON WHEELS PEOPLE, INC.

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Independent Auditors' Report

The Board of Directors
Meals on Wheels People, Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Meals on Wheels People, Inc. (the Organization), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses, and cash flows for the year 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 the Organization as of June 30, 2024, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. 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 the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Report on the Audit of the Financial Statements - Continued

Auditors' 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 auditors' 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 and *Government 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 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 and *Government 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 the Organization'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 the Organization's ability to continue as a going concern for a reasonable period of time.

Report on the Audit of the Financial Statements - Continued

Auditors' Responsibilities for the Audit of the Financial Statements

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.

Report on Summarized Comparative Information

We have previously audited the Organization's 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 5, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 2, 2024, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

Hoffman, Stewart & Schmidt, P.C.

Lake Oswego, Oregon
October 2, 2024

MEALS ON WHEELS PEOPLE, INC.

Statement of Financial Position

June 30, 2024 <i>(With Comparative Amounts for 2023)</i>	2024	2023
ASSETS		
Cash and cash equivalents	\$ 2,686,282	\$ 2,635,299
Investments <i>(Notes 4, 21, and 22)</i>	24,140,553	24,464,416
Accounts and grants receivable - net <i>(Note 5)</i>	1,365,405	2,273,998
Prepaid expenses and deposits	378,227	382,376
Inventory	251,588	222,001
Pledges - net <i>(Note 6)</i>	178,855	-
Beneficial interest in charitable remainder trust <i>(Notes 7, 21, and 22)</i>	620,375	386,197
Investments held at community foundations <i>(Notes 8, 21, and 22)</i>	655,810	596,662
Trademarks - net	2,130	6,141
Operating right of use assets <i>(Note 9)</i>	1,649,653	1,526,405
Property, equipment, and leasehold improvements - net <i>(Note 10)</i>	16,830,039	12,395,288
	\$ 48,758,917	\$ 44,888,783
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable	\$ 461,034	\$ 505,672
Accrued payroll and compensated absences	457,434	396,683
Other accrued liabilities	74,644	30,752
Deferred revenue <i>(Note 11)</i>	1,827,783	7,906
Operating lease liabilities <i>(Note 9)</i>	1,669,799	1,515,980
Total liabilities	4,490,694	2,456,993
Commitments and contingencies <i>(Notes 10, 16, and 20)</i>		
Net assets:		
Net assets without donor restrictions <i>(Note 14)</i>	42,913,895	41,071,317
Net assets with donor restrictions <i>(Note 15)</i>	1,354,328	1,360,473
Total net assets	44,268,223	42,431,790
	\$ 48,758,917	\$ 44,888,783

The accompanying notes are an integral part of the financial statements.

MEALS ON WHEELS PEOPLE, INC.

Statement of Activities

Year Ended June 30, 2024 (With Comparative Totals for 2023)

	Without Donor	With Donor	Total	
	Restrictions	Restrictions	2024	2023
Revenue, gains, and other support - net:				
Government grants (Note 18)	\$ 3,876,657	\$ -	\$ 3,876,657	\$ 4,397,235
Medicaid (Note 18)	2,385,390	-	2,385,390	2,160,826
Contributions (Note 13):				
Participants for meals	447,445	-	447,445	451,640
Center and Board fundraising	7,041,110	220,355	7,261,465	6,686,176
Special events - net	277,844	-	277,844	719,325
Contributed non-financial assets (Note 12):				
Lease in-kind contributions	477,947	-	477,947	466,212
Other in-kind contributions	565,911	-	565,911	610,412
Contracts and sales (Note 18)	1,785,898	-	1,785,898	1,333,317
Vancouver diner - gross sales (Note 13)	569,003	-	569,003	576,457
Other revenue	68,714	-	68,714	129,192
Net assets released from restrictions (Note 15)	460,678	(460,678)	-	-
Net revenue, gains, and other support	17,956,597	(240,323)	17,716,274	17,530,792
Operating expenses:				
Program services:				
Center operations	7,808,021	-	7,808,021	7,224,323
Kitchen operations	5,301,266	-	5,301,266	5,744,937
Vancouver diner	1,143,668	-	1,143,668	1,108,308
Other operations	44,695	-	44,695	128,986
Supporting services:				
General and administrative	1,476,593	-	1,476,593	1,301,967
Fundraising	2,374,936	-	2,374,936	2,156,393
Total operating expenses	18,149,179	-	18,149,179	17,664,914
Change in net assets from operations	(192,582)	(240,323)	(432,905)	(134,122)
Investment income - net	2,054,155	-	2,054,155	1,353,262
Loss on disposition of property and equipment	(18,995)	-	(18,995)	(16,016)
Employee retention credit income - net	-	-	-	388,629
Change in value of beneficial interest in trust	-	234,178	234,178	5,785
Net non-operating revenue	2,035,160	234,178	2,269,338	1,731,660
Change in net assets	1,842,578	(6,145)	1,836,433	1,597,538
Net assets, beginning of year	41,071,317	1,360,473	42,431,790	40,834,252
Net assets, end of year	\$ 42,913,895	\$ 1,354,328	\$ 44,268,223	\$ 42,431,790

The accompanying notes are an integral part of the financial statements.

MEALS ON WHEELS PEOPLE, INC.

