

**VICTORIA SENIOR CITIZENS CENTER, INC.
dba MEALS ON WHEELS VICTORIA**

FINANCIAL STATEMENTS

FOR THE YEARS ENDED SEPTEMBER 30,

2019 AND 2018

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Victoria Senior Citizens Center, Inc.
dba Meals on Wheels Victoria
Victoria, Texas

We have audited the accompanying financial statements of the Victoria Senior Citizens Center, Inc. dba Meals on Wheels Victoria (a nonprofit organization), which comprise the statement of financial position as of September 30, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Victoria Senior Citizens Center, Inc. dba Meals on Wheels Victoria as of September 30, 2019, 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.

The financial statements of Victoria Senior Citizens Center, Inc. dba Meals on Wheels Victoria as of September 30, 2018, were audited by other auditors whose report dated January 11, 2019, expressed an unmodified opinion on those statements.

Roloff, Hnatek + Co., L.L.P.

Certified Public Accountants

March 5, 2020

VICTORIA SENIOR CITIZENS CENTER, INC.
dba MEALS ON WHEELS VICTORIA
STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 2019 AND 2018

ASSETS

	<u>2019</u>	<u>2018</u>
Current Assets:		
Cash and Cash Equivalents	\$ 336,724	\$ 199,944
Accounts Receivable	31,611	55,554
Miscellaneous Receivable	-0-	680
Unconditional Promises to Give	42,750	50,250
Prepaid Expenses	<u>9,171</u>	<u>1,935</u>
Total Current Assets	420,256	308,363
Noncurrent Assets:		
Property and Equipment, Net	<u>305,435</u>	<u>153,023</u>
Total Assets	<u>\$ 725,691</u>	<u>\$ 461,386</u>

LIABILITIES AND NET ASSETS

Current Liabilities:		
Accounts Payable	\$ 36,394	\$ 6,872
Payroll Taxes Payable	71	57
Other Payroll Liabilities	<u>104</u>	<u>-0-</u>
Total Current Liabilities	<u>36,569</u>	<u>6,929</u>
Net Assets:		
With Donor Restrictions	84,368	60,695
Without Donor Restrictions	<u>604,754</u>	<u>393,762</u>
Total Net Assets	<u>689,122</u>	<u>454,457</u>
Total Liabilities and Net Assets	<u>\$ 725,691</u>	<u>\$ 461,386</u>

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

VICTORIA SENIOR CITIZENS CENTER, INC.
dba MEALS ON WHEELS VICTORIA
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support and Revenue:			
Grants and Contracts	\$ 236,478	\$ -0-	\$ 236,478
Program Revenues	23,899	-0-	23,899
Fundraising Income	1,000	-0-	1,000
Interest Income	4,149	-0-	4,149
Donations	183,861	169,513	353,374
United Way	57,000	-0-	57,000
Noncash Donations	25,038	-0-	25,038
Other Income	21,534	-0-	21,534
Net Assets Released from Restrictions	<u>145,840</u>	<u>(145,840)</u>	<u>-0-</u>
Total Support and Revenue	<u>698,799</u>	<u>23,673</u>	<u>722,472</u>
Expenses			
Program Services	410,128	-0-	410,128
Supporting Services:			
Administrative	74,395	-0-	74,395
Fundraising	<u>3,284</u>	<u>-0-</u>	<u>3,284</u>
Total Expenses	<u>487,807</u>	<u>-0-</u>	<u>487,807</u>
Increase in Net Assets	210,992	23,673	234,665
Net Assets, Beginning of Year	<u>393,762</u>	<u>60,695</u>	<u>454,457</u>
Net Assets, End of Year	<u>\$ 604,754</u>	<u>\$ 84,368</u>	<u>\$ 689,122</u>

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

VICTORIA SENIOR CITIZENS CENTER, INC.
dba MEALS ON WHEELS VICTORIA
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2018

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support and Revenue:			
Grants and Contracts	\$ 247,283	\$ -0-	\$ 247,283
Program Revenues	20,796	-0-	20,796
Fundraising Income	8,656	-0-	8,656
Interest Income	1,103	-0-	1,103
Donations	140,422	96,300	236,722
United Way	67,000	-0-	67,000
Noncash Donations	28,558	-0-	28,558
Other Income	3,738	-0-	3,738
Net Assets Released from Restrictions	<u>43,472</u>	<u>(43,472)</u>	<u>-0-</u>
Total Support and Revenue	<u>561,028</u>	<u>52,828</u>	<u>613,856</u>
Expenses			
Program Services	432,321	-0-	432,321
Supporting Services:			
Administrative	69,536	-0-	69,536
Fundraising	<u>2,678</u>	<u>-0-</u>	<u>2,678</u>
Total Expenses	<u>504,535</u>	<u>-0-</u>	<u>504,535</u>
Increase in Net Assets	56,493	52,828	109,321
Net Assets, Beginning of Year	<u>337,269</u>	<u>7,867</u>	<u>345,136</u>
Net Assets, End of Year	<u>\$ 393,762</u>	<u>\$ 60,695</u>	<u>\$ 454,457</u>

