



Audited Financial Statements
December 31, 2023

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, 2023, 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, 2023, 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 2022 financial statements, and I expressed an unmodified audit opinion on those audited financial statements in my report dated June 7, 2023. In my opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

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

Hermosa Beach, CA
August 16, 2024

Meals on Wheels of Long Beach
Statement of Financial Position
December 31, 2023
(With Comparative Totals for 2022)

	2023	2022
Assets		
Cash	\$ 333,788	\$ 151,823
Accounts receivable, net	105,121	103,087
Prepaid expenses	2,727	2,451
Investments	1,066,273	999,295
Fixed assets, net	14,487	21,174
	<u>1,522,396</u>	<u>1,277,830</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable	55,462	51,534
Accrued liabilities	32,465	28,972
Deferred revenue	4,513	6,674
Other liabilities	4,218	4,568
	<u>96,658</u>	<u>91,748</u>
Net Assets		
Without restrictions	1,285,021	1,129,213
With restrictions	140,717	56,869
	<u>1,425,738</u>	<u>1,186,082</u>
	<u>1,522,396</u>	<u>1,277,830</u>

See accompanying notes to the financial statements.

Meals on Wheels of Long Beach
Statement of Activities
Year Ended December 31, 2023
(With Comparative Totals for 2022)

	Without Restrictions	With Restrictions	2023 Total	2022 Total
Revenues				
Client meal and delivery fees	\$ 550,674	\$ -	\$ 550,674	\$ 530,054
Grants and contributions	706,575	140,717	847,292	603,379
Contributed nonfinancial assets	45,300	-	45,300	19,275
Special events, net	21,379	-	21,379	13,742
Interest and dividends	27,855	-	27,855	17,287
Release from restrictions	56,869	(56,869)	-	-
Total revenue	<u>1,408,652</u>	<u>83,848</u>	<u>1,492,500</u>	<u>1,183,737</u>
Expenses				
Program services	1,090,985	-	1,090,985	1,040,033
Supporting services:				
Management and general	94,173	-	94,173	107,368
Fundraising	156,868	-	156,868	145,760
Total supporting services	<u>251,041</u>	<u>-</u>	<u>251,041</u>	<u>253,128</u>
Total expenses	<u>1,342,026</u>	<u>-</u>	<u>1,342,026</u>	<u>1,293,161</u>
Change in net assets from operations	66,626	83,848	150,474	(109,424)
Investment return, net	89,182	-	89,182	(121,126)
Change in net assets	<u>155,808</u>	<u>83,848</u>	<u>239,656</u>	<u>(230,550)</u>
Net assets, beginning of year	<u>1,129,213</u>	<u>56,869</u>	<u>1,186,082</u>	<u>1,416,632</u>
Net assets, end of year	<u>1,285,021</u>	<u>140,717</u>	<u>1,425,738</u>	<u>1,186,082</u>

See accompanying notes to the financial statements.

Meals on Wheels of Long Beach
Statement of Functional Expenses
Year Ended December 31, 2023
(With Comparative Totals for 2022)

	Programs Services	Supporting Services			2023 Total	2022 Total
		Management and General	Fundraising	Total Supporting Services		
Food, packaging, and delivery	\$ 592,300	\$ -	\$ -	\$ -	\$ 592,300	\$ 654,589
Salaries and wages	295,322	45,119	69,729	114,848	410,170	366,584
Payroll taxes	25,859	3,951	6,106	10,057	35,916	30,563
Employee benefits	15,271	2,333	3,606	5,939	21,210	21,226
Professional and contract services	30,542.00	13,701.00	48,966.00	62,667	93,209	88,065
Technology	12,426	548	183	731	13,157	12,801
Insurance	12,277	1,394	2,154	3,548	15,825	15,075
Occupancy	55,283	1,131	1,591	2,722	58,005	27,200
Telecommunications	8,515	1,301	2,010	3,311	11,826	11,676
Supplies and equipment	5,095	778	1,203	1,981	7,076	8,141
Marketing	-	7,653	-	7,653	7,653	5,819
Bad debt expense	-	11,869	-	11,869	11,869	22,420
Depreciation	6,687	-	-	-	6,687	6,686
Bank fees	3,993	50	2,662	2,712	6,705	7,312
Dues	-	803	-	803	803	1,028
Postage	502	502	502	1,004	1,506	1,998
Other	26,913	3,040	18,156	21,196	48,109	11,978
	<u>1,090,985</u>	<u>94,173</u>	<u>156,868</u>	<u>251,041</u>	<u>1,342,026</u>	<u>1,293,161</u>

See accompanying notes to the financial statements.