Statement of Functional Expenses

Year Ended June 30, 2024 (With Comparative Totals for 2023)

	Program Services				Total	Supporting Services			Total	
	Center Operations	Kitchen Operations	Vancouver Diner	Other Operations		General and Administrative	Fundraising	Total	2024	2023
Compensation:										
Salaries	\$ 3,951,906	\$ 1,297,170	\$ 538,354	\$ 8,118	\$ 5,795,548	\$ 725,660	\$ 744,392	\$ 1,470,052	\$ 7,265,600	\$ 6,858,900
Employee benefits and payroll taxes (Note 16)	1,012,772	412,826	116,442	4,289	1,546,329	157,871	177,549	335,420	1,881,749	1,813,331
Total compensation	4,964,678	1,709,996	654,796	12,407	7,341,877	883,531	921,941	1,805,472	9,147,349	8,672,231
Other expenses:										
Food and related costs:										
Paid	1,264,254	2,683,962	208,171	13,721	4,170,108	49	940	989	4,171,097	3,814,697
In-kind (Note 12)	4,249	-	-	-	4,249	-	133,930	133,930	138,179	331,664
Small equipment	28,101	8,007	-	-	36,108	15,416	1,763	17,179	53,287	106,339
Mileage and travel	45,916	3,587	273	112	49,888	7,445	1,062	8,507	58,395	43,471
Insurance	90,257	26,958	27,723	-	144,938	14,372	10,150	24,522	169,460	147,786
Vehicle costs	10,496	85,942	42	-	96,480	-	-	-	96,480	92,239
Repairs and maintenance	122,961	44,991	21,989	-	189,941	-	-	-	189,941	153,400
Janitorial	23,106	13,625	10,484	-	47,215	47	-	47	47,262	47,410
Professional fees	222,201	67,572	7,358	2,552	299,683	407,228	150,649	557,877	857,560	782,913
Lease and utilities:										
Paid (Note 9)	48,581	533,776	81,052	660	664,069	75,701	53,271	128,972	793,041	767,096
In-kind (Note 12)	477,947	-	-	-	477,947	-	-	-	477,947	466,212
Office expenses	67,437	1,055	6,863	2,783	78,138	5,913	274,752	280,665	358,803	485,730
Advertising:										
Paid	19,427	-	-	-	19,427	3,655	347,368	351,023	370,450	630,581
In-kind (Note 12)	-	-	-	-	-	-	335,055	335,055	335,055	183,720
Miscellaneous:										
Paid	80,657	12,879	35,982	8,670	138,188	57,433	64,915	122,348	260,536	356,357
In-kind (Note 12)	23,329	-	-	-	23,329	-	69,348	69,348	92,677	95,028
Total other expenses	2,528,919	3,482,354	399,937	28,498	6,439,708	587,259	1,443,203	2,030,462	8,470,170	8,504,643
Depreciation and amortization	314,424	108,916	88,935	3,790	516,065	5,803	9,792	15,595	531,660	488,040
Total expenses	\$ 7,808,021	\$ 5,301,266	\$ 1,143,668	\$ 44,695	\$ 14,297,650	\$ 1,476,593	\$ 2,374,936	\$ 3,851,529	\$ 18,149,179	\$ 17,664,914

The accompanying notes are an integral part of the financial statements.

MEALS ON WHEELS PEOPLE, INC.

Statement of Cash Flows

Year Ended June 30, 2024 <i>(With Comparative Totals for 2023)</i>	2024	2023
Cash flows from operating activities:		
Change in net assets	\$ 1,836,433	\$ 1,597,538
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Net change in operating right-of-use assets and lease liabilities	30,571	(10,425)
Depreciation and amortization	531,660	488,040
Loss on disposition of property and equipment	18,995	16,016
Realized and unrealized gain on investments - net of fees	(1,125,589)	(953,503)
Realized and unrealized gain on investments held at community foundations - net of fees	(49,708)	(29,510)
Reinvestment of interest and dividends of investments held at community foundations	(9,440)	(3,276)
Change in value of beneficial interest in trust	(234,178)	(5,785)
Release of beneficial interest in trusts	-	3,140
Change in operating assets and liabilities:		
Accounts and grants receivable - net	908,593	1,097,335
Prepaid expenses and deposits	4,149	37,899
Inventory	(29,587)	13,948
Pledges - net	(178,855)	85,806
Accounts payable	(79,004)	(412,477)
Accrued payroll and compensated absences	60,751	72,081
Other accrued liabilities	45,272	(23,402)
Deferred revenue	1,819,877	(66,008)
Deferred lease incentive	-	(15,455)
Net cash provided by operating activities	3,549,940	1,891,962
Cash flows from investing activities:		
Proceeds from sale of investments	1,449,452	-
Purchases of investments	-	(2,413,353)
Payments for charitable gift annuity	(1,380)	(5,064)
Proceeds from sale of property, equipment and leasehold improvements	10,000	-
Purchases of property, equipment, and leasehold improvements	(4,957,029)	(2,265,131)
Net cash used by investing activities	(3,498,957)	(4,683,548)
Carried forward	50,983	(2,791,586)

The accompanying notes are an integral part of the financial statements.

MEALS ON WHEELS PEOPLE, INC.

Statement of Cash Flows - Continued

Year Ended June 30, 2024 <i>(With Comparative Totals for 2023)</i>	2024	2023
Brought forward	<u>50,983</u>	<u>(2,791,586)</u>
Change in cash and cash equivalents	50,983	(2,791,586)
Cash and cash equivalents, beginning of year	<u>2,635,299</u>	<u>5,426,885</u>
Cash and cash equivalents, end of year	<u>\$ 2,686,282</u>	<u>\$ 2,635,299</u>
Supplemental disclosure of noncash transactions:		
Property, equipment, and leasehold improvements in accounts payable	\$ 275,317	\$ 240,951

The accompanying notes are an integral part of the financial statements.

MEALS ON WHEELS PEOPLE, INC.

