



**Audited Financial Statements**  
December 31, 2022

## **Independent Auditor's Report**

To the Board of Directors of Meals on Wheels of Long Beach, Inc.:

### ***Opinion***

I have audited the financial statements of Meals on Wheels of Long Beach, Inc. (the "Organization") which comprise the statement of financial position as of December 31, 2022, 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 my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Meals on Wheels of Long Beach, Inc. as of December 31, 2022, 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***

I conducted my audit in accordance with auditing standards generally accepted in the United States of America (GAAS). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of Meals on Wheels of Long Beach, Inc. and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audit. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### ***Responsibilities of Management 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, 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 Meals on Wheels of Long Beach, Inc.'s ability to continue as a going concern for one year after the date that the financial statements are issued.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

My 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 auditor's report that includes my 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 GAAS 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 GAAS, I:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of 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 Meals on Wheels of Long Beach, Inc.'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 my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Meals on Wheels of Long Beach, Inc.'s ability to continue as a going concern for a reasonable period of time.

I am 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 I identified during the audit.

***Report on Summarized Comparative Information***

I have previously audited Meals on Wheels of Long Beach, Inc.'s 2021 financial statements, and I expressed an unmodified audit opinion on those audited financial statements in my report dated April 29, 2022. In my opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

A handwritten signature in blue ink that reads "Katherine Slack". The signature is written in a cursive, flowing style.

Hermosa Beach, CA  
June 7, 2023

**Meals on Wheels of Long Beach**  
Statement of Financial Position  
December 31, 2022  
(With Comparative Totals for 2021)

	2022	2021
<b>Assets</b>		
Cash	\$ 151,823	\$ 87,175
Accounts receivable, net	97,711	106,128
Prepaid expenses	2,451	2,206
Investments	999,295	1,290,612
Fixed assets, net	21,174	27,860
	1,272,454	1,513,981
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Accounts payable	51,534	67,975
Accrued liabilities	28,972	24,201
Deferred revenue	5,866	5,173
	86,372	97,349
<b>Net Assets</b>		
Without restrictions	1,129,213	1,400,948
With restrictions	56,869	15,684
	1,186,082	1,416,632
	1,272,454	1,513,981

See accompanying notes to the financial statements.

**Meals on Wheels of Long Beach**  
Statement of Activities  
Year Ended December 31, 2022  
(With Comparative Totals for 2021)

	Without Restrictions	With Restrictions	2022 Total	2021 Total
<b>Revenues</b>				
Client meal and delivery fees	\$ 530,054	\$ -	\$ 530,054	\$ 591,705
Grants and contributions	565,785	56,869	622,654	430,788
Special events, net	13,742	-	13,742	6,918
Interest and dividends	17,287	-	17,287	11,427
Release from restrictions	15,684	(15,684)	-	-
Total revenue	<u>1,142,552</u>	<u>41,185</u>	<u>1,183,737</u>	<u>1,040,838</u>
<b>Expenses</b>				
Program services	1,062,453	-	1,062,453	1,108,184
Supporting services:				
Management and General	84,948	-	84,948	80,893
Fundraising	145,760	-	145,760	97,478
Total supporting services	<u>230,708</u>	<u>-</u>	<u>230,708</u>	<u>178,371</u>
Total expenses	<u>1,293,161</u>	<u>-</u>	<u>1,293,161</u>	<u>1,286,555</u>
Change in net assets from operations	(150,609)	41,185	(109,424)	(245,717)
Investment return, net	(121,126)	-	(121,126)	84,229
Change in net assets	<u>(271,735)</u>	<u>41,185</u>	<u>(230,550)</u>	<u>(161,488)</u>
Net assets, beginning of year	<u>1,400,948</u>	<u>15,684</u>	<u>1,416,632</u>	<u>1,578,120</u>
Net assets, end of year	<u>1,129,213</u>	<u>56,869</u>	<u>1,186,082</u>	<u>1,416,632</u>

See accompanying notes to the financial statements.

