

Fort Bend Seniors Meals on Wheels

Financial Statements
and Independent Auditors' Report
for the years ended December 31, 2010 and 2009

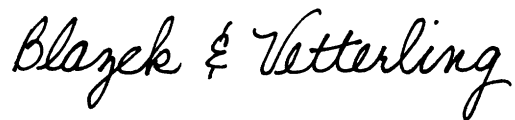
Independent Auditors' Report

To the Board of Directors of
Fort Bend Seniors Meals on Wheels

We have audited the accompanying statements of financial position of Fort Bend Seniors Meals on Wheels (Fort Bend Seniors) as of December 31, 2010 and 2009 and the related statements of activities, of functional expenses, and of cash flows for the years then ended. These financial statements are the responsibility of the management of Fort Bend Seniors. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform our audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Fort Bend Seniors as of December 31, 2010 and 2009 and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.



May 4, 2011

Fort Bend Seniors Meals on Wheels

Statements of Financial Position as of December 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
ASSETS		
Cash	\$ 361,445	\$ 542,927
Certificates of deposit	403,031	301,881
Receivables:		
United Way allocation	406,192	407,403
Government contracts	283,559	131,043
Pledges	52,299	54,856
Prepaid expenses	15,058	16,713
Property and equipment, net (<i>Note 2</i>)	<u>163,162</u>	<u>111,957</u>
TOTAL ASSETS	<u>\$ 1,684,746</u>	<u>\$ 1,566,780</u>
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable	\$ 126,121	\$ 140,390
Accrued salaries and benefits	20,573	12,291
Deferred revenue	<u>18,585</u>	<u>14,026</u>
Total liabilities	<u>165,279</u>	<u>166,707</u>
Net assets:		
Unrestricted (<i>Note 3</i>)	1,037,949	886,446
Temporarily restricted (<i>Note 4</i>)	<u>481,518</u>	<u>513,627</u>
Total net assets	<u>1,519,467</u>	<u>1,400,073</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,684,746</u>	<u>\$ 1,566,780</u>

See accompanying notes to financial statements.

Fort Bend Seniors Meals on Wheels

Statement of Activities for the year ended December 31, 2010

	<u>UNRESTRICTED</u>	TEMPORARILY <u>RESTRICTED</u>	<u>TOTAL</u>
REVENUE:			
Government contracts (<i>Note 5</i>)	\$ 1,090,825		\$ 1,090,825
Contributions	121,761	\$ 244,477	366,238
United Way allocation	16,003	406,192	422,195
In-kind contributions	316,733		316,733
Special events	171,131		171,131
Direct donor benefit costs of special events	(29,045)		(29,045)
Other income	<u>11,570</u>		<u>11,570</u>
Total revenue	1,698,978	650,669	2,349,647
Net assets released from restrictions:			
Expiration of time restrictions	407,403	(407,403)	
Program expenditures	236,775	(236,775)	
Capital expenditures	<u>38,600</u>	<u>(38,600)</u>	
Total	<u>2,381,756</u>	<u>(32,109)</u>	<u>2,349,647</u>
EXPENSES:			
Program expenses:			
Meals on Wheels	1,228,453		1,228,453
Senior centers	412,649		412,649
Transportation services	<u>247,741</u>		<u>247,741</u>
Total program expenses	1,888,843		1,888,843
Management and general	133,854		133,854
Fundraising	<u>207,556</u>		<u>207,556</u>
Total expenses	<u>2,230,253</u>		<u>2,230,253</u>
CHANGES IN NET ASSETS	151,503	(32,109)	119,394
Net assets, beginning of year	<u>886,446</u>	<u>513,627</u>	<u>1,400,073</u>
Net assets, end of year	<u>\$ 1,037,949</u>	<u>\$ 481,518</u>	<u>\$ 1,519,467</u>

See accompanying notes to financial statements.

Fort Bend Seniors Meals on Wheels

Statement of Activities for the year ended December 31, 2009

	<u>UNRESTRICTED</u>	<u>TEMPORARILY RESTRICTED</u>	<u>TOTAL</u>
REVENUE:			
Government contracts <i>(Note 5)</i>	\$ 912,471		\$ 912,471
Contributions	253,743	\$ 166,524	420,267
United Way allocation	2,916	407,403	410,319
In-kind contributions	322,796		322,796
Special events	101,922		101,922
Direct donor benefit costs of special events	(23,734)		(23,734)
Other income	<u>17,705</u>		<u>17,705</u>
Total revenue	1,587,819	573,927	2,161,746
Net assets released from restrictions:			
Expiration of time restrictions	442,587	(442,587)	
Program expenditures	<u>110,300</u>	<u>(110,300)</u>	
Total	<u>2,140,706</u>	<u>21,040</u>	<u>2,161,746</u>
EXPENSES:			
Program expenses:			
Meals on Wheels	1,013,216		1,013,216
Senior centers	382,950		382,950
Transportation services	<u>273,377</u>		<u>273,377</u>
Total program expenses	1,669,543		1,669,543
Management and general	109,629		109,629
Fundraising	<u>172,015</u>		<u>172,015</u>
Total expenses	<u>1,951,187</u>		<u>1,951,187</u>
CHANGES IN NET ASSETS	189,519	21,040	210,559
Net assets, beginning of year	<u>696,927</u>	<u>492,587</u>	<u>1,189,514</u>
Net assets, end of year	<u>\$ 886,446</u>	<u>\$ 513,627</u>	<u>\$ 1,400,073</u>

See accompanying notes to financial statements.