Notes to Financial Statements

1. Nature of Activities

Meals on Wheels People, Inc. (the Organization) is a nonprofit organization, organized under the laws of the state of Oregon, the primary purpose of which is to provide older Americans with nutritionally balanced meals, socialization, and other needed social services. The Organization is funded by private and governmental grants, charges for services, contracts and sales, and contributions from participants and the general public. Food is prepared in a central kitchen and delivered to 15 service centers, including 8 satellite locations, in Multnomah and Washington counties in Oregon, and Clark County in Washington. Meals are also delivered to homebound seniors by volunteers.

The mission of the Organization is to enrich the lives of seniors, and assist them in maintaining independence, by providing nutritious food, human connections, and social support. We also use our expertise and capacity to serve other nutritionally at risk populations. This is accomplished through an organization that is community based, emphasizes volunteer involvement, and is financially sound. Included are connecting people to services such as transportation, health and welfare counseling, nutrition education, shopping assistance, information and referral services, outreach, case management, case monitoring, and leisure and recreation opportunities. Some centers conduct fundraising activities, and some centers receive grants from cities to help support local operations.

The Board establishes general standards and policies and provides a central office and kitchen to provide support services to the centers. The Board also raises funds on a community-wide basis for operations and administrative support to the centers.

2. Summary of Significant Accounting Policies

The significant accounting policies followed by the Organization are described below to enhance the usefulness of the financial statements to the reader.

Basis of Presentation - 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 not subject to donor-imposed stipulations.

Net assets with donor restrictions - Net assets subject to donor-imposed stipulations that may or will be met by actions of the Organization and/or the passage of time. Some net assets with donor restrictions include a stipulation that the resources be maintained in perpetuity but permit the Organization to use the income. Realized gains, as well as net appreciation of endowment funds, may be expended unless explicit donor restrictions specify other treatment.

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.

MEALS ON WHEELS PEOPLE, INC.

Notes to Financial Statements - Continued

2. Summary of Significant Accounting Policies - Continued

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. Estimates are used in the financial statements for, among other things, depreciation and amortization expense (based on the estimated useful lives of the underlying assets), allowance for credit losses, allowance for uncollectible pledges, discount rate for pledges, the Organization's beneficial interest in charitable remainder trust, liability for charitable gift annuity, and certain investments held at community foundations.

Adoption of New Accounting Standard - In June 2016, the Financial Accounting Standards Board (FASB) issued guidance (FASB ASC 326), which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that aren't measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by the Organization that are subject to the guidance in FASB ASC 326 were accounts receivable.

The Organization adopted the standard effective July 1, 2023. The impact of the adoption was not considered material to the financial statements and primarily resulted in new and enhanced disclosures only.

Cash and Cash Equivalents - The Organization considers all highly liquid debt instruments with a maturity of three months or less to be cash equivalents. On occasion throughout the year, cash and cash equivalent balances exceeded amounts insured by the Federal Deposit Insurance Corporation. The Organization has not experienced any losses in such accounts.

Investments - Investments are reported at fair value based on quoted market prices and consist of equity mutual funds, bond funds, treasury securities, money market funds, and exchange traded funds.

Accounts and Grants Receivable - Accounts receivable are recognized as meals and services are provided. Grants receivable are recognized as grant revenue is earned, from governmental and other sources. Interest is not charged on past due accounts.

Allowance for Credit Losses - The Organization's accounts receivables are primarily derived from Medicaid and contract meals. At each statement of financial position date, the Organization recognizes an expected allowance for credit losses. In addition, also at each reporting date, this estimate is updated to reflect any changes in credit risk since the receivable was initially recorded. This estimate is calculated on a pooled basis where similar risk characteristics exist.

MEALS ON WHEELS PEOPLE, INC.

Notes to Financial Statements - Continued

2. Summary of Significant Accounting Policies - Continued
Allowance for Credit Losses - Continued

The Organization writes off receivables when there is information that indicates the debtor is facing significant financial difficulty and there is no possibility of recovery. If any recoveries are made from any accounts previously written off, they will be recognized in income or as an offset to credit loss expense in the year of recovery, in accordance with the entity's accounting policy election. The Organization does not maintain a material allowance for credit losses, nor did it have significant write-offs from billings. At June 30, 2024, the Organization had accounts receivable totaling \$104,866 that were outstanding greater than 90 days. Management believes the allowance for credit losses is adequate to absorb any amounts that are not collected.

Inventory - Inventory consists of food and related supplies and is valued at the lower of cost (average cost basis) or net realizable value.

Trademarks - Trademarks consist of the Organization's logo, which is valued at cost less amortization based on a ten year useful life. Total amortization expense for the year ended June 30, 2024 was \$4,011.

Property, Equipment, and Leasehold Improvements, and Depreciation and Amortization - The Organization follows the policy of capitalizing, at cost, all expenditures for equipment and leasehold improvements in excess of \$3,000.

Equipment and leasehold improvements received through donation are recorded at estimated fair value at date of donation. Depreciation and amortization have been computed using the straight-line method over the following estimated useful lives: Equipment 2 - 20 years; Vehicles 5 years; Leasehold improvements 10 - 20 years; and Building 50 years. Total depreciation expense for the year ended June 30, 2024 was \$527,649. Construction in progress is not depreciated until the construction is completed and the assets are put into service.

Revenue Recognition - The Organization's major sources of support and revenue and related recognition policies are summarized as follows:

Government Grants - A portion of the Organization's revenue is derived from grants with county governments, and local governments, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has performed qualifying performance requirements or incurred qualifying expenditures in compliance with specific contract or grant provisions. Amounts received prior to performing certain performance requirements and/or incurring qualified expenditures are reported as refundable advances in the statement of financial position. The Organization had no refundable advances at June 30, 2024.

