

**METRO ERIE MEALS ON WHEELS, INC
FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
JUNE 30, 2021 and 2020**

TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT ACCOUNTANTS' REVIEW REPORT	1
FINANCIAL STATEMENTS	
Statements of Financial Position	3
Statements of Activities and Changes in Net Assets	4
Statements of Functional Expenses	5
Statements of Cash Flows	6
Notes to Financial Statements	7
SUPPLEMENTAL INFORMATION	
County of Erie/Title XX Adult Services Block Grant Home Delivered Meals Program Schedules of Budgeted and Incurred Costs	14



Joseph P. Maloney, CPA, CFE
James R. Scarpitti, CPA
Rick L. Clayton, CPA

Christopher A. Elwell, CPA
Ryan D. Garofalo, CPA

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Directors
Metro Erie Meals on Wheels, Inc.
Erie, PA

We have reviewed the accompanying financial statements of Metro Erie Meals on Wheels (a nonprofit corporation), which comprise the statement of financial position as of June 30, 2021 and 2020, 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 company 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 for them to be in accordance with accounting principles generally accepted in the United States of America.

Supplementary Information

The 2021 and 2020 supplementary information included is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The supplementary information has been subjected to the review procedures applied in our review of the basic financial statements. We are not aware of any material modifications that should be made to the supplementary information. We have not audited the supplementary information and do not express an opinion on such information.

Maloney, Reed, Scarpitti & Company, LLP

Erie, PA
November 2, 2021

METRO ERIE MEALS ON WHEELS, INC.
STATEMENTS OF FINANCIAL POSITION
June 30, 2021 and 2020

	2021	2020
ASSETS		
Cash- unrestricted	\$ 56,367	\$ 62,988
Cash- restricted	600	-
Accounts receivable:		
Client fees	522	742
Erie County-Under 60 program	-	4,246
Prepaid expenses	4,099	4,160
TOTAL CURRENT ASSETS	\$ 61,588	\$ 72,136
Property and equipment, net accumulated depreciation	5,946	2,016
Investment	2,321,634	1,988,629
TOTAL ASSETS	\$ 2,389,168	\$ 2,062,781
LIABILITIES		
Accounts payable	\$ 16,085	\$ 11,225
Payroll liabilities and accrued expenses	2,334	2,356
Compensated absences	2,716	3,808
SBA PPP Loan	-	25,500
Deferred revenue	4,467	3,545
TOTAL LIABILITIES	\$ 25,602	\$ 46,434
NET ASSETS		
Without donor restrictions	\$ 2,362,966	\$ 2,016,347
With donor restrictions	600	-
TOTAL NET ASSETS	\$ 2,363,566	\$ 2,016,347
LIABILITIES AND NET ASSETS	\$ 2,389,168	\$ 2,062,781

METRO ERIE MEALS ON WHEELS, INC
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
For the Years Ended June 30, 2021 and 2020