Fort Bend Seniors Meals on Wheels

Statement of Functional Expenses for the year ended December 31, 2010

	MEALS ON WHEELS	SENIOR CENTERS	TRANSPORTATION SERVICES	MANAGEMENT AND GENERAL	FUNDRAISING	TOTAL
Food	\$ 645,563	\$ 164,331				\$ 809,894
Salaries and related expenses	360,450	111,001	\$ 18,749	\$ 56,513	\$ 161,086	707,799
Transportation			226,207			226,207
Occupancy	56,379	118,171	266	862	2,560	178,238
Professional fees and contract services	27,151	6,819	1,602	62,707	9,449	107,728
Travel	38,196	1,077	92	4,621	6,156	50,142
Depreciation	31,550	1,292	166	637	907	34,552
Insurance	23,263	1,366	234	3,184	1,563	29,610
Supplies	8,645	1,971	141	1,638	11,152	23,547
Rental and maintenance of equipment	16,523	388	57	107	542	17,617
Communications	4,184	3,226	83	280	1,561	9,334
Postage and shipping	3,773	40	8	219	3,151	7,191
Printing and publishing	1,155	270	53	320	2,850	4,648
Conferences and meetings	2,754	209	5	754	759	4,481
Membership dues	1,335			777	2,360	4,472
Advertising	221	366		151	1,685	2,423
Other	7,311	2,122	78	1,084	1,775	12,370
Total expenses	<u>\$ 1,228,453</u>	<u>\$ 412,649</u>	<u>\$ 247,741</u>	<u>\$ 133,854</u>	<u>\$ 207,556</u>	<u>\$ 2,230,253</u>

See accompanying notes to financial statements.

Fort Bend Seniors Meals on Wheels

Statement of Functional Expenses for the year ended December 31, 2009

	MEALS ON WHEELS	SENIOR CENTERS	TRANSPORTATION SERVICES	MANAGEMENT AND GENERAL	FUNDRAISING	TOTAL
Food	\$ 528,380	\$ 136,901				\$ 665,281
Salaries and related expenses	288,085	109,591	\$ 22,350	\$ 44,388	\$ 114,913	579,327
Transportation			247,762			247,762
Occupancy	68,017	119,356	374	1,459	1,781	190,987
Professional fees and contract services	21,173	5,849	1,380	46,464	8,689	83,555
Travel	24,974	1,428	174	3,020	6,615	36,211
Depreciation	24,981	1,071	285	657	874	27,868
Insurance	26,652	1,577	341	3,568	1,567	33,705
Supplies	6,747	1,979	227	2,703	24,288	35,944
Rental and maintenance of equipment	8,489	490	143	219	379	9,720
Communications	3,801	2,939	95	264	1,326	8,425
Postage and shipping	1,612	628	174	1,319	1,748	5,481
Printing and publishing	1,153	238	33	887	4,038	6,349
Conferences and meetings	700	266		907	1,175	3,048
Membership dues	2,400			805	1,346	4,551
Advertising				70	2,564	2,634
Other	6,052	637	39	2,899	712	10,339
Total expenses	<u>\$ 1,013,216</u>	<u>\$ 382,950</u>	<u>\$ 273,377</u>	<u>\$ 109,629</u>	<u>\$ 172,015</u>	<u>\$ 1,951,187</u>

See accompanying notes to financial statements.

Fort Bend Seniors Meals on Wheels

Statements of Cash Flows for the years ended December 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Changes in net assets	\$ 119,394	\$ 210,559
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	34,553	27,868
Changes in operating assets and liabilities:		
Receivables	(148,748)	65,123
Prepaid expenses	1,655	8,422
Accounts payable	(14,269)	(15,922)
Accrued salaries and benefits	8,282	3,253
Deferred revenue	<u>4,559</u>	<u>1,124</u>
Net cash provided by operating activities	<u>5,426</u>	<u>300,427</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Net purchase of certificates of deposit	(101,150)	(50,337)
Purchase of property and equipment	<u>(85,758)</u>	<u>(14,715)</u>
Net cash used by investing activities	<u>(186,908)</u>	<u>(65,052)</u>
NET CHANGE IN CASH	(181,482)	235,375
Cash, beginning of year	<u>542,927</u>	<u>307,552</u>
Cash, end of year	<u>\$ 361,445</u>	<u>\$ 542,927</u>

See accompanying notes to financial statements.