Medicaid - The Organization recognizes Medicaid revenue as services are provided, in this case meals provided to participants, and the revenues are earned.

MEALS ON WHEELS PEOPLE, INC.

Notes to Financial Statements - Continued

2. Summary of Significant Accounting Policies - Continued
Revenue Recognition - Continued

Contributions - The Organization recognizes contributions when cash, securities or other assets; an unconditional promise to give (pledge); or a notification of a beneficial interest are received. Conditional promises to give - that is, those with a measurable performance or other barrier and a right of return - are not recognized until the conditions on which they depend have been substantially met. At June 30, 2024, the Organization had conditional promises to give outstanding of approximately \$850,000 conditioned upon the Organization incurring allowable costs and/or performing specific activities.

Contributions with donor restrictions are classified as net assets without donor restrictions when the restriction is satisfied in the same fiscal year the contribution is received.

The Organization reports gifts of cash and other assets as restricted support 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 ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the statement of activities as net assets released from restrictions.

The Organization reports gifts of property and equipment as support without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service or the expenditure for those assets has occurred.

Special Events - The Organization considers special event revenue to equal the fair value of direct benefits to donors, which approximates the direct cost of those benefits. Excess receipts are considered contributions and are recognized as revenue when the related event takes place.

Contracts and Sales - The Organization periodically enters into contracts with various entities for various projects. Revenues are generally recognized over the course of the contract as costs related to the contract are incurred and/or when the services are provided, and the revenue is earned. Amounts received, but not yet recognized as revenue are reported as deferred revenue in the statement of financial position and are considered contract liabilities. Deferred revenue totaled \$1,827, 783 at June 30, 2024 (*Note 11*).

Vancouver Diner - Gross Sales - The Organization operates a diner in Vancouver, Washington. Revenue is recorded as meals are provided to customers.

MEALS ON WHEELS PEOPLE, INC.

Notes to Financial Statements - Continued

2. Summary of Significant Accounting Policies - Continued

Functional Allocation of Expenses - The costs of providing the various programs and other activities have been summarized on a functional and natural basis in the statement of functional expenses. The statement of functional expenses reports certain categories of expenses that are attributable to more than one program and supporting service function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include telephone and internet costs, which are allocated based on the number of phones; lease and utilities, which are allocated on a square foot basis; outreach costs, which are allocated based on the percentage of actual total costs; food and related costs, which are allocated based on the number of meals shipped; and overhead costs, which are allocated based on the percentage of actual total costs or percentage of revenue recognized for contracts.

Advertising - The Organization expenses all non-direct advertising costs as they are incurred.

Income Taxes - The Organization is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and similar state provisions. The Organization is not classified as a private foundation. Certain activities of the Organization are subject to the federal unrelated business income tax and similar state provisions. An immaterial amount of unrelated business income tax was generated from these activities during the year ended June 30, 2024.

GAAP prescribes a recognition threshold and measurement process for accounting for uncertain tax positions and provides guidance on various related matters such as interest, penalties, and required disclosures. Management does not believe the Organization has any uncertain tax positions. The Organization files informational returns. Generally, these returns are subject to examination by income tax authorities for three years from the filing of a return. The Organization has not paid any interest or penalties related to its income tax positions, and there are currently no audits for any tax periods in progress. Interest or penalties assessed by taxing authorities, if any, would be included with general and administrative expenses.

Reclassifications - Certain reclassifications have been made to the 2023 information to conform with the 2024 presentation.

Summarized Financial Information for 2023 - The financial statements include certain prior year summarized comparative information. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2023, from which the summarized information was derived.

Subsequent Events - Management has evaluated subsequent events through October 2, 2024, the date the financial statements were available to be issued.

See *Note 10* for subsequent event related to the projects at the Eastside location.

MEALS ON WHEELS PEOPLE, INC.

Notes to Financial Statements - Continued

3. Program and Supporting Services

Center Operations - The Organization's meal sites have the responsibility of providing a healthy meal and socialization programming for seniors living within their geographic area. Nutrition services include group dining on site and meals delivered to homebound clients (Meals-on-Wheels). Congregate meals provided totaled approximately 58,000 for the year ended June 30, 2024. Centers are located in a variety of settings, including senior centers, multicultural centers, housing authority buildings, parks and recreation buildings, and churches. In addition to providing meals, centers coordinate with other community agencies to provide opportunities for enrichment to the lives of seniors through activities, speakers, field trips, and health-related issues including clinics for foot care and blood pressure monitoring. All new Meals-on-Wheels clients are visited by an outreach worker who works with the client to determine how the Organization can meet their nutritional needs and make referrals to other community resources as needed. Clients are revisited on an annual basis. Home-delivered meals totaled approximately 952,000 for the year ended June 30, 2024.

Additionally, the Organization offers the following programs to fight social isolation in the year ended June 30, 2024: Friendly chat; safety calls; Senior Planet (computer classes); phone bingo; pet program; library program; and Peer 2 Peer program.

Kitchen Operations - The central kitchen provides meals for 15 service centers and 8 satellite locations. The medically tailored meals (MTM) are prepared in bulk, divided, and shipped to each center. MTMs are designed to improve health outcomes and increase client satisfaction. The menus for MTMs are currently on a three-week cycle. Approximately 6,400 meals are prepared daily.

Meals are also provided to non-organization centers at 16 contract sites. Contract meals prepared for other organizations totaled approximately 455,000 for the year ended June 30, 2024. Approximately 283,000 of these meals consist of raw food boxes provided through the Meals 4 Kids and Gresham Meals 4 Kids programs.