	Without donor restrictions	2021 With donor restrictions	Total
PUBLIC SUPPORT			
Contributions	\$ 33,067	\$ -	\$ 33,067
Grants	24,000	42,000	66,000
Fundraising	57,666	-	57,666
	<u>114,733</u>	<u>42,000</u>	<u>156,733</u>
TOTAL PUBLIC SUPPORT	\$ 114,733	\$ 42,000	\$ 156,733
PROGRAM REVENUE			
Erie County-Under 60 program	\$ 49,292	\$ -	\$ 49,292
Client fees	128,209	-	128,209
Grocery shopping program	64,819	-	64,819
GECAC-Over 60 program	-	-	-
	<u>242,320</u>	<u>-</u>	<u>242,320</u>
TOTAL PROGRAM REVENUE	\$ 242,320	\$ -	\$ 242,320
OTHER REVENUE			
Interest and dividend income	\$ 68,478	\$ -	\$ 68,478
Net realized and unrealized gains(losses)	350,675	-	350,675
Miscellaneous income	5,846	-	5,846
	<u>424,999</u>	<u>-</u>	<u>424,999</u>
TOTAL OTHER REVENUE	\$ 424,999	\$ -	\$ 424,999
	<u>782,052</u>	<u>42,000</u>	<u>824,052</u>
TOTAL REVENUE	\$ 782,052	\$ 42,000	\$ 824,052
EXPENSES			
Program services	\$ 378,861	\$ -	\$ 378,861
Supporting services	72,512	-	72,512
Fundraising	25,460	-	25,460
	<u>476,833</u>	<u>-</u>	<u>476,834</u>
TOTAL EXPENSES	\$ 476,833	\$ -	\$ 476,834
INCREASE IN NET ASSETS	\$ 305,219	\$ 42,000	\$ 347,219
Net assets released from restrictions			
Satisfaction of purpose restrictions	41,400	(41,400)	-
NET ASSETS, BEGINNING OF YEAR	<u>2,016,347</u>	<u>-</u>	<u>2,016,347</u>
NET ASSETS, END OF YEAR	<u><u>\$ 2,362,966</u></u>	<u><u>\$ 600</u></u>	<u><u>\$ 2,363,566</u></u>

	2020	
Without donor restrictions	With donor restrictions	Total
\$ 16,300	\$ -	\$ 16,300
15,300	-	15,300
<u>60,794</u>	<u>-</u>	<u>60,794</u>
\$ <u>92,394</u>	\$ <u>-</u>	\$ <u>92,394</u>
\$ 49,830	\$ -	\$ 49,830
95,268	-	95,268
56,040	-	56,040
<u>18,939</u>	<u>-</u>	<u>18,939</u>
\$ <u>220,077</u>	\$ <u>-</u>	\$ <u>220,077</u>
\$ 36,621	\$ -	\$ 36,621
181,586	-	181,586
<u>-</u>	<u>-</u>	<u>-</u>
\$ <u>218,207</u>	\$ <u>-</u>	\$ <u>218,207</u>
\$ <u>530,678</u>	\$ <u>-</u>	\$ <u>530,678</u>
\$ 288,206	\$ -	\$ 288,206
83,421	-	83,421
<u>22,645</u>	<u>-</u>	<u>22,645</u>
\$ <u>394,272</u>	\$ <u>-</u>	\$ <u>394,272</u>
\$ 136,406	\$ -	\$ 136,406
-	-	-
<u>1,879,941</u>	<u>-</u>	<u>1,879,941</u>
\$ <u><u>2,016,347</u></u>	\$ <u><u>-</u></u>	\$ <u><u>2,016,347</u></u>

METRO ERIE MEALS ON WHEELS, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
For the Years Ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
PROGRAM SERVICES		
Meals for delivery	\$ 183,491	\$ 118,004
Salaries, benefits and taxes	84,886	87,282
Grocery program	66,841	45,901
Local transportation	7,726	9,072
Advertising	21,932	16,071
Volunteer appreciation	545	1,902
Insurance	1,725	1,556
Supplies	1,847	440
Occupancy	6,427	5,498
Telephone and internet	<u>3,441</u>	<u>2,480</u>
TOTAL PROGRAM SERVICES	\$ <u>378,861</u>	\$ <u>288,206</u>
SUPPORTING SERVICES		
Salaries, benefits and taxes	\$ 26,134	\$ 26,466
Occupancy	6,427	5,498
Local transportation	199	325
Legal and professional	9,132	9,250
Investment fees	16,148	22,626
Printing	67	3,372
Insurance	1,058	953
Depreciation	924	751
Postage	1,607	1,397
Supplies	6,327	5,520
Uncollectible accounts	176	70
Miscellaneous supporting expenses	3,932	6,917
Telephone and internet	<u>382</u>	<u>276</u>
TOTAL SUPPORTING SERVICES	\$ <u>72,512</u>	\$ <u>83,421</u>
FUNDRAISING EXPENSES	\$ <u>25,460</u>	\$ <u>22,645</u>
TOTAL EXPENSES	\$ <u><u>476,833</u></u>	\$ <u><u>394,272</u></u>

