

**FINANCIAL STATEMENTS OF  
NUTRITION FOR THE ELDERLY IN  
TOMPKINS COUNTY, INC.**

**YEARS ENDED DECEMBER 31, 2010 AND 2009**

**NUTRITION FOR THE ELDERLY IN TOMPKINS COUNTY, INC.**

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**DECEMBER 31, 2010 AND 2009**

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**INDEPENDENT AUDITOR'S REPORT**

April 6, 2011

Board of Directors  
Nutrition for the Elderly in Tompkins County, Inc.  
Ithaca, New York 14850

We have audited the accompanying statements of financial position of Nutrition for the Elderly in Tompkins County, Inc. as of December 31, 2010 and 2009, 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 audit.

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 Nutrition for the Elderly in Tompkins County, Inc., at 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.

*Sciarabba Walker & Co. LLP*

Sciarabba Walker & Co., LLP

**NUTRITION FOR THE ELDERLY IN TOMPKINS COUNTY, INC.  
STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31,**

**ASSETS**

	2010	2009
<b>CURRENT ASSETS:</b>		
Cash	\$ 128,266	\$ 126,888
Inventory	9,016	9,919
Grants Receivable - Select	7,882	8,382
Other Receivables	-	495
Pledges Receivable	2,845	920
<b>TOTAL CURRENT ASSETS</b>	148,009	146,604
<b>BEQUEST RECEIVABLE</b>	40,000	40,000
<b>CAPITAL LEASE BOND COSTS, net</b>	3,201	3,463
<b>FIXED ASSETS, net</b>	371,439	366,536
<b>TOTAL ASSETS</b>	\$ 562,649	\$ 556,603

**LIABILITIES AND NET ASSETS**

<b>CURRENT LIABILITIES:</b>		
Accounts Payable	\$ 32,290	\$ 30,500
Salaries and Fringe Benefits Payable	22,104	19,323
Other Current Liabilities	12,621	10,580
Current Portion of Capital Lease	17,419	16,994
<b>TOTAL CURRENT LIABILITIES</b>	84,434	77,397
<b>CAPITAL LEASE OBLIGATIONS</b>	192,038	209,457
<b>NET ASSETS:</b>		
Unrestricted	216,293	215,242
Temporarily Restricted	69,884	54,507
<b>TOTAL NET ASSETS</b>	286,177	269,749
<b>TOTAL LIABILITIES AND NET ASSETS</b>	\$ 562,649	\$ 556,603

See accompanying notes.

**NUTRITION FOR THE ELDERLY IN TOMPKINS COUNTY, INC.  
STATEMENTS OF ACTIVITIES  
YEARS ENDED DECEMBER 31,**

	2010	2009
<b>UNRESTRICTED NET ASSETS:</b>		
<b>SUPPORT, REVENUE, AND OTHER SUPPORT:</b>		
IIIC Grant	\$ 367,634	\$ 387,326
SNAP Grant	205,608	221,440
Federal NSIP (USDA)	116,981	111,678
Foodnet Select	6,500	6,500
IURA - CDBG	-	5,000
Tompkins County Equipment Grants	22,134	-
CSE Grant	32,205	30,957
Local Funding	12,050	12,050
Participant Contributions	243,671	237,735
Donations and Gifts	110,064	145,761
Miscellaneous	6,170	3,826
Interest and Dividends	388	200
<b>TOTAL SUPPORT, REVENUE AND OTHER SUPPORT</b>	1,123,405	1,162,473
<b>NET ASSETS RELEASED FROM RESTRICTION BY USE</b>		
<b>EXPENSES:</b>	54,233	75
Operating Expenses	1,120,549	1,059,433
Interest Expense	8,176	8,745
Depreciation	47,600	42,323
Amortization	262	262
<b>TOTAL EXPENSES</b>	1,176,587	1,110,763
<b>CHANGE IN UNRESTRICTED NET ASSETS</b>	1,051	51,785
<b>TEMPORARILY RESTRICTED NET ASSETS:</b>		
<b>SUPPORT, REVENUE AND OTHER SUPPORT:</b>		
Grants	30,000	-
Contributions Received	39,610	1,475
<b>TOTAL SUPPORT, REVENUE AND OTHER ASSETS</b>	69,610	1,475
<b>NET ASSETS RELEASED FROM RESTRICTION BY USE</b>	( 54,233)	( 75)
<b>CHANGE IN TEMPORARILY RESTRICTED NET ASSETS</b>	15,377	1,400
<b>CHANGE IN NET ASSETS</b>	16,428	53,185
<b>NET ASSETS, beginning of year</b>	269,749	216,564
<b>NET ASSETS, end of year</b>	\$ 286,177	\$ 269,749

