

**THREE VILLAGE MEALS ON WHEELS, INC.**

**FINANCIAL STATEMENTS**

**For the Years Ended December 31, 2007 and 2006**

**with Independent Auditors' Report**

**THREE VILLAGE MEALS ON WHEELS, INC.**  
For the Years Ended December 31, 2007 and 2006

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**INDEPENDENT AUDITORS' REPORT**

To the Board of Directors  
Three Village Meals on Wheels, Inc.  
Stony Brook, New York

We have audited the accompanying statements of financial position of Three Village Meals on Wheels, Inc. as of December 31, 2007 and 2006, and the related statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. 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 the audit 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 Three Village Meals on Wheels, Inc. as of December 31, 2007 and 2006, 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.

*Coughlin Foundotos Cullen Danowski, LLP*

March 25, 2008

**THREE VILLAGE MEALS ON WHEELS, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
December 31, 2007 and 2006

	2007	2006
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 157,834	\$ 141,100
Accounts receivable	9,050	10,835
Total Current Assets	166,884	151,935
<b>EQUIPMENT, NET</b>	-	120
	<b>\$ 166,884</b>	<b>\$ 152,055</b>
 <b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 4,618	\$ 5,073
Payroll taxes and wages payable	3,661	4,982
Total Current Liabilities	8,279	10,055
<b>NET ASSETS</b>		
Unrestricted	158,605	142,000
	<b>\$ 166,884</b>	<b>\$ 152,055</b>

**THREE VILLAGE MEALS ON WHEELS, INC.**  
**STATEMENTS OF ACTIVITIES**  
For the Years Ended December 31, 2007 and 2006

	2007	2006
PUBLIC SUPPORT	\$ 77,991	\$ 69,846
OTHER REVENUE		
Program service fees:		
Charges for meals served	79,583	76,051
Less: meal subsidies	(16,395)	(13,648)
Program service fees, net	63,188	62,403
Interest income	5,457	5,363
Miscellaneous - Grant	1,500	1,100
Total Other Revenue	70,145	68,866
Total Public Support and Other Revenue	148,136	138,712
EXPENSES		
Program services	112,103	112,534
General and administrative	13,454	13,391
Fund raising	5,974	5,805
Total Expenses	131,531	131,730
CHANGE IN NET ASSETS	16,605	6,982
NET ASSETS, Beginning	142,000	135,018
NET ASSETS, Ending	\$ 158,605	\$ 142,000

**THREE VILLAGE MEALS ON WHEELS, INC.**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
For the Years Ended December 31, 2007 and 2006

	2007			2006				
	Program Services	General and Administrative	Fund Raising	Total	Program Services	General and Administrative	Fund Raising	Total
Meals purchased	\$ 60,542	\$	\$	\$ 60,542	\$ 59,450	\$	\$	\$ 59,450
Supplies and office	1,583	1,266	317	3,166	1,344	1,075	269	2,688
Postage		1,699		1,699		1,460		1,460
Salaries and wages	35,760	4,207	2,103	42,070	38,471	4,526	2,263	45,260
Payroll taxes	2,918	343	172	3,433	3,083	363	181	3,627
Volunteer recognition	2,794	493		3,287	2,063	364		2,427
Fund raising			3,236	3,236			3,007	3,007
Holiday expense		442		442		285		285
Rent	4,050	450		4,500	4,050	450		4,500
Printing and advertising	728	583	146	1,457	426	340	85	851
Telephone	1,234	137		1,371	1,130	126		1,256
Insurance	2,494	831		3,325	2,517	839		3,356
Professional fees		1,750		1,750		1,500		1,500
Miscellaneous		1,133		1,133		1,821		1,821
<b>Total Expenses Before Depreciation</b>	<b>112,103</b>	<b>13,334</b>	<b>5,974</b>	<b>131,411</b>	<b>112,534</b>	<b>13,149</b>	<b>5,805</b>	<b>131,488</b>
Depreciation		120		120		242		242
<b>TOTAL EXPENSES</b>	<b>\$ 112,103</b>	<b>\$ 13,454</b>	<b>\$ 5,974</b>	<b>\$ 131,531</b>	<b>\$ 112,534</b>	<b>\$ 13,391</b>	<b>\$ 5,805</b>	<b>\$ 131,730</b>