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

VICTORIA SENIOR CITIZENS CENTER, INC.
dba MEALS ON WHEELS VICTORIA
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED SEPTEMBER 30, 2019

	Program			
	Services	Administrative	Fundraising	Totals
Salaries				
Salaries	\$ 153,811	\$ 27,466	\$ 1,831	\$ 183,108
Payroll Taxes	12,081	2,157	144	14,382
Total Salaries and Related Expenses	165,892	29,623	1,975	197,490
Food and Related Expenses	102,238	-0-	-0-	102,238
Occupancy				
Janitorial Supplies	2,279	402	-0-	2,681
Maintenance and Repairs	13,206	2,330	-0-	15,536
Rent	19,125	3,375	-0-	22,500
Utilities and Telephone	21,944	3,873	-0-	25,817
Vehicle	15,895	-0-	-0-	15,895
Insurance	12,350	4,117	-0-	16,467
Other Expenses				
Advertising	2,577	1,190	198	3,965
Fundraising	-0-	-0-	754	754
Office	8,788	2,578	351	11,717
Postage	81	37	6	124
Professional Development	-0-	4,428	-0-	4,428
Professional Fees	-0-	16,863	-0-	16,863
Security	191	34	-0-	225
Program Expenses				
Restricted Donations Purchases	3,018	-0-	-0-	3,018
Program Events Expense	690	-0-	-0-	690
Meal Delivery and Supplies	19,673	-0-	-0-	19,673
Total Expenses Before Depreciation	387,947	68,850	3,284	460,081
Depreciation	22,181	5,545	-0-	27,726
Total Expenses	\$ 410,128	\$ 74,395	\$ 3,284	\$ 487,807

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

VICTORIA SENIOR CITIZENS CENTER, INC.
dba MEALS ON WHEELS VICTORIA
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED SEPTEMBER 30, 2018

	Program			
	Services	Administrative	Fundraising	Totals
Salaries				
Salaries	\$ 154,474	\$ 27,585	\$ 1,839	\$ 183,898
Payroll Taxes	12,233	2,184	146	14,563
Total Salaries and Related Expenses	166,707	29,769	1,985	198,461
Food and Related Expenses	126,902	-0-	-0-	126,902
Occupancy				
Janitorial Supplies	2,447	432	-0-	2,879
Maintenance and Repairs	6,351	1,121	-0-	7,472
Rent	19,125	3,375	-0-	22,500
Utilities and Telephone	20,465	3,611	-0-	24,076
Vehicle	22,149	-0-	-0-	22,149
Insurance				
Insurance	19,821	6,607	-0-	26,428
Other Expenses				
Advertising	769	355	58	1,182
Fundraising	-0-	-0-	562	562
Office	4,744	1,518	63	6,325
Postage	128	59	10	197
Professional Development	-0-	1,713	-0-	1,713
Professional Fees	-0-	15,600	-0-	15,600
Security	255	45	-0-	300
Program Expenses				
Restricted Donations Purchases	5,472	-0-	-0-	5,472
Program Events Expense	63	-0-	-0-	63
Meal Delivery and Supplies	15,598	-0-	-0-	15,598
Total Expenses Before Depreciation	410,996	64,205	2,678	477,879
Depreciation	21,325	5,331	-0-	26,656
Total Expenses	<u>\$ 432,321</u>	<u>\$ 69,536</u>	<u>\$ 2,678</u>	<u>\$ 504,535</u>

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

VICTORIA SENIOR CITIZENS CENTER, INC.
dba MEALS ON WHEELS VICTORIA
STATEMENT OF CASH FLOWS
YEARS ENDED SEPTEMBER 30, 2019 AND 2018