METRO ERIE MEALS ON WHEELS, INC.
STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 347,219	\$ 136,406
Adjustments to reconcile change in net assets to net cash provided by (used in)		
Depreciation	924	751
Net realized and unrealized gain on investments	(350,675)	(181,586)
Decrease (increase) in:		
Accounts receivable	4,467	15,108
Prepaid expenses	61	(1,226)
(Decrease) increase in:		
Accounts payable	4,860	3,773
Payroll liabilities and accrued expenses	(22)	(6,646)
Compensated absences	(1,092)	3,071
Deferred revenue	922	2,045
	<u>6,664</u>	<u>(28,304)</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	\$ <u>6,664</u>	\$ <u>(28,304)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital asset additions	\$ (4,854)	\$ -
Purchase of investments	(1,052,762)	(1,983,979)
Proceeds from sale of investments	1,070,431	2,029,983
	<u>12,815</u>	<u>46,004</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	\$ <u>12,815</u>	\$ <u>46,004</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
(Forgiveness) proceeds from debt	\$ (25,500)	\$ 25,500
	<u>(25,500)</u>	<u>25,500</u>
NET CASH (USED IN) PROVIDED BY FINANCING ACTIVITIES	\$ <u>(25,500)</u>	\$ <u>25,500</u>
NET (DECREASE) INCREASE IN CASH AND RESTRICTED CASH	\$ (6,021)	\$ 43,200
CASH AND RESTRICTED CASH AT BEGINNING OF YEAR	<u>62,988</u>	<u>19,788</u>
CASH AND RESTRICTED CASH AT END OF YEAR	\$ <u><u>56,967</u></u>	\$ <u><u>62,988</u></u>

Metro Erie Meals on Wheels
NOTES TO FINANCIAL STATEMENTS
June 30, 2021 and 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business

The Metro Erie Meals on Wheels (“Agency”) is a non-profit corporation organized to promote healthy, independent living through home delivery of nutrition services to aged, convalescent and handicapped individuals who for physical, psychological, or economic reasons are unable to prepare meals or grocery shop for themselves, thereby intending to preserve the independence of and to prevent hardship and deterioration to those served.

The Agency entered a contract with the County of Erie, Department of Human Services, Office of Mental Health and Mental Retardation to provide services to qualifying individuals under sixty years of age. Meals are purchased from LECOM and delivered to qualifying clients under this contract.

Services are provided to private clients who qualify but are unable to or do not wish to be under one of the above provider contracts. Private clients pay for meals delivered to them. Meals are purchased from LECOM and delivered to these clients. In addition, the Agency offers a grocery shopping and delivery service for home bound and disabled individuals. For a nominal fee plus cost of groceries, volunteers will shop the grocery list and deliver right to the clients’ door.

Basis of Accounting

The financial statements of the Agency have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles applicable to non-profit organizations. Revenues are recognized when measurable and available and expenditures are recognized when incurred.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Agency considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. At June 30, 2021 and 2020 the Agency had no cash equivalents.

Income Taxes

The Agency, a nonprofit corporation operating under section 501(c)(3) of the Internal Revenue Code, is generally exempt from federal, state, and local income taxes and, accordingly, no provision for income taxes is included in the financial statements. The Agency has not recognized any activity that would require the filing of federal Form 990-T for unrelated business income taxes.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the Statements of Activities and Change in Net Assets and in the Statements of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Receivables

Receivables are considered to be fully collectible. Accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, they will be charged to operations when that determination is made.

Financial Statement Presentation

The Agency is required to report information regarding its financial position and activities according to two classes of net assets: without donor restriction and with donor restriction. For the years ended June 30, 2021, the Agency had \$600 of net assets with donor restrictions.

In addition, the Agency is required to present a statement of cash flows. The Agency has further classified net assets without restrictions into board designated of which there are none on June 30, 2021, and 2020.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. Accordingly, actual results could differ from these estimates.