**THREE VILLAGE MEALS ON WHEELS, INC.**  
**STATEMENTS OF CASH FLOWS**  
For the Years Ended December 31, 2007 and 2006

	2007	2006
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ 16,605	\$ 6,982
Adjustments to reconcile excess of public support and other revenue over expenses to net cash provided by operating activities		
Depreciation	120	242
(Increases) decreases in operating assets		
Accounts receivable	1,785	(2,511)
Prepaid expenses	-	100
Increases (decreases) in operating liabilities		
Accounts payable	(455)	(742)
Payroll taxes and wages payable	(1,321)	2,190
	16,734	6,261
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>16,734</b>	<b>6,261</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>-</b>	<b>-</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>16,734</b>	<b>6,261</b>
<b>CASH AND CASH EQUIVALENTS, Beginning</b>	<b>141,100</b>	<b>134,839</b>
<b>CASH AND CASH EQUIVALENTS, Ending</b>	<b>\$ 157,834</b>	<b>\$ 141,100</b>

**THREE VILLAGE MEALS ON WHEELS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A) Nature of Activities**

Three Village Meals on Wheels, Inc. (the "Organization") is a not-for-profit organization incorporated on June 13, 1984 in New York State to provide for the home delivery of meals to elderly, handicapped or convalescent residents of the Three Village community.

**B) Financial Statement Presentation**

The Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. None of the Organization's net assets qualify as temporarily restricted or permanently restricted; accordingly, all of the Organization's net assets are classified as unrestricted.

**C) Contributions**

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted public support depending on the existence or nature of any donor restrictions. When a donor restriction expires, that is, when a stipulated purpose restriction is accomplished, temporarily restricted net assets would be reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

**D) Revenue – Program Service Fees**

Program service fees represent amounts billed to clients based on meals served. In some cases, the Board of Directors has approved to subsidize the fee charged to certain clients because of financial hardship.

**E) Cash and Cash Equivalents**

For purposes of the statement of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of six months or less, to be cash equivalents.

**F) Accounts Receivable**

All accounts receivable are considered collectible; accordingly, no allowance for doubtful accounts is required. Uncollectible accounts have been immaterial in nature and amount in the past.

**G) Depreciation**

Depreciation is computed using the straight-line method over the useful lives of assets (five years).

**H) Income Taxes**

The Organization is exempt from federal and state income tax under section 501(c)(3) of the Internal Revenue Code and applicable New York State tax law. Accordingly, no provision for income taxes is required.

**I) Use of Estimates**

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

**THREE VILLAGE MEALS ON WHEELS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
(Continued)

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**2. Concentration of Credit Risk**

The Organization maintains demand deposits with financial institutions. From time to time, cash balances in these accounts may exceed federally insured limits.

**3. Equipment**

Expenditures for major renewals and betterments that extend the useful lives of equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred.

Property and equipment is stated at cost and is depreciated on the straight-line method over the estimated useful lives of the assets as follows:

Equipment and Furniture: 5–7 years

Net equipment at December 31, 2007 and 2006 consists of:

	<u>2007</u>	<u>2006</u>
Equipment and furniture, at cost	\$ 3,520	\$ 3,520
Less: Accumulated depreciation	<u>(3,520)</u>	<u>(3,158)</u>
Net Equipment	<u>\$ -</u>	<u>\$ 362</u>

**4. Contributed Services**

A large number of people have contributed significant amounts of time to the activities of the Organization without compensation. The financial statements do not reflect the value of those contributed services because, although clearly substantial, no objective basis is available for determining the value of such services.