	2019	2018
Cash Flows From Operating Activities:		
Net Increase in Net Assets	\$ 234,665	\$ 109,321
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	27,726	26,656
(Increase) Decrease in Operating Assets		
Accounts Receivable	23,943	(38,276)
Miscellaneous Receivable	680	(154)
Note Receivable	-0-	600
Unconditional Promises to Give	7,500	3,750
Prepaid Expenses	(7,236)	2,041
Increase (Decrease) in Operating Liabilities		
Accounts Payable	29,522	(4,878)
Payroll Taxes Payable	14	(78)
Miscellaneous Payables	-0-	(88)
Other Payroll Liabilities	104	-0-
Net Cash Provided by Operating Activities	316,918	98,894
Cash Flows from Investing Activities:		
Purchases of Property and Equipment	(180,138)	(38,000)
Net Cash Used by Investing Activities	(180,138)	(38,000)
Net Increase in Cash and Cash Equivalents	136,780	60,894
Cash and Cash Equivalents, Beginning of Year	199,944	139,050
Cash and Cash Equivalents, End of Year	\$ 336,724	\$ 199,944
Supplemental Disclosures of Cash Flow Information		
Interest Paid	\$ 17	\$ -0-

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

VICTORIA SENIOR CITIZENS CENTER, INC.
dba MEALS ON WHEELS VICTORIA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019 AND 2018

Note 1: Nature of Activities

Victoria Senior Citizens Center, Inc. dba Meals on Wheels Victoria (the Center) is operated to provide services to the senior citizens of Victoria County, Texas. These services include transportation, on-site meals, delivered meals, social, recreation, education, information, referral and advocacy programs.

On September 12, 2018, the Center successfully filed with the office of the Secretary of the State of Texas to change its name from Victoria County Senior Citizens Center, Inc., to Victoria Senior Citizens Center, Inc. dba Meals on Wheels Victoria.

Note 2: Summary of Significant Accounting Policies

Basis of Accounting -- The Center prepares its financial statements in accordance with accounting principles generally accepted in the United States of America. Revenues are recognized when earned and expenses related to the revenues are recorded upon completion of the event to which they are applicable regardless of the timing of the related cash flows.

Basis of Financial Statement Presentation -- The Center reports information regarding its financial position and activities according to two classes of net assets: net assets with donor restrictions and net assets without donor restrictions.

Net assets without donor restrictions are net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Center. These net assets may be used at the discretion of the Center. Board-designated net assets are net assets without donor restrictions that are self-imposed limits by the action of the governing Board.

Net assets with donor restrictions are net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Board or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the Statement of Activities.

Cash and Cash Equivalents -- The Center considers all time deposits, certificates of deposit, investments in money market mutual funds, and highly liquid debt instruments with original maturities of three months or less to be cash equivalents.

Receivables -- The Center has contracted to provide services for certain government entities from which they are reimbursed. The receivables balance represents amounts earned on these contracts at September 30, 2019 and 2018. All receivables are considered to be fully collectible; accordingly, no allowance for doubtful accounts has been established.

VICTORIA SENIOR CITIZENS CENTER, INC.
dba MEALS ON WHEELS VICTORIA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019 AND 2018

Note 2: Summary of Significant Accounting Policies (Continued)

Contributions -- Contributions are recognized when the donor makes a promise to give to the Center that is, in substance, unconditional. Contributions that are restricted by the donor for future periods or a specific purpose are reported as increases in net assets with donor restrictions or without donor restrictions depending on the nature of the restriction. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Unconditional promises to give that are expected to be collected within one year are recorded at their realizable value. Unconditional promises to give that are expected to be collected after one year or more are recorded at the present value of estimated future cash flows. The discounts on those amounts are computed using a risk-free interest rate applicable to the year in which the promise is received. Amortization of the discount is included as contribution revenue. Conditional promises to give are not included as support until such time as the conditions are substantially met.

The Center reports gifts of property and equipment as unrestricted support 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.

If the only restriction on the unconditional promise to give is the construction or purchase of specified long-lived assets and absent explicit donor stipulations about how long those long-lived assets must be maintained, the Center reports expirations of donor restrictions as the donated or acquired long-lived assets are placed in service.

Prepaid Expenses -- Expense items of a nature that will benefit future periods are charged to the prepaid expense accounts and are expensed over the future periods to be benefited.

Compensated Absences -- The Center's vacation policy allows full-time employees with up to five years of service to accrue twelve days annually. For each service year over five, the employee receives an additional day per year up to a maximum of fifteen days. Part-time employees scheduled to work at least twenty hours per week accrue vacation at the same ratio of vacation leave to total hour worked as full-time employees. At September 30 of each year, accrued vacation leave in excess of five days (or its equivalent by ratio for those scheduled less than forty hours per week) is forfeited. Vacation leave is not paid upon termination.

The Center's sick leave policy allows full time employees to accrue sick leave at the same rate and ratio as vacation leave. Sick leave is not paid upon termination.