Fort Bend Seniors Meals on Wheels

Notes to Financial Statements for the years ended December 31, 2010 and 2009

NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Organization – Fort Bend Seniors Meals on Wheels and Much, Much More, dba Fort Bend Seniors Meals on Wheels, (Fort Bend Seniors) was organized as a Texas nonprofit corporation in 1976, and is located in Rosenberg, Texas. Fort Bend Seniors provides Meals on Wheels services, homemaker services, and nutritious meals to senior citizens at eight centers throughout Fort Bend and Waller counties. These programs are supported by government contracts and contributions.

Federal income tax status – Fort Bend Seniors is exempt from federal income taxes under §501(c)(3) of the Internal Revenue Code and is classified as a public charity under §509(a)(1) and §170(b)(1)(A)(vi).

Certificates of deposit are reported at face value plus accrued interest.

Pledges receivable that are expected to be collected within one year are recorded at net realizable value. At December 31, 2010, all pledges receivable are due within one year.

Property and equipment are stated at cost if purchased and at estimated fair value at the date of gift if donated. Property and equipment purchases over \$500 are capitalized. Depreciation is calculated on a straight-line basis over estimated useful lives of 5 to 10 years.

Net asset classification – Contributions and the related net assets are classified based on the existence or absence of donor-imposed restrictions, as follows:

- *Unrestricted net assets* include those net assets whose use is not restricted by donor-imposed stipulations, even though their use may be limited in other respects, such as by contract or board designation.
- *Temporarily restricted net assets* include contributions restricted by the donor for specific purposes or time periods. When a purpose restriction is accomplished or a time restriction ends, temporarily restricted net assets are released to unrestricted net assets.

Government contract revenue is recognized in the period in which the related services are provided. Revenue received in advance is recorded as deferred revenue.

Contributions are recorded as revenue at fair value when an unconditional commitment is received from the donor. Contributions received with donor stipulations that limit their use are recorded as restricted support.

Contributed facilities, materials and services are recorded at fair value when an unconditional commitment is received from the donor. Contributions of services are recognized when services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. A substantial number of volunteers have contributed significant amounts of time in connection with programs, administration and fundraising for which no amount has been recorded in the financial statements because the services did not meet the criteria for recognition under generally accepted accounting principles.

In 2010 and 2009, Fort Bend Seniors received approximately \$178,000 and \$191,000, respectively, in contributed facility rent that is recorded as program service expense. In 2010 and 2009, Fort Bend Seniors received approximately \$110,000 and \$131,000, respectively, in contributed transportation services that are recorded as program service expense.

A substantial number of volunteers have contributed significant amounts of time in connection with programs, administration and fundraising for which no amount has been recorded in the financial statements because the services did not meet the criteria for recognition under generally accepted accounting principles.

Estimates – Management must make estimates and assumptions to prepare financial statements in accordance with generally accepted accounting principles. These estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, the amounts of reported revenue and expenses, and the allocation of expenses among functions. Actual results could vary from the estimates that were used.

NOTE 2 – PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

	<u>2010</u>	<u>2009</u>
Vehicles	\$ 329,762	\$ 246,242
Furniture and equipment	<u>48,356</u>	<u>46,118</u>
Total property and equipment, at cost	378,118	292,360
Accumulated depreciation	<u>(214,956)</u>	<u>(180,403)</u>
Property and equipment, net	<u>\$ 163,162</u>	<u>\$ 111,957</u>

NOTE 3 – UNRESTRICTED NET ASSETS

Unrestricted net assets consist of the following:

	<u>2010</u>	<u>2009</u>
Undesignated	\$ 474,787	\$ 474,489
Board-designated for emergency reserve fund	400,000	300,000
Invested in depreciable property	<u>163,162</u>	<u>111,957</u>
Total unrestricted net assets	<u>\$ 1,037,949</u>	<u>\$ 886,446</u>

NOTE 4 – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes or periods:

	<u>2010</u>	<u>2009</u>
For subsequent periods – United Way allocation	\$ 406,192	\$ 407,403
Meals on Wheels program	57,584	50,000
Weekend meals		50,000
Other	<u>17,742</u>	<u>6,224</u>
Total temporarily restricted net assets	<u>\$ 481,518</u>	<u>\$ 513,627</u>

NOTE 5 – GOVERNMENT CONTRACTS

Government funded contracts are from the following sources:

	<u>2010</u>	<u>2009</u>
U. S. Department of Health and Human Services:		
Passed through Houston-Galveston Area Council	\$ 756,950	\$ 615,321
Passed through other local government agencies	62,974	42,936
Texas Department of Agriculture	218,466	167,186
Federal Emergency Management Administration	36,610	54,023
Texas Department of Human Services	15,825	15,647
Fort Bend County	<u> </u>	<u>17,358</u>
Total government contracts	<u>\$ 1,090,825</u>	<u>\$ 912,471</u>

Should these contracts not be renewed, a replacement for this source of support may not be forthcoming and related expenses would not be incurred.

NOTE 6 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through May 4, 2011, which is the date that the financial statements were available for issuance. As a result of this evaluation, no events were identified that are required to be disclosed or would have a material impact on reported net assets or changes in net assets.