Vancouver Diner - The Vancouver Diner provides meals to seniors who qualify for meals at the Organization's meal sites and live in Vancouver, Washington, but also provides meals to the general public in a diner setting.

Support Services - General and administrative activities include business management, recordkeeping, budgeting, financing, information technology, and related administrative activities. These services provide the necessary developmental, organizational, and management support for the effective operation of programs.

Fundraising activities include conducting fundraising campaigns, preparing and distributing fundraising materials, and conducting other activities involving soliciting contributions from individuals, foundations, and others.

MEALS ON WHEELS PEOPLE, INC.

Notes to Financial Statements - Continued

4. Investments

Investments consist of the following at June 30:

	2024	2023
Domestic equity mutual funds	\$ 5,839,128	\$ 5,836,357
International equity mutual funds	3,374,729	2,739,705
Bond funds	3,454,787	3,023,772
Treasury securities	6,149,964	7,796,059
Money market funds	2,450,467	2,310,916
Exchange traded funds	<u>2,871,478</u>	<u>2,757,607</u>
	<u>\$ 24,140,553</u>	<u>\$ 24,464,416</u>

Investments include endowment funds of \$99,490, at June 30, 2024. Earnings on these funds must be used in support of operations.

5. Accounts and Grants Receivable - net

Accounts and grants receivable - net consist of the following at June 30:

	2024	2023
Medicaid	\$ 316,430	\$ 361,447
Older Americans Act	606,846	848,157
Nutrition Supplemental Incentive Program	47,244	53,927
PCEF	-	283,582
Contract meals	245,707	383,314
Other	<u>154,207</u>	<u>348,600</u>
	1,370,434	2,279,027
Allowance for credit losses	<u>(5,029)</u>	<u>(5,029)</u>
	<u>\$ 1,365,405</u>	<u>\$ 2,273,998</u>

MEALS ON WHEELS PEOPLE, INC.

Notes to Financial Statements - Continued

6. Pledges - net

Pledges - net are estimated to be collected as follows at June 30, 2024:

Expected to be collected in:	
Less than one year	\$ 27,368
One to five years	<u>185,000</u>
	212,368
Allowance for uncollected pledges	(12,500)
Discount to net present value (ranging from 3.92 to 4.43 percent)	<u>(21,013)</u>
	<u><u>\$ 178,855</u></u>

No pledges were outstanding at June 30, 2023.

7. Beneficial Interest in Charitable Remainder Trust

At June 30, 2024, the Organization is the beneficiary of one charitable remainder trust. All or a portion of the remaining principal and income of the trust is to be distributed to the Organization upon termination. The estimated fair value of the charitable remainder trust at June 30, using a discount rate of 5 percent, is as follows:

	2024	2023
Endowment funds	<u>\$ 620,375</u>	<u>\$ 386,197</u>

MEALS ON WHEELS PEOPLE, INC.

Notes to Financial Statements - Continued

8. Investments Held at Community Foundations

The Organization has an agreement with Oregon Community Foundation (OCF) in order to achieve improved performance results with respect to investments and enhance long-term planned giving goals. The Organization also has an agreement with the Community Foundation for Southwest Washington (CFSWW) in order to establish a fund whereby donors can contribute monies to be used to serve the elderly in the state of Washington. Under the terms of the agreements, OCF and CFSWW (collectively, the foundations) shall make distributions from the funds for the benefit of the Organization. No income distributions were received from the foundations during the year ended June 30, 2024.

Investments held at community foundations consist of the following at June 30:

	2024	2023
Oregon Community Foundation		
Corpus, donor restricted for endowment	\$ 338,928	\$ 338,928
Earnings on the corpus, released to net assets without donor restrictions	<u>242,158</u>	<u>187,431</u>
	581,086	526,359
Community Foundation of Southwest Washington, Board designated for financial reserve	<u>74,724</u>	<u>70,303</u>
	<u>\$ 655,810</u>	<u>\$ 596,662</u>

MEALS ON WHEELS PEOPLE, INC.

Notes to Financial Statements - Continued

9. Leases

The Organization determines if an arrangement is a lease or a service contract at inception. A contract is determined to be or contain a lease if the contract conveys the right to control the use of an identified asset in exchange for consideration. When an arrangement is a lease, the Organization determines whether it is an operating or finance lease.

Leases result in recognition of right-of-use (ROU) assets and lease liabilities on the statement of financial position. ROU assets represent the right to use an underlying asset for the lease term. Lease liabilities represent the obligation to make lease payments, measured on a discounted basis. At lease inception, the lease liability is measured at the present value of the lease payments over the lease term. The ROU asset equals the lease liability, adjusted for any direct costs, prepaid or deferred rent, and lease incentives. The Organization has elected not to separate lease components from non-lease components, and to apply the short-term lease exception, which does not require the capitalization of leases with a term of 12 months or less. Short-term leases are recognized as expense on a straight-line basis over the term of the lease. Variable lease payments, if any, are recognized as expense in the period in which the obligation for payment is incurred. The Organization considers any options to extend or terminate a lease when determining the lease term, and only options that the Organization believes are reasonably certain to be exercised are included in the measurement of the ROU assets and lease liabilities.

The Organization leases its meal service centers under operating leases with 2 to 5 year initial terms. Some leases may include renewal options which can extend the lease term. The exercise of these renewal options are generally at the discretion of the Organization, and only lease options that the Organization believes are reasonably certain to be exercised are included in the measurement of the lease assets and liabilities. The lease agreements do not include any residual value guarantees or restrictive covenants. The Organization has elected to use the risk-free rate of return as the discount rate as neither the rate implicit in the lease nor the Organization's incremental borrowing rate are readily available.