VICTORIA SENIOR CITIZENS CENTER, INC.
dba MEALS ON WHEELS VICTORIA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019 AND 2018

Note 2: Summary of Significant Accounting Policies (Continued)

Allocation of Expenses -- Certain categories of expenses are attributable to more than one program or supporting function and are allocated on a reasonable basis that is consistently applied. The expenses that are allocated are salaries and related benefits, which are allocated on the basis of estimates of time and effort; occupancy costs, insurance, depreciation, and other operating expenses, which are allocated based on usage studies conducted periodically.

Advertising Costs -- Advertising costs are expensed as incurred. Advertising expense was \$3,965 and \$1,182 for the years ended September 30, 2019 and 2018, respectively.

Property and Equipment -- The Center's policy is to capitalize property, improvements, and other assets that are valued at \$5,000 or more, and that are expected to have a useful life of greater than one year, at their historical cost or estimated fair market value. Expenditures for maintenance and repairs that do not significantly improve or extend the lives of the assets are expensed as incurred. Depreciation is taken on the straight-line method over the estimated useful lives of the related asset. Buildings are depreciated over twenty-five years, building improvements and office equipment over five to twelve years, and vehicles over five years. Property and equipment owned by the Center is reflected at original cost if acquired by purchase and if acquired by donation, at the fair market value at the time donated.

Income Taxes -- The Center is statutorily exempt from federal income tax under Internal Revenue Code section 501(c)(3). Accordingly, no provision for income tax expense has been included in the accompanying financial statements. In addition, it has been determined by the Internal Revenue Service not to be a "private foundation" within the meaning of Section 509(a). There was no unrelated business taxable income for fiscal years ended September 30, 2019 or 2018.

The accounting standard on accounting for uncertainty in income taxes addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under that guidance, the Center may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities based on the technical merits of the position. Examples of tax positions include the tax-exempt status of the Center and various positions related to the potential sources of unrelated business taxable income. The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. There were no unrecognized tax benefits identified or recorded as liabilities for the years ended September 30, 2019 and 2018.

The Center is generally no longer subject to examination by the Internal Revenue Service for tax years ending before 2016.

VICTORIA SENIOR CITIZENS CENTER, INC.
dba MEALS ON WHEELS VICTORIA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019 AND 2018

Note 2: Summary of Significant Accounting Policies (Concluded)

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 of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Donated Services, Property, and Materials -- Donated services are recognized as contributions in accordance with Financial Accounting Standards Board Accounting Standards Codification (“FASB ASC”) 958, *Presentation of Financial Statements of Not-for-Profit Entities*, if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Center.

The Center generally pays for services requiring specific expertise; however, the Center received donated pest control services during the year. A substantial number of volunteers donated significant amounts of their time in the Center’s program, but these services do not meet the criteria for recognition as contributed services. Donations of property and equipment are recorded as support at their fair market value at the date of donation. They are recorded to net assets without donor restrictions unless the donor has restricted the donated assets to a specific purpose.

Materials are donated throughout the year; however, their accumulated fair market value would not materially affect the financial statements and are not reflected.

The Food Bank of the Golden Crescent donates food products and basic need products to the Center. The estimated fair market value of these donations is reported in support and expenses in the Statement of Activities. The Center uses the fair market value per pound of donated food and donated basic need products according to Feeding America (a national food bank) in order to calculate total support and expenses.

The Victoria Housing Authority donates the use of space to operate a satellite facility. The estimated fair market value of the donated rent is reported in support and expenses in the accompanying statements of activities.

Reclassifications -- Certain prior year amounts have been reclassified to conform to the current year presentation.

Date of Management’s Review -- Subsequent events were evaluated through March 5, 2020, which is the date the financial statements were available to be issued.

VICTORIA SENIOR CITIZENS CENTER, INC.
dba MEALS ON WHEELS VICTORIA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019 AND 2018

Note 3: Concentration of Credit Risk

The Center maintains its cash in two financial institutions located in Victoria, Texas. Deposit accounts are guaranteed by the Federal Deposit Insurance Corporation (“FDIC”) up to \$250,000, for each deposit insurance category. At times, the balances in bank deposit accounts may exceed federally insured limits. The Center’s cash and cash equivalent balances were fully insured at September 30, 2019 and 2018. The Center has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk related to its cash and cash equivalents balances.