**Meals on Wheels of Long Beach**  
Statement of Functional Expenses  
Year Ended December 31, 2022  
(With Comparative Totals for 2021)

	Programs Services	Supporting Services			2022 Total	2021 Total
		Management and General	Fundraising	Total Supporting Services		
Food, packaging, and delivery	\$ 654,589	\$ -	\$ -	\$ -	\$ 654,589	\$ 759,511
Salaries and wages	254,377	47,814	64,392	112,206	366,584	322,322
Payroll taxes	20,728	4,124	5,711	9,835	30,563	26,053
Employee benefits	13,357	3,959	3,910	7,869	21,226	14,503
Professional and contract services	28,355	13,746	45,963	59,710	88,065	70,023
Technology	11,951	637	212	850	12,801	17,673
Insurance	6,044	8,076	955	9,032	15,075	14,296
Occupancy	24,616	1,074	1,510	2,584	27,200	10,800
Telecommunications	8,051	1,559	2,066	3,625	11,676	10,030
Supplies and equipment	5,613	1,087	1,441	2,528	8,141	9,859
Bad debt expense	22,420	-	-	-	22,420	9,839
Depreciation	6,686	-	-	-	6,686	6,686
Bank fees	4,387	-	2,925	2,925	7,312	6,292
Dues	-	1,028	-	1,028	1,028	1,375
Postage	1,279	-	719	719	1,998	1,296
Other	-	1,842	15,955	17,797	17,797	5,997
	<u>1,062,453</u>	<u>84,948</u>	<u>145,760</u>	<u>230,708</u>	<u>1,293,161</u>	<u>1,286,555</u>

See accompanying notes to the financial statements.

**Meals on Wheels of Long Beach**  
Statement of Cash Flows  
Year Ended December 31, 2022  
(With Comparative Totals for 2021)

<b>Cash Flows from Operating Activities</b>	2022	2021
Change in net assets	\$ (230,550)	\$ (161,488)
Adjustments to reconcile change in net assets:		
Depreciation	6,686	6,686
Unrealized loss (gain) on investments	227,744	(82,348)
Changes in operating assets and liabilities:		
Accounts receivable	8,417	(26,637)
Prepaid expenses	(245)	(625)
Accounts payable	(16,441)	(14,388)
Accrued liabilities	4,771	(4,629)
Deferred revenue	693	3,532
Net cash provided (used) in operating activities	1,075	(279,897)
 <b>Cash Flows from Investing Activities</b>		
Redemption (purchase) of investments, net	63,573	(13,256)
Net cash provided (used) in investment activities	63,573	(13,256)
Net increase (decrease) in cash	64,648	(293,153)
Cash at the beginning of year	87,175	380,328
Cash at the end of year	151,823	87,175
 <b>SUPPLEMENTAL DISCLOSURE OF NONCASH ACTIVITY</b>		
In-kind contributions	\$ 19,275	\$ 14,430

See accompanying notes to the financial statements.

**MEALS ON WHEELS OF LONG BEACH**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 1 – OPERATIONS AND ACTIVITIES**

Meals on Wheels of Long Beach, Inc. (“MOWLB”) (“The Organization”) was founded in March 1971 and is a California nonprofit corporation. MOWLB’s purpose is to assist homebound older adults and the disabled remain independent in their homes, comfortably, and safely. MOWLB’s stated mission reads: “We are more than a meal, we nourish, we comfort, we protect.”

The Organization’s primary program is providing nourishing, freshly prepared meals that include lunch, a hot dinner, dessert, and a beverage delivered every weekday to upwards of 500 homebound clients throughout our service area of Long Beach, Signal Hill, and the retirement community of Leisure World Seal Beach. In 2022, 193,314 meals were delivered by over 325 dedicated and trained volunteers who provided a “friendly visit” accompanied by a wellness check with every delivery.

In keeping with our commitment that “We are More than a Meal” every MOWLB client has access to our Client Support Program that has been developed to address issues that many homebound elderly and disabled clients experience. These issues include loneliness and depression due to social isolation, navigating healthcare services, and connecting with senior support services among many others. Our collaborations with the California State University at Long Beach (CSULB) School of Nursing, the CSULB Center for Community Engagement, local nonprofit senior service programs, and community volunteers have enabled the Client Support Program to deliver much more than nourishing food; we continue to improve the health and quality of life for the people we serve.

MOWLB does not receive government funding. Services are provided to all qualified applicants at a discounted, partially subsidized fee. Low-income applicants receive fully subsidized meal and support services when qualified during an intake process. The low-income meal and support subsidy program is funded in part by the generosity of individual donors, business and corporate sponsors, and philanthropic foundations (See Note 9).

***Tax Status***

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an Organization that is not a private foundation under Section 509(a)(2). The Organization also is exempt from state income taxes under Section 23701(d) of the Revenue and Taxation Code of the State of California.