Lease expense was composed of the following for the years ended June 30:

	2024	2023
Operating lease expense	\$ 453,047	\$ 439,975
Short-term lease expense	<u>106,863</u>	<u>70,760</u>
	<u>\$ 559,910</u>	<u>\$ 510,735</u>

MEALS ON WHEELS PEOPLE, INC.

Notes to Financial Statements - Continued

9. Leases - Continued

The following summarizes the cash flow information related to operating leases for the years ended June 30:

	2024	2023
Cash paid for amounts included in the measurement of lease liabilities for operating leases included in operating cash flows	\$ 422,476	\$ 465,855
Operating lease right-of-use assets obtained in exchange for operating lease liabilities	\$ 527,431	\$ 1,932,116

Weighted average lease term and discount rate were as follows at June 30:

	2024	2023
Weighted-average remaining lease term (in years) for operating leases	5.57	6.35
Weighted-average discount rate for operating leases	3.21%	2.86%

The maturities of operating lease liabilities were as follows as of June 30, 2024:

Years Ending June 30,	Amount
2025	\$ 398,823
2026	382,790
2027	287,947
2028	280,689
2029	216,353
Thereafter	<u>257,772</u>
	1,824,374
Less present value discount	<u>(154,575)</u>
Operating lease liabilities	<u><u>\$ 1,669,799</u></u>

MEALS ON WHEELS PEOPLE, INC.

Notes to Financial Statements - Continued

10. Property, Equipment, and Leasehold Improvements

Property, equipment, and leasehold improvements consist of the following at June 30:

	2024	2023
Land	\$ 2,889,501	\$ 2,889,501
Building	7,076,315	6,570,917
Kitchen equipment	1,568,750	1,580,583
Service center equipment	789,970	760,952
Office equipment	633,984	625,845
Vehicles	332,504	340,131
Leasehold improvements	<u>3,269,300</u>	<u>3,335,898</u>
	16,560,324	16,103,827
Less accumulated depreciation and amortization	<u>(6,289,276)</u>	<u>(5,816,775)</u>
	10,271,048	10,287,052
Construction in progress	<u>6,558,991</u>	<u>2,108,236</u>
	<u><u>\$ 16,830,039</u></u>	<u><u>\$ 12,395,288</u></u>

At June 30, 2024, construction in progress is related to costs associated with improvements at the Eastside location. Contracts in the amount of approximately \$6,050,000 had been entered into for these projects at June 30, 2024. Management anticipates construction to be completed in the year ending June 30, 2026. In August 2024, the Organization finalized the purchase of land and building in the amount of approximately \$1,650,000 for future use related to the projects at the Eastside location.

11. Deferred Revenue

Deferred revenue (contract liabilities) consists of the following at June 30:

	2024	2023
Trillium Community Health Plan	\$ 1,506,906	\$ -
PeaceHealth	304,546	-
Other	<u>16,331</u>	<u>7,906</u>
	<u><u>\$ 1,827,783</u></u>	<u><u>\$ 7,906</u></u>

MEALS ON WHEELS PEOPLE, INC.

Notes to Financial Statements - Continued

12. Contributed Non-Financial Assets

The Organization recognizes contributed non-financial assets at the time of donation at their estimated fair value, with a corresponding expense as such non-financial assets are utilized in the Organization's program and supporting services. Such contributions did not contain any donor restrictions, and consisted of the following:

Lease In-kind Contributions - The Organization receives the use of donated space and utilities for its Center operations. Lease in-kind contributions in the amount of \$477,947 have been reflected in the accompanying statement of activities for the year ended June 30, 2024. The Organization recognizes lease in-kind contribution revenue and a corresponding expense in an amount approximating the estimated fair value at the time of the donation. Fair value is estimated using the average price per square foot of lease listings for comparable space in the Organization's service area.

Other In-kind Contributions - Numerous volunteers have donated significant amounts of time to the Organization's program services. The value of such services has not been recognized in the statement of activities because the services do not meet the criteria for recognition as donated services.

Donated food in the amount of \$138,179, advertising services in the amount of \$335,055, and other miscellaneous items in the amount of \$92,677, for a total of \$565,911, and is included as other in-kind contributions in the accompanying statement of activities.

Donated food is valued using a rate of \$1.93 per pound, which is consistent with the rate of such donated items used by the Oregon Food Bank and based on pricing studies conducted by Feeding America, or based upon estimates of fair market or wholesale values that would be received for selling the goods in their principal market considering their condition and utility for use at the time the goods are contributed by the donor, depending on the nature of the donated item. Other miscellaneous items are valued based upon estimates of fair market or wholesale values that would be received for selling the goods in their principal market considering their condition and utility for use at the time the goods are contributed by the donor. These items are recognized as expense as they are used in the Organization's programs as shown in the accompanying statement of functional expenses.

Donated advertising services are valued based on third-party estimates using billing rates for like circumstances and are recognized because the services require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. Such services are recognized as expense and are allocated to the programs benefited as they are delivered to the public as shown in the accompanying statement of functional expenses.

MEALS ON WHEELS PEOPLE, INC.