Contributions

Contributions are recognized when the donor makes a promise to give to the organization that is, in substance, unconditional. Donor restricted contributions are reported as increase net assets with donor restrictions depending on the nature of the restrictions such as purpose, time, and perpetuity. When a restriction expires, net assets with restrictions are reclassified to net assets without restrictions.

Concentration of Credit Risk

The Agency's financial instruments that are exposed to concentration of credit risk consist primarily of cash. The Agency's cash is primarily held in two banks and is FDIC insured up to \$250,000. Balances did not exceed this amount at June 30, 2021 and 2020.

Fair Value

The Agency reports its financial assets and liabilities at fair value which is defined here as the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. This price is known as the exit price. In many cases original cost will equal the exit price and therefore, represent fair value.

Donated Services

Contributions of donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received. Contributed services that do not meet the above criteria are not recognized. Many volunteers have donated substantial amounts of time on behalf of the Agency, but no amounts have been reflected in the financial statements because the criteria for recognition under FASB ASC 958-605 have not been satisfied.

NOTE 2 – RISK MANAGEMENT

The Agency carries insurance for all risks of loss, including workers compensation and general liability.

NOTE 3 - CONCENTRATION OF RISK – DEPENDENCE

The Agency is dependent on the cash donations and grants from the area which it serves. It will rarely receive monetary donations from outside of this area.

NOTE 4 - ADVERTISING

The Agency expenses the costs of advertising as incurred. Advertising expense amounted to \$21,932 and \$16,071, respectively, for the years ended June 30, 2021, and 2020.

NOTE 5 – UNCERTAIN TAX POSITIONS

Management has determined that the Agency does not have any uncertain tax positions and associated unrecognized benefits that materially impact the financial statements or related disclosures. Since tax matters are subject to some degree of uncertainty, there can be no assurance that the Agency's tax returns will not be challenged by the taxing authorities and that the Agency will not be subject to tax, penalties, and interest as a result of such challenge. Generally, the Agency's tax returns remain open for three years for federal and state income tax examination. The Agency does not have any accruals for uncertain tax positions as of June 30, 2021, and 2020.

NOTE 6 – COMPENSATED ABSENCES

The Agency's policies provide for an accumulation of up to 30 sick days for each of its full-time staff. The liability accumulated under this policy, which amounts to \$2,716 and \$3,808 at June 30, 2021, and 2020 respectively, is recorded as compensated absences.

NOTE 7 – DEFERRED REVENUE

During 2021 and 2020, private clients made advance payments on their accounts. These advances will be applied to future deliveries and are therefore recorded as deferred revenue. In addition, the Agency received special event revenue for an event being held in the subsequent year; it is being shown on the Statement of Financial Position at June 30, 2021, and 2020 as \$4,467 and \$3,545, respectively.

NOTE 8 - CONTINGENCIES

The use of contract and grant monies received is subject to compliance audits by the disbursing agencies. The Agency's management believes it is following all significant contract and grant requirements.

NOTE 9 – RETIREMENT PLAN

The Agency has a Simple IRA retirement plan. All full-time employees are eligible to participate in the plan after two full years of employment. The Agency contributes 2% of the employee's salary to the plan. The amount of the contribution for the year ended June 30, 2021, was \$1,848 and for June 30, 2020, was \$1,706.

NOTE 10 – ALLOCATED COSTS

The financial statements of the Agency 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. The expenses that are allocated included occupancy costs, which are allocated on a square footage basis, as well as salaries and benefits, which are allocated based on time and effort studies.

NOTE 11 – LEASE COMMITMENTS

In March of 2021, the Agency updated their lease agreement with the Women’s Care Center of Erie to occupy a second suite space at the Agency’s current address. This event stems from the need for increased office space for staff members as well as the need for additional storage space. The term of the updated lease is 36 months which commenced in April of 2021 with monthly lease payments of \$1,175 or \$14,100 per year. The previous lease, which began in November of 2020, expired upon the conception of the updated lease, and had monthly lease payments of \$790. Lease expense for the year ended June 30, 2021, and June 30, 2020, was \$11,502 and \$9,544 respectively.