Meals on Wheels of Long Beach
Statement of Cash Flows
Year Ended December 31, 2023
(With Comparative Totals for 2022)

	2023	2022
Cash Flows from Operating Activities		
Change in net assets	\$ 239,656	\$ (230,550)
Adjustments to reconcile change in net assets:		
Depreciation	6,687	6,686
Unrealized (gain) loss on investments	(95,215)	227,744
Changes in operating assets and liabilities:		
Accounts receivable	(2,034)	8,417
Prepaid expenses	(276)	(245)
Accounts payable	3,928	(16,441)
Accrued liabilities	3,493	4,771
Deferred revenue	(2,161)	(3,875)
Other liabilities	(350)	4,568
Net cash provided by operating activities	<u>153,728</u>	<u>1,075</u>
Cash Flows from Investing Activities		
Reinvestment of investment income, net	<u>28,237</u>	<u>63,573</u>
Net cash provided by investing activities	<u>28,237</u>	<u>63,573</u>
Net increase in cash	181,965	64,648
Cash at the beginning of year	<u>151,823</u>	<u>87,175</u>
Cash at the end of year	<u><u>333,788</u></u>	<u><u>151,823</u></u>
SUPPLEMENTAL DISCLOSURE OF NONCASH ACTIVITY		
In-kind contributions	\$ 45,300	\$ 19,275

See accompanying notes to the financial statements.

MEALS ON WHEELS OF LONG BEACH
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

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. Meals on Wheels of Long Beach delivers a combination of wholesome meals, friendly visits, and a wide variety of additional programs to help ensure that homebound seniors, veterans, the chronically ill and disabled can continue living independently, well nourished, safe and happy in their own homes for as long as possible. Services are provided to all qualified applicants at a discounted, partially subsidized fee. Low-income applicants receive fully subsidized meals 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.

Home Delivered Meals:

Meals on Wheels of Long Beach delivers nutritious meals to our homebound neighbors who face challenges trying to cook or shop for themselves, and who do not always have friends or family nearby to help. Our meals are available to all Long Beach, Lakewood, Signal Hill and Leisure World Seal Beach residents, regardless of age. We deliver meals with care and compassion, Monday through Friday, except on major holidays. Each meal delivery includes a cold lunch, a hot dinner, dessert, and a carton of milk. In 2023, MOWLB delivered over 170,000 meals to over 800 unduplicated clients.

Friendly Visits:

Meals on Wheels of Long Beach volunteers deliver so much more than just meals- they bring a smile, friendly conversation, care and connection to individuals who may otherwise be isolated. Volunteers also conduct wellness checks during meals deliveries and report to program staff their observations and concerns. In 2023, MOWLB volunteers conducted over 87,000 wellness checks.

Pets are Family Too:

For many of our homebound clients, their cats and dogs are their closest companions. Our Pets are Family Too Program delivers food for our clients’ furry friends, helping to ensure that beloved pets remain at home, well-fed, and happy.

Client Support Services Program and Referrals:

The Client Support Services Program helps to ensure all our clients' basic needs are met, enabling them to stay safe, comfortable, and happy in their own homes for as long as possible. When a client's needs extend beyond our capabilities, we refer them to other local nonprofit organizations with whom we partner, and work to ensure they receive the assistance they need. We also secure donations of mobility equipment and care supplies, such as walkers, wheelchairs, and bedding. To help further care for our clients, Meals on Wheels of Long Beach can provide many personal hygiene items. Hygiene kits are available to all Meals on Wheels of Long Beach clients.

Telephone Reassurance Program:

Social isolation can be a significant issue for our homebound clients, putting them at greater risk of depression and serious illness. Our Telephone Reassurance Program provides friendly and supportive calls once or twice a week to clients who feel the need for more social interaction than friendly meal deliveries can provide. Each call reduces loneliness and brings new opportunities to build deeper connections, forge friendships, and enrich our clients’ lives.

MEALS ON WHEELS OF LONG BEACH
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 – OPERATIONS AND ACTIVITIES (continued)

California State University, Long Beach Nursing Student Partnership:

Meals on Wheels of Long Beach proudly partners with the Nursing program at California State University, Long Beach. Nursing students are assigned to clients who need extra care and attention. Students conduct health assessments and identify real-life challenges clients face, such as limited internet access, financial strain, difficulties in home management and upkeep, and transportation problems, which often go unnoticed in clinical settings. They work with staff and professors to develop solutions and obtain resources for clients to resolve such issues, helping to make their lives easier and less stressful.

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, 2023, 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.

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.

MEALS ON WHEELS OF LONG BEACH
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- *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.

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, 2023, \$140,717 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 as nonoperating investment return.

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.

MEALS ON WHEELS OF LONG BEACH
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 2023.

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.

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, 2023, these volunteers donated approximately 36,408 hours with a value of \$835,200 computed using the hourly mean wage of \$22.94 for food preparation workers in the local area for the period May 2023, as determined by the U.S. Department of Labor's Bureau of Labor Statistics, including 15 percent for estimated fringe benefits.

MEALS ON WHEELS OF LONG BEACH
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

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, 2023

NOTE 3 – ACCOUNTS RECEIVABLE

Accounts receivable at December 31, 2023 consist of the following:

Contracted meal receivables	<u>\$ 105,121</u>
Total accounts receivable, net	<u><u>105,121</u></u>

Accounts receivable at December 31, 2023 are due as follows:

Less than one year	\$107,621
Less: allowance for uncollectible accounts	<u>(2,500)</u>
Total accounts receivable, net	<u><u>105,121</u></u>

NOTE 4 – INVESTMENTS

Investments are stated at fair value and consist of the following at December 31, 2023:

Equities	\$ 548,047
Cash and cash equivalents	305,257
Fixed income securities	<u>212,969</u>
Total investments	<u><u>1,066,273</u></u>

As of December 31, 2023 board-designated investments totaled \$631,603.