The Organization has applied the provisions of Financial Accounting Standard Board’s (FASB) Accounting Standards Codification (ASC) 740-10, *Accounting for Uncertainty in Income Taxes*. Under ASC 740-10, nonpublic enterprises, including nonprofit Organizations, are required to record a tax liability when substantial uncertainties exist as to whether certain income is exempt from federal, state, and local income tax. As of December 31, 2022, the Organization had no substantial uncertain income tax positions. The Organization’s federal returns are subject to examination by federal taxing authorities, generally for three years after they are filed, and state returns are subject to examination by state taxing authorities, generally for four years after they are filed.



**MEALS ON WHEELS OF LONG BEACH**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Basis of Accounting and Presentation***

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America and with the provisions of Accounting Standards Codification (ASC) 958, *Not-for-Profit Entities*. Under ASC 958, the Organization is required to report information regarding its financial position and activities in two classes of net assets as follows:

- *Net assets without donor restrictions* are net assets not subject to donor-imposed restrictions. The governing body has designated, from net assets without donor restrictions, net assets for a board-designated endowment.
- *Net assets with donor restrictions* are net assets subject to stipulations imposed by donors or law. Some donor restrictions are temporary in nature; those restrictions will be met by action of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. Generally, donor-imposed restrictions are released when a restriction expires - that is, when a stipulated time restriction has elapsed, when the stipulated purpose has been fulfilled, or both.

***Accounting Standard Adopted***

In September 2020, the FASB issued ASU 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosure by Not-for-Profit Entities for Contributed Nonfinancial Assets*. This ASU enhances presentation and disclosure requirement for not-for-profit entities to increase the transparency in reporting contributed nonfinancial assets. The ASU is effective for annual periods beginning after June 15, 2021. MOWLB adopted this ASU effective for the fiscal year ended December 31, 2022, using the retrospective transition method, with no impact to its financial statements for the years presented.

***Cash and Cash Equivalents***

Cash and cash equivalents consist of highly liquid financial instruments with original maturities of three months or less. Cash equivalents that are part of the Organization's investment portfolio are reported as investments. As of December 31, 2022, \$56,869 of cash was held with donor restrictions.

***Accounts Receivable***

Accounts receivable consist primarily of noninterest-bearing amounts due in the normal course of operations. Management determines an allowance for uncollectible accounts receivable based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Account balances are written off when deemed uncollectible.

***Investments***

Investments are stated at fair value. Net appreciation (depreciation) in the fair value of investments, which consists of the realized gains or losses, the unrealized appreciation (depreciation) on those investments and applicable advisory fee, is shown in the statement of activities.

**MEALS ON WHEELS OF LONG BEACH**  
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***Concentrations of Credit and Market Risk***

The Organization operates in Long Beach, California and is dependent upon the local community and economy.

Exposure to credit and market risks is related primarily to bank balances, cash equivalents, and securities held at an investment firm. Cash and cash equivalents are maintained at various financial institutions and, at times, balances may exceed federally insured limits. The Organization's investments are held at a fiduciary that provides asset management and custody services.

In addition to a monthly review of portfolio performance, the Organization regularly monitors the safety and soundness of all the institutions that hold its financial assets. However, due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities could occur as past performance is no guarantee of future performance.

***Fixed Assets***

Fixed assets are stated at acquisition cost or at the fair value at the date of donation in the case of donated assets. The Organization's policy is to capitalize all fixed asset expenditures in excess of \$1,000 that have a useful life of at least three years. The Organization provides for depreciation of property and equipment by use of the straight-line method over the estimated useful lives as follows:

Vehicle	10 years
Furniture, fixtures, and equipment	3 to 7 years

Property and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Repair and maintenance costs are charged to operating expense as incurred. There were no impairment charges in fiscal year 2022.

***Revenue Recognition***

***Contributions***

The Organization recognizes contributions when cash, securities, other assets, or an unconditional promise to give is 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 met. All contributions are considered to be available for use unless specifically restricted by the donor. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, these net assets are reclassified to contributions without donor restrictions and reported in the statement of activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as support without restrictions.

***Client Meals and Delivery Fees***

Client Meals and Delivery Fees include the amount of consideration to which the Organization expects to be entitled in exchange for providing meals to its clients, net of subsidized meals. Revenue is recorded over time during the period the performance obligations are satisfied and at the determined transaction price. Performance obligations are satisfied when the daily meal order cancellation period has expired.

***Special Event Revenue***

The Organization records special event revenue when the event takes place. Revenue is recorded net of direct expenses as the events are peripheral to the Organization's overall mission and activities.