NOTE 12 – PROPERTY AND EQUIPMENT

Maintenance and repairs are charged to expense as incurred, while major renewals and betterments are capitalized. Property and equipment are stated at its fair market value at the date of donation for donated property and equipment, and at cost for property and equipment purchased. Depreciation of property and equipment has been provided on a straight-line basis over the estimated useful lives of the respective property and equipment. The Agency capitalizes property and equipment with a cost of over \$1,000 and an estimated life of five or more years. Depreciation is computed using the straight-line method based on the estimated useful lives of the assets, as follows:

Building and Improvements	10-30 Years
Furniture and Equipment	5-10 Years

The balance at June 30, 2021, and 2020 consists of the following:

	<u>2021</u>	<u>2020</u>
Office equipment	\$ 9,015	\$ 6,661
Program equipment	7,772	7,772
Leasehold improvements	<u>4,155</u>	<u>1,655</u>
Total	\$ 20,942	\$ 16,088
Less: Accumulated depreciation	<u>(14,996)</u>	<u>(14,072)</u>
	<u>\$ 5,946</u>	<u>\$ 2,016</u>

NOTE 13 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

Metro Erie Meals on Wheels manages its liquid resources by focusing on fundraising efforts to ensure the entity has adequate contributions and grants to cover programs that are being conducted. The Agency prepares very detailed budgets and has been very active in cutting costs to ensure the entity remains liquid. The following reflects the Agency's financial assets (cash and cash equivalents, accounts receivable, investments and other assets) as of June 30, 2021, expected to be available within one year to meet the cash needs for general expenditures: \$60,988. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the financial position date. Receivables are subject to implied time restrictions but are expected to be collected within one year.

NOTE 14 – PAYCHECK PROTECTION PROGRAM

On May 7, 2020, Metro Erie Meals on Wheels received loan proceeds in the amount of \$25,500 under the Paycheck Protection Program ("PPP"). Established as part of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"), the PPP provides for loans to qualifying not-for-profits in amounts up to 2.5 times the entity's average monthly payroll expenses. PPP loans and accrued interest are forgivable after a "covered period" (eight or 24 weeks) as long as the borrower maintains its payroll levels and uses the loan proceeds for eligible purposes, including payroll, benefits, rent, and utilities. The forgiveness amount will be reduced if the borrower terminates employees or reduces salaries during the covered period. Any unforgiven portion of a PPP loan is payable over two or five years at an interest rate of 1%, with a deferral of payments for 10 months after the end of the covered period. Metro Erie Meals on Wheels intends to use PPP loan proceeds for purposes consistent with the PPP and apply for forgiveness within 10 months of the end of the covered period. For the year ended June 30, 2021, the loan proceeds have been forgiven in full by the Small Business Administration.

NOTE 15 – ADOPTION OF NEW ACCOUNTING PRONOUNCEMENT

For the year ended June 30, 2021, the Organization adopted the Financial Accounting Standards Board's Accounting Standards Update (ASU) number 2018-08 – Not-for-Profit Entities (Topic 958): *Clarifying the scope and the accounting guidance for contributions received and contributions made*. This update assists entities in evaluating whether transactions should be accounted as contributions within the scope of topic 958, or as an exchange transaction subject to other guidance, and determining whether a contribution is conditional. The changes required by the update have been applied retrospectively to all periods presented. The amendments clarify how an entity determines whether a resource provider is participating in and exchange transaction by evaluating whether the resource provider is receiving commensurate value for the resources transferred.