Investment return for the year ended December 31, 2023 is summarized as follows:

Realized gain	\$ 519
Unrealized gain	95,215
Less: Advisory fees	<u>(6,552)</u>
Investment return, net	<u>89,182</u>
Interest and dividends	<u>27,855</u>
Total investment return, net	<u><u>117,037</u></u>

The Organization's unrealized gain is reflective of market conditions through December 31, 2023.

MEALS ON WHEELS OF LONG BEACH
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 5 – FAIR VALUE MEASUREMENTS

Assets carried at fair value on a recurring basis at December 31, 2023 are as follows:

	Fair Value	Quoted Prices in Active Markets (Level I)	Other Observable Inputs (Level II)	Unobservable Inputs (Level III)
Equity securities	\$ 548,047	\$ 548,047	\$ -	\$ -
Cash and cash equivalents	305,257	305,257	-	-
Fixed income securities	212,969	-	212,969	-
Total assets at fair value	<u>1,066,273</u>	<u>853,304</u>	<u>212,969</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, 2023, based on the short-term maturities of these financial instruments.

NOTE 6 – FIXED ASSETS

Fixed assets consist of the following at December 31, 2023:

Vehicle	\$ 46,438
Furniture and equipment	<u>35,785</u>
	82,223
Less: Accumulated depreciation	<u>(67,736)</u>
Total property and equipment, net	<u>14,487</u>

NOTE 7 – FACILITY RENTAL AGREEMENTS

The Organization's operations are conducted from three local sites. Its main facility is under a one-year facility agreement and one satellite location is under a month-to-month agreement. A second satellite location is operated under an in-kind, one-year agreement. Total facility expense, including the in-kind facility, was \$58,005.

MEALS ON WHEELS OF LONG BEACH
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 8 – NET ASSETS

At December 31, 2023, net assets were restricted by donors or designated by the Organization as follows:

Without donor restrictions:	
Board-designated endowment	\$ 631,603
Undesignated	<u>653,418</u>
	Total without donor restrictions <u>1,285,021</u>
With donor restrictions:	
Meals	104,267
Employment	<u>36,450</u>
	Total net assets with donor restrictions <u>140,717</u>
	Total net assets <u><u>1,425,738</u></u>

At December 31, 2023, net assets were released from donor restrictions by incurring expenses satisfying the following program restrictions:

Purpose restrictions:	
Meals	<u>\$ 56,869</u>
	Total release from restrictions <u><u>56,869</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, 2023, the cost of fully subsidized meals, excluding volunteer labor, provided by the Organization totaled \$403,275. The value of volunteer labor provided to pack and deliver these subsidized meals is estimated to be \$308,747.

NOTE 10 – CONTRIBUTED NONFINANCIAL ASSETS

In addition to providing 36,408 of volunteer hours to the Organization, MOWLB's volunteers drove 77,502 charity miles to deliver meals to clients. The value of these in-kind charity miles is recognized as contributed nonfinancial assets in the statement of activities and includes the variable expense of miles driven at their estimated fair value. For the year-ending December 31, 2023, MOWLB's volunteers contributed \$15,300 in charity miles. Donated charity miles were valued using an average price per gallon of gasoline in the local area for the twelve-month period ending December 31, 2023 per the US Bureau of Labor Statistics.

Also included in contributed nonfinancial assets is \$30,000 for donated space used in the Organization's program of meal deliveries. Donated space is valued at the fair value of similar properties available in commercial real estate listings.

MEALS ON WHEELS OF LONG BEACH
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

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 2023 was \$9,541.

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, 2023 is as follows:

	Without restrictions	With restrictions	Total
Board-designated endowment	\$ 631,603	\$ -	\$631,603
Donor-restricted endowment	-	-	-
Total endowment funds	631,603	-	631,603

Changes in the endowment net assets for the fiscal year ended December 31, 2023 are summarized as follows:

	Without restrictions	With restrictions	Total
Endowment net assets, beginning of year	\$ 622,034	\$ -	\$ 622,034
Contributions	-	-	-
Investment income, net	9,569	-	9,569
Appropriation for expenditure	-	-	-
Transfer to undesignated funds	-	-	-
Endowment net assets, end of year	631,603	-	631,603

MEALS ON WHEELS OF LONG BEACH
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

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, 2023, 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, 2023	\$ 1,505,182
Less:	
Board-designated endowment fund	<u>(631,603)</u>
Financial assets available at year end for current use	<u><u>873,579</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 are primarily allocated on time-studies.

NOTE 15 – SUBSEQUENT EVENTS

The Organization has evaluated events subsequent to December 31, 2023, to assess the need for potential recognition or disclosures in the financial statements. Such events were evaluated through August 16, 2024, the date these financial statements were available to be issued.