**MEALS ON WHEELS OF LONG BEACH**  
**NOTES TO FINANCIAL STATEMENTS**  
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***Donated Services***

A significant portion of the Organization's functions and programs is conducted by generous volunteers who are committed to the Organization's mission. The value of this volunteer time is not reflected in the accompanying financial statements because the services do not require specialized skills. During the year ended December 31, 2022, these volunteers donated approximately 37,004 hours with a value of \$1,099,759 computed using the hourly rate of \$25.84 for nonagricultural workers during the period, as determined by the U.S. Department of Labor's Bureau of Labor Statistics, plus 15 percent for estimated fringe benefits.

***Fair Value Measurements***

The Organization has determined the fair value of certain assets in accordance with the provisions of ASC 820, *Fair Value Measurements and Disclosures*, which provides a comprehensive definition of fair value for both assets and liabilities and also establishes a framework, under generally accepted accounting principles, for measuring fair value. ASC 820 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.

- Level I inputs are quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.
- Level II inputs are inputs other than quoted prices included within Level I that are observable for the related asset or liability, quoted prices in markets that are not active, or other observable inputs that can be corroborated by observable market data.
- Level III inputs are unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the related asset or liability.

The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to an assessment of the quality, risk, or liquidity profile of the asset.

***Functional Allocation of Expenses***

The costs of providing various programs and supporting services have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

***Use of Estimates***

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

***Reclassifications***

Certain amounts in the prior year financial statements have been reclassified to conform to the current year presentation.

**MEALS ON WHEELS OF LONG BEACH**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 3 – ACCOUNTS RECEIVABLE**

Accounts receivable at December 31, 2022 consist of the following:

Contracted meal receivables	\$ 97,711
Total accounts receivable, net	97,711

Accounts receivable at December 31, 2022 are due as follows:

Less than one year	\$ 97,711
Less: allowance for uncollectible accounts	(-)
Total accounts receivable, net	97,711

**NOTE 4 – INVESTMENTS**

Investments are stated at fair value and consist of the following at December 31, 2022:

Fixed income securities	\$ 516,247
Equities	458,518
Cash equivalents	24,530
Total investments	999,295

As of December 31, 2022 board-designated investments totaled \$239,393.

Investment return for the year ended December 31, 2022 is summarized as follows:

Realized gain	\$ 110,408
Unrealized loss	(227,745)
Less: Advisory fees	(3,789)
Investment return, net	(121,126)
Interest and dividends	17,287
Total investment return, net	(103,839)

During the twelve-month period ending December 31, 2022, the Organization's marketable securities decreased \$227,745 in market value, however, the cumulative unrealized loss was \$23,824 as of December 31, 2022. The Organization's unrealized loss is reflective of market conditions through December 31, 2022.

**MEALS ON WHEELS OF LONG BEACH**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 5 – FAIR VALUE MEASUREMENTS**

Assets carried at fair value on a recurring basis at December 31, 2022 are as follows:

	Fair Value	Quoted Prices in Active Markets (Level I)	Other Observable Inputs (Level II)	Unobservable Inputs (Level III)
Fixed income securities	\$ 516,247	\$ -	\$ 516,247	\$ -
Equity securities	458,518	458,518	-	-
Cash equivalents	24,530	24,530	-	-
Total assets at fair value	<u>999,295</u>	<u>483,048</u>	<u>516,247</u>	<u>-</u>

The Organization has determined that the fair values of its cash equivalents, accounts receivable, accounts payable, and accrued liabilities approximate the carrying values as of December 31, 2022, based on the short-term maturities of these financial instruments.

**NOTE 6 – FIXED ASSETS**

Fixed assets consist of the following at December 31, 2022:

Vehicle	\$ 46,438
Furniture and equipment	<u>35,785</u>
	82,223
Less: Accumulated depreciation	<u>(61,049)</u>
Total property and equipment, net	<u>21,174</u>

**NOTE 7 – FACILITY RENTAL AGREEMENTS**

The Organization entered into a one-year facility agreement for office and meal preparation space. It also has two additional facility agreements at different locations for month-to-month facility usage. Total facility expense in 2022 was \$27,200.