Notes to Financial Statements - Continued

13. Vancouver Diner Revenue

In the accompanying statement of activities, revenue earned by the Vancouver Diner is reported based on the revenue stream, rather than in the aggregate. Total revenue earned by the Vancouver Diner for the years ended June 30, 2024 and 2023, are as follows:

	2024	2023
Contributions	\$ 128,793	\$ 148,206
Congregate meals	21,050	2,650
Vancouver Diner - gross sales	<u>569,003</u>	<u>576,457</u>
	<u>\$ 718,846</u>	<u>\$ 727,313</u>

14. Net Assets without Donor Restrictions

Net assets without donor restrictions consist of the following as of June 30:

	2024	2023
Available for operations	\$ 7,486,512	\$ 10,369,913
Board designated for:		
Advertising initiative	450,000	400,000
Joan Smith Executive Director Fund	196,784	177,849
Financial reserve	10,143,729	9,523,317
Capital reserve and maintenance	5,645,043	5,319,018
Emergency fund	<u>2,161,788</u>	<u>2,885,932</u>
	18,597,344	18,306,116
Net investment in property, equipment, and leasehold improvements	<u>16,830,039</u>	<u>12,395,288</u>
	<u>\$ 42,913,895</u>	<u>\$ 41,071,317</u>

MEALS ON WHEELS PEOPLE, INC.

Notes to Financial Statements - Continued

15. Net Assets with Donor Restrictions and Net Assets Released from Restrictions

Net assets with donor restrictions consist of the following as of June 30:

	2024	2023
Subject for expenditure for specified purposes:		
Joan Smith Executive Director Fund	\$ 50,180	\$ 50,180
Meals 4 Kids - Eastside expansion	66,500	66,500
Solar project at Central Kitchen	-	283,582
Time and purpose restrictions	178,855	-
Other purpose restrictions	-	135,596
	<u>295,535</u>	<u>535,858</u>
Endowments:		
Center programs	438,418	438,418
Beneficial interest in charitable remainder trust held by others	620,375	386,197
	<u>1,058,793</u>	<u>824,615</u>
Total endowment funds	<u>1,058,793</u>	<u>824,615</u>
Total net assets with donor restrictions	<u>\$ 1,354,328</u>	<u>\$ 1,360,473</u>

During the year ended June 30, 2024, net assets of \$460,678 were released from donor restrictions by incurring expenses satisfying their restricted purpose (program activities).

16. Retirement Plan

The Organization maintains a defined contribution retirement plan (the Plan) that covers all eligible employees. The Organization makes a matching contribution of employee salary deferrals equal to 100 percent of the deferrals, not to exceed 5 percent of eligible compensation. In addition, the Organization makes an additional contribution equal to 3 percent of an employee's eligible compensation. Employer contributions to the Plan during the year ended June 30, 2024, totaled \$396,270.

MEALS ON WHEELS PEOPLE, INC.

Notes to Financial Statements - Continued

17. Joint Costs

The Organization conducts certain activities that include requests for contributions, as well as program and management and general components. These activities include the distribution of the Organization's annual report and publication of newsletters. Management feels that the costs of conducting these activities are immaterial and has accounted for these costs as fundraising expenditures in the statement of functional expenses.

18. Concentrations

The Organization received approximately 35 percent of its operational funding from governmental agencies during the year ended June 30, 2024. If a significant reduction in the level of this funding were to occur, it would affect the Organization's ability to provide programs and services.

Substantially all the Organization's contracts and sales revenue reported in the accompanying statement of activities was derived from three customers in 2024. Sales to these customers accounted for 71 percent of total contracts and sales revenue for the year ended June 30, 2024. Included in contract meals receivable in *Note 5* were amounts due from one of these customers totaling \$108,712 at June 30, 2024.

19. Financial Instruments with Concentrations of Risk

Financial instruments that potentially subject the Organization to concentrations of risk consist principally of: cash and cash equivalents; investments (*Note 4*); accounts and grants receivable (*Note 5*); pledges (*Note 6*); beneficial interest in charitable remainder trust (*Note 7*); and investments held at community foundations (*Note 8*).

The Organization's investments, including those held related to the charitable gift annuity and those held by community foundations, as well as its beneficial interest in charitable remainder trust, are exposed to various risks, such as interest rate, market, and credit risk. The value, liquidity, and related income of these investments are sensitive to changes in economic conditions and may be adversely affected by shifts in the market's perception of the issuers and changes in interest rates.

20. Contingencies

Amounts received from various contracting and granting agencies are subject to audit and potential adjustment by the contracting and granting agencies. Any disallowed claims, including amounts already collected, would become a liability of the Organization if so determined in the future. It is management's belief no material amounts received will be required to be returned in the future that have not already been provided for.

MEALS ON WHEELS PEOPLE, INC.

Notes to Financial Statements - Continued

21. Fair Value Measurements

GAAP provides the framework for measuring fair value. The classification of assets and liabilities within the fair value hierarchy is based on whether the inputs to the valuation methodology used for measurement are observable or unobservable. Observable inputs reflect market-derived or market-based information obtained from independent sources while unobservable inputs reflect estimates about market data. At June 30, 2024, there were no liabilities measured at fair value.

The three levels of the fair value hierarchy under GAAP and the valuation methodologies used for assets are described below:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets the Organization has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets.
- Quoted prices for identical or similar assets or liabilities in inactive markets.
- Inputs other than quoted prices that are observable for the asset or liability.
- Inputs derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Fair value is based on significant unobservable inputs.

The asset's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The Organization recognizes transfers into and out of levels within the fair value hierarchy at the actual date of the event or change in circumstances that caused the transfer.

MEALS ON WHEELS PEOPLE, INC.