NOTE 16 – PENDING ACCOUNTING PRONOUNCEMENTS

The Financial Accounting Standards Board (FASB) has issued amendments of the FASB Accounting Standards Codification that will become effective in future years as shown below. Management has not yet determined the impact of these pronouncements on the Organization's financial statements. ASU 2016-02, "Leases (Topic 842)," is effective for the financial statements for the year beginning after December 15, 2021. This amendment will require lessees to recognize assets and liabilities on the statement of financial position for the rights and obligations created by all leases with terms of more than twelve months. Disclosures also will be required by lessees to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

NOTE 16 – SUBSEQUENT EVENTS

In preparing these financial statements the Agency has evaluated events and transactions for potential recognition or disclosure through November 2, 2021, which is the date the financial statements were available to be issued.

As of June 30, 2021, the agency has recognized the events the COVID-19 pandemic and is aware of the consequences of the outbreak through the 2021 and 2020 fiscal years. Management has recognized the extra precautions that an organization such as Metro Erie Meals on Wheels would have to take to have a safe and healthy environment for their operations. An event such as the COVID-19 pandemic could have implications on increased costs for said safety measures which could lead to more loss provoking activities in the future as well as postponements in fundraising events.

NOTE 17 – INVESTMENTS

The investment account represents amounts received in a prior year from an anonymous donor, which have been invested with Huntington Private Financial and Erie Bank Investment Advisor. During the fiscal year ended June 30, 2021, the Agency closed their investment account with Huntington Private Financial and transferred all of the funds into the Erie Bank Investment account.

As of, June 30, 2021, the investment account's ending market value was \$2,321,634 while at June 30, 2020, the market value was \$1,988,629. Investment income recognized for the year ended June 30, 2021, was \$68,487 while investment income was \$36,321 for the year ended June 30, 2020. The realized gain for the year ended June 30, 2021, was \$256,342 while the realized gain for the year ended June 30, 2020, was \$92,683. The unrealized gain was \$94,333 for June 30, 2021, and the unrealized gain was \$88,903 for June 30, 2020. Investment fees paid out totaled \$16,148 and \$22,626 for the years ended June 30, 2021, and 2020, respectively.

The investment allocation at year end is as follows:

June 30, 2021	<u>Cost</u>	<u>Fair Value</u>
Cash and equivalents	\$ 16,876	\$ 16,876
Equities and mutual funds	1,187,894	1,535,394
Bonds	<u>769,276</u>	<u>769,364</u>
Total	<u>\$ 1,974,046</u>	<u>\$ 2,321,634</u>
June 30, 2020	<u>Cost</u>	<u>Fair Value</u>
Cash and equivalents	\$ 712,709	\$ 712,709
Equities and mutual funds	489,136	567,286
Bonds	<u>697,881</u>	<u>708,634</u>
Total	<u>\$ 1,899,726</u>	<u>\$ 1,988,629</u>

NOTE 18 – FAIR VALUE FINANCIAL INSTRUMENTS

ASS ASC 820, Fair Value Measurements, defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. FASB ASC 820 also established a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that observable inputs be used when available. Level 1 observable inputs are inputs that market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the entity. Level 2 are inputs, other than quoted market prices, that are observable, either directly or indirectly. Level 3 inputs are unobservable inputs.

The table below presents the balance of assets measured at fair values as of June 30, 2021, and 2020:

Investments	<u>2021</u>	<u>2020</u>
Level 1	\$ 2,321,634	\$ 1,988,629
Level 2	-	-
Level 3	<u>-</u>	<u>-</u>
Total	\$ <u><u>2,321,634</u></u>	\$ <u><u>1,988,629</u></u>

SUPPLEMENTAL INFORMATION

METRO ERIE MEALS ON WHEELS, INC
COUNTY OF ERIE/TITLE XX ADULT SERVICES BLOCK GRANT
HOME DELIVERED MEALS PROGRAM
SCHEDULES OF BUDGETED AND INCURRED COSTS
For the Years Ended June 30, 2021 and 2020