Note 4: Property and Equipment

As of September 30, 2019, and 2018, the Center’s property and equipment was comprised of the following:

	2019	2018
Nondepreciable:		
Land	\$ 14,483	\$ 14,483
Construction in Progress	74,889	-0-
Depreciable:		
Building and Improvements	418,627	337,628
Furniture and Equipment	146,084	121,834
Vehicles	84,686	84,686
Totals at Historical Cost	738,769	558,631
Accumulated Depreciation	(433,334)	(405,608)
Total Property and Equipment, Net	\$ 305,435	\$ 153,023

Depreciation expense for the years ended September 30, 2019 and 2018 was \$27,726 and \$26,656, respectively.

Note 5: Unconditional Promises to Give

The United Way of Victoria unconditionally promised to give the Center \$57,000 and \$62,000, respectively, in unrestricted contributions for the 2018/2019 and 2017/2018 granting cycles. The United Way of Victoria allocates grants on a fiscal year cycle of July 1 through June 30 and remits one fourth of the grant allocation on a quarterly basis. Accordingly, the Center accrues the unconditional promise to give in the amount of three quarterly payments not yet received by the end of the Center’s fiscal year reporting cycle of October 1 through September 30.

VICTORIA SENIOR CITIZENS CENTER, INC.
dba MEALS ON WHEELS VICTORIA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019 AND 2018

Note 6: Revenue Concentration

The majority of revenue is received from donations from various sources, federal grants awarded through Golden Crescent Regional Planning Commission, and the Victoria County United Way. The loss of these revenues would have a severe impact on the operation of the Center.

Note 7: Lease Agreement

On March 1, 2018, the Center entered into a lease agreement for a copy machine with Dewitt Poth and Son through Great America Financial Services. The lease agreement requires monthly payments of \$89 for 63 months with a late fee arrangement of the higher of \$26 or \$0.10 for each dollar overdue. Maintenance fees of \$0.009 for each black copy and \$0.06 for each color copy with a minimum charge of \$30 are also applied on a monthly basis.

The minimum lease payments are as follows:

Year Ending September 30,	Amount
2020	\$ 1,068
2021	1,068
2022	1,068
2023	801
2024	-0-
	<u>\$ 4,005</u>

Note 8: Availability and Liquidity of Financial Assets

The following represents the Center's financial assets as of September 30, 2019 and 2018 reduced by amounts not available for general use within one year of the balance sheet date because of donor-imposed restrictions.

	2019	2018
Cash	\$ 336,723	\$ 199,944
Receivables	31,611	56,234
Unconditional Promises to Give	42,750	50,250
Total Financial Assets	411,084	306,428
Less Donor-Imposed Purpose Restrictions	84,368	60,695
Financial Assets Available to Meet General Expenditures Over the Next Twelve Months	\$ 326,716	\$ 245,733

VICTORIA SENIOR CITIZENS CENTER, INC.
dba MEALS ON WHEELS VICTORIA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2019 AND 2018

Note 8: Availability and Liquidity of Financial Assets (Concluded)

The Center manages its liquidity by operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs while building reserves to assure long-term obligations will be discharged. In addition to the financial assets available to meet general expenditures over the next twelve months, the Center operates within a balanced budget and anticipates collecting sufficient revenues to cover general expenditures not covered by donor-restricted resources. Periodic actual to budget comparisons are performed and adjustments are made as considered necessary.

Note 9: Net Assets

Net assets at September 30, 2019 and 2018 were as follows:

	<u>2019</u>	<u>2018</u>
With Donor Restrictions		
Specific Purpose:		
Building Renovations/Parking Lot	\$ 79,383	\$ 59,843
Pet Program	2,500	-0-
Congregate Activity Equipment	1,500	-0-
Homebound Clients	985	852
	<u>\$ 84,368</u>	<u>\$ 60,695</u>
Without Donor Restrictions		
Undesignated	<u>\$ 433,334</u>	<u>\$ 393,762</u>

Net assets released from net assets with donor restrictions during the years ended September 30, 2019 and 2018 were as follows:

	<u>2019</u>	<u>2018</u>
Satisfaction of Purpose Restrictions:		
Building Renovations/Parking Lot	\$ 141,840	\$ 42,657
Christmas Gifts	3,000	-0-
Conferences	1,000	-0-
Meal Delivery Program	-0-	815
	<u>\$ 145,840</u>	<u>\$ 43,472</u>

VICTORIA SENIOR CITIZENS CENTER, INC.
dba MEALS ON WHEELS VICTORIA
NOTES TO FINANCIAL STATEMENTS
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Note 10: Change in Accounting Principle

On August 18, 2016, FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958) – *Presentation of Financial Statements of Not-for-Profit Entities* (ASU). The update addresses the complexity and understandability of net asset classifications, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Center has adjusted the presentation of these statements accordingly. The ASU has been applied retrospectively to all periods presented.