Notes to Financial Statements - Continued

21. Fair Value Measurements - Continued

The following table sets forth by level, within the fair value hierarchy, the Organization's assets measured at fair value on a recurring basis as of June 30, 2024 (there were no assets valued using a level 2 type measurement):

	Total	Level 1	Level 3
Investments:			
Domestic equity mutual funds	\$ 5,839,128	\$ 5,839,128	\$ -
International equity mutual funds	3,374,729	3,374,729	-
Bond funds	3,454,787	3,454,787	-
Treasury securities	6,149,964	6,149,964	-
Money market funds	2,450,467	2,450,467	-
Exchange traded funds	<u>2,871,478</u>	<u>2,871,478</u>	<u>-</u>
Total investments	24,140,553	24,140,553	-
Beneficial interest in charitable remainder trust	620,375	-	620,375
Investments held at community foundations	<u>655,810</u>	<u>-</u>	<u>655,810</u>
Total assets at fair value	<u>\$ 25,416,738</u>	<u>\$ 24,140,553</u>	<u>\$ 1,276,185</u>

Following is a description of the valuation methodologies used for assets measured at fair value:

Mutual funds, bond funds, treasury securities, money market funds, and exchange traded funds - Valued based on quoted market prices in active markets of shares held by the Organization at year end and are classified as Level 1.

Beneficial interest in charitable remainder trust - The expected future inflows from the trust is based on the fair value of the underlying investments and the life expectancy of the donor and have been discounted using a discount rate of 5 percent. Since there are unobservable inputs that are significant in determining the fair value, this asset is classified as Level 3.

Investments held at community foundations - Assets held at the foundations represent the Organization's share of a pooled investment portfolio managed by the foundations. The Organization's share of the pooled investment portfolio is not actively traded and significant other observable inputs are not available. However, the underlying investments of the foundations are measured by management of the foundations using a variety of valuation methods including Level 1, Level 2, and Level 3 inputs. As such, this asset is classified as Level 3.

MEALS ON WHEELS PEOPLE, INC.

Notes to Financial Statements - Continued

22. Endowment Funds

The Organization's endowment consists of certain investments (*Note 4*), funds held at OCF (*Note 8*), and a beneficial interest in a charitable remainder trust (*Note 7*). As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Organization manages its endowment in accordance with the provisions of the Uniform Prudent Management of Institutional Funds Act (UPMIFA). The Board of Directors of the Organization has interpreted UPMIFA as allowing the Organization to appropriate for expenditure or accumulate so much of an endowment fund as the Organization determines is prudent for the uses, benefits, purposes, and duration for which the endowment fund is established, subject to the intent of the donor as expressed in the gift agreement. Unless otherwise stated in the gift instrument, the assets in an endowment fund shall be donor restricted assets until appropriated for expenditure by the Board of Directors.

The Organization classifies as donor restricted endowment funds: (a) the original value of gifts donated to the endowment; (b) the original value of subsequent gifts to the endowment; and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument, if any, at the time the accumulation is added to the fund. Also included in net assets with donor restrictions is accumulated appreciation on donor restricted endowment funds, which are available for expenditure.

In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund;
- The purposes of the Organization and the donor-restricted endowment fund;
- General economic conditions;
- The possible effect of inflation and deflation;
- The expected total return from income and the appreciation of investments;
- Other resources of the Organization; and
- The investment policies of the Organization.

Management has adopted an investment and spending policy for the endowment assets that attempt to provide a predictable stream of funding to programs. The spending policy calls for a 4.5 percent distribution of the fair value of the endowment based on the preceding 12-quarter average balance to the Organization. This has resulted in amounts earned on the corpus being appropriated in the same year. The Organization elected not to appropriate any funds in the current year.

MEALS ON WHEELS PEOPLE, INC.

Notes to Financial Statements - Continued

22. Endowment Funds - Continued

OCF follows a total-return strategy in which investment decisions are made with the intent of maximizing the long-term total return of the investment portfolio, combining market-value changes (realized and unrealized) and current yield (interest and dividends). Funds held with OCF are invested in a mixture of equities, fixed-income instruments, alternative investment classes (such as hedge funds, distressed debt, private investments), and cash. The Organization believes the investment and spending policy is consistent with the Organization's objective to maintain purchasing power of the endowment assets held in perpetuity, as well as to provide additional real growth through new gifts and investment return.

Changes in endowment net assets for the year ended June 30, 2024:

Endowment net assets, beginning of year	\$ 824,615
Change in value of beneficial interest in charitable remainder trust	<u>234,178</u>
Endowment net assets, ending of year	<u><u>\$ 1,058,793</u></u>

MEALS ON WHEELS PEOPLE, INC.

Notes to Financial Statements - Continued

23. Liquidity and Availability of Resources

The Organization's financial assets available for general expenditures within one year of the statement of financial position date consist of the following at June 30, 2024:

Cash and cash equivalents	\$ 2,686,282
Investments	24,140,553
Accounts and grants receivable - net	<u>1,365,405</u>
Total financial assets available within one year	28,192,240
Less:	
Amounts unavailable for general expenditures within one year, due to:	
Restricted by donors as to purpose	116,680
Restricted by donors to investment in perpetuity	<u>99,490</u>
	216,170
Board designated funds unavailable	<u>18,597,344</u>
Total amounts unavailable	<u>(18,813,514)</u>
Total financial assets available for general expenditures within one year	<u><u>\$ 9,378,726</u></u>

The Organization's endowment fund consists of donor restricted gifts. Income from donor restricted endowments is restricted for specific purposes, with the exception of the amounts available for general use as described in *Note 22*.

The Organization's board designated funds, held as long-term investments, are subject to an annual spending rate of 4.5 percent as described in *Note 22*. Although the Organization does not intend to spend from the board designated funds other than amounts appropriated for general expenditure as part of the Organization's annual budget approval and appropriation, these amounts could be available if necessary.

As part of the Organization's liquidity management plan, the Organization typically invests cash in excess of daily requirements in short-term investments, bonds, and money market funds.