	Approved	2021	
	Annual Budget	Costs	Over(Under)
	Under Age 60(1)	Incurred(2)	Budget
PERSONNEL EXPENSES			
Wages and salaries	\$ 16,169	\$ 16,654	\$ 485
Payroll taxes	1,237	1,274	37
Retirement	-	453	453
Insurance	1,034	2,370	1,336
TOTAL PERSONNEL EXPENSES	<u>18,440</u>	<u>20,751</u>	<u>2,311</u>
OPERATING EXPENSES			
Rent	\$ 1,125	\$ 2,818	\$ 1,693
Utilities	-	331	331
Insurance	504	427	(77)
Communications	630	37	(593)
Office supplies	2,124	1,550	(574)
Meals for delivery	41,250 (3)	162,747 (4)	121,497
Staff travel	-	49	49
Client travel	2,400	1,893	(507)
Volunteer recognition	460	134	(326)
Recruitment/advertising	2,588	5,373	2,785
Miscellaneous	1,545	164	(1,381)
TOTAL OPERATING EXPENSES	<u>\$ 52,626</u>	<u>\$ 175,523</u>	<u>\$ 122,897</u>
DISTRIBUTION OF ADMINISTRATION	<u>15,485</u>	<u>13,162</u>	<u>(2,323)</u>
TOTAL EXPENSES	<u>\$ 86,551</u>	<u>\$ 209,437</u>	<u>\$ 122,886</u>
GENERAL INCOME			
County of Erie, per contract	\$ 52,627	\$ 49,292	\$ (3,335)
Ineligible Agency incurred costs	-	-	-
Contributions	19,200	-	(19,200)
TOTAL GENERAL INCOME	<u>71,827</u>	<u>49,292</u>	<u>(3,335)</u>
TOTAL INCOME	<u>71,827</u>	<u>49,292</u>	<u>(3,335)</u>
EXCESS OF REVENUE OR (EXPENSES)	<u>\$ (14,724)</u>	<u>\$ (160,145)</u>	<u>\$ (126,221)</u>
UNITS OF SERVICE			
Cost per unit of service	8,713	8,482	
Average food cost	\$ 8.24	\$ 5.81	
Average delivery cost	\$ 5.20	\$ 5.50	
Meals delivered	17,426	16,964	
Average total cost per meal	\$ 4.97	\$ 12.35	

- (1) Budget cost is 15% of selected expenses based on projected units
- (2) Incurred cost is 24.5% of selected expenses items based on actual units
- (3) Projected food service cost
- (4) Actual food service cost

See independent accountants' review report

2020		
Approved Annual Budget Under Age 60(1)	Costs Incurred(2)	Over(Under) Budget
\$ 8,032	\$ 6,537	\$ (1,495)
614	500	(114)
-	175	175
<u>581</u>	<u>1,099</u>	<u>518</u>
<u>9,227</u>	<u>8,312</u>	<u>(915)</u>
\$ 2,160	\$ 976	\$ (1,184)
-	149	149
127	175	48
360	-	(360)
140	565	425
51,995 (3)	117,581 (4)	65,586
95	33	(62)
1,798	928	(870)
211	195	(16)
625	1,644	1,019
-	<u>1,706</u>	<u>1,706</u>
\$ <u>57,511</u>	\$ <u>123,951</u>	\$ <u>66,440</u>
-	-	-
\$ 66,738	\$ 132,263	\$ 65,525
\$ 52,627	\$ 49,830	\$ (2,797)
15,394	-	(15,394)
-	-	-
<u>68,021</u>	<u>49,830</u>	<u>(18,191)</u>
<u>68,021</u>	<u>49,830</u>	<u>(18,191)</u>
\$ <u>1,283</u>	\$ <u>(82,433)</u>	\$ <u>(83,716)</u>
8,248	8,250	
\$ 8.25	\$ 6.04	
\$ 1.79	\$ 1.78	
16,496	16,500	
\$ 4.05	\$ 8.02	

- (1) Budget cost is 12% of selected expenses based on projected units
(2) Incurred cost is 10.23% of selected expenses items based on actual units
(3) Projected food service cost
(4) Actual food service cost