**MEALS ON WHEELS OF LONG BEACH**  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022

**NOTE 8 – NET ASSETS**

At December 31, 2022, net assets were restricted by donors or designated by the Organization as follows:

Without donor restrictions:	
Board-designated endowment	\$ 239,393
Undesignated	<u>889,820</u>
Total without donor restrictions	<u>1,129,213</u>
With donor restrictions:	
Meals	<u>56,869</u>
Total net assets with donor restrictions	<u>56,869</u>
Total net assets	<u><u>1,186,082</u></u>

At December 31, 2022, net assets were released from donor restrictions by incurring expenses satisfying the following program restrictions:

Purpose restrictions:	
Capacity building	\$ 12,908
Meals	<u>2,776</u>
Total release from restrictions	<u><u>15,684</u></u>

**NOTE 9 – HOMEBOUND FULLY SUBSIDIZED MEALS**

Meals on Wheels of Long Beach, Inc. provides fully subsidized, nourishing meals to homebound, low-income clients meeting the Organization’s financial and clinical eligibility requirements. The estimated cost of homebound fully subsidized meals includes the direct costs of meals, such as food, packaging, and delivery costs, as well as an applicable allocation of indirect costs. For its fiscal year ended December 31, 2022, the cost of fully subsidized meals provided by the Organization totaled \$419,478. This cost excludes the value of volunteer time provided to packing and delivering food which is estimated to be \$246,434.

**NOTE 10 – CONTRIBUTED NONFINANCIAL ASSETS**

In addition to providing over 37,004 of volunteer hours to the Organization, MOWLB’s volunteers drove 87,948 charity miles to deliver meals to clients. The value of these in-kind charity miles is recognized within grants and contributions revenue on the statement of activities and includes the variable expense of miles driven at their estimated fair value. For the year-ending December 31, 2022, MOWLB’s volunteers contributed \$19,275 in charity miles.

**NOTE 11 – PENSION PLAN**

The Organization maintains a 401(k) Retirement Plan for vested employees with the Organization providing a 3% match. The employer contribution in 2022 was \$8,575.

**MEALS ON WHEELS OF LONG BEACH**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 12 – ENDOWMENT**

Meals on Wheels of Long Beach’s endowment is comprised wholly of board-designated endowed funds. As required by U.S. generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Organization’s endowment was established by its board of directors to create a source of operating funds when needed. The goal of the fund is to realize 3% above the cost of living, averaged over five years. The fund is managed by a professional money management firm with oversight provided by the Organization’s finance committee and board of directors. Funds may be withdrawn annually in ordinary times, but may not exceed the lesser of the previous year’s total investment gain of 5% or the fund’s total value at year-end. Additional funds may be withdrawn during extraordinary times as determined by the board of directors.

The net asset composition of the endowment funds as of December 31, 2022 is as follows:

	Without restrictions	With restrictions	Total
Board-designated endowment	\$ 239,393	\$ -	\$ 239,393
Donor-restricted endowment	-	-	-
Total endowment funds	<u>239,393</u>	<u>-</u>	<u>239,393</u>

Changes in the endowment net assets for the fiscal year ended December 31, 2022 are summarized as follows:

	Without restrictions	With restrictions	Total
Endowment net assets, beginning of year	\$ 711,177	\$ -	\$ 711,177
Contributions	-	-	-
Investment income, net	(59,784)	-	(59,784)
Appropriation for expenditure	(12,000)	(-)	(12,000)
Transfer to undesignated funds	<u>(400,000)</u>	<u>(-)</u>	<u>(400,000)</u>
Endowment net assets, end of year	<u>239,393</u>	<u>-</u>	<u>239,393</u>

**MEALS ON WHEELS OF LONG BEACH**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

**NOTE 13 – LIQUIDITY**

The Organization regularly monitors liquidity required to meet its operating needs, while also striving to optimize the investment of its available funds. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing program activities, as well as the conduct of services undertaken to support those activities, to be general expenditures.

As of December 31, 2022, the following financial assets could readily be made available within one year of the balance sheet date to meet general expenditures:

Financial assets as of December 31, 2022	\$ 1,248,829
Less:	
Board-designated endowment fund	<u>(239,393)</u>
Financial assets available at year end for current use	<u><u>1,009,436</u></u>

The Organization’s board-designated endowment fund could be made available for spending by action of the Organization’s board of directors.

**NOTE 14 – FUNCTIONAL EXPENSES**

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Meals on Wheels of Long Beach evaluates its expense allocations annually.

Indirect expenses allocated on time-studies include personnel and related expenses while expenses allocated on usage include occupancy, depreciation, insurance, supplies, telecommunications, professional and contract services, and technology.

**NOTE 15 – SUBSEQUENT EVENTS**

The Organization has evaluated events subsequent to December 31, 2022, to assess the need for potential recognition or disclosures in the financial statements. Such events were evaluated through June 7, 2023 the date these financial statements were available to be issued.

*Program Expansion*

On February 6, 2023, MOWLB expanded its client outreach to include clients in the City of Lakewood.

*Consumer Price Index*

The increasing consumer price index is impacting MOWLB’s key program expense: food and transportation while simultaneously creating an increase in demand for fully subsidized, nourishing meals.