See accompanying notes.

**NUTRITION FOR THE ELDERLY IN TOMPKINS COUNTY, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2010**

	Program Services			
	IIC C-1	IIC C-2	SNAP	Foodnet Select
Wages	\$ 59,832	\$ 151,403	\$ 150,399	\$ 6,123
Fringe Benefits	18,018	37,241	15,379	344
Meal Delivery Travel	11,188	24,769	16,467	-
Rent	625	-	-	-
Utilities	3,635	7,390	3,141	-
Building and Grounds Maintenance	1,880	2,340	1,224	-
Food	34,503	68,482	111,383	29,009
Subcontractors	5,063	-	-	-
Insurance	3,037	3,850	1,963	-
Telephone	963	1,899	722	-
Internet	-	-	-	-
Postage	380	749	282	-
Printing	7	12	5	-
Disposables	1,580	13,774	18,104	6,105
Kitchen Supplies	282	560	240	-
Office Supplies	2,170	4,281	1,583	-
Laundry	1,070	1,357	691	-
Payroll Services	-	-	-	-
Advertising and Outreach	-	-	-	-
Repairs and Maintenance	1,506	2,620	1,540	-
Audit/Bookkeeping	-	-	-	-
Bad Debt Expense	-	-	-	693
Registration	317	398	204	-
Miscellaneous	-	-	-	-
<b>TOTALS</b>	<b>\$ 146,056</b>	<b>\$ 321,125</b>	<b>\$ 323,327</b>	<b>\$ 42,274</b>

See accompanying notes.

CSE	Donations	Total Program Services	Supporting Services	Total
\$ 27,188	\$ 28,643	\$ 423,588	\$ 131,665	\$ 555,253
3,534	6,147	80,663	29,395	110,058
2,928	1,315	56,667	3,069	59,736
-	-	625	-	625
793	-	14,959	-	14,959
305	-	5,749	-	5,749
19,355	524	263,256	-	263,256
-	-	5,063	-	5,063
495	-	9,345	-	9,345
198	-	3,782	420	4,202
-	1,732	1,732	-	1,732
77	125	1,613	179	1,792
1	265	290	-	290
2,513	-	42,076	-	42,076
61	468	1,611	-	1,611
441	1,925	10,400	1,197	11,597
175	-	3,293	-	3,293
-	-	-	6,842	6,842
-	3,144	3,144	-	3,144
330	3,625	9,621	-	9,621
-	158	158	5,900	6,058
-	-	693	-	693
51	1,575	2,545	275	2,820
-	162	162	572	734
<u>\$ 58,445</u>	<u>\$ 49,808</u>	<u>\$ 941,035</u>	<u>\$ 179,514</u>	<u>\$ 1,120,549</u>

**NUTRITION FOR THE ELDERLY IN TOMPKINS COUNTY, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2009**

	Program Services			
	IIC C-1	IIC C-2	SNAP	Foodnet Select
Wages	\$ 39,917	\$ 152,748	\$ 155,091	\$ 6,208
Fringe Benefits	16,026	31,654	15,962	359
Meal Delivery Travel	8,592	19,636	12,860	-
Rent	625	-	-	-
Utilities	3,761	7,649	3,250	-
Building and Grounds Maintenance	2,905	3,529	1,505	-
Food	35,043	77,433	96,474	26,475
Subcontractors	6,011	-	-	-
Insurance	2,739	3,472	1,770	-
Telephone	1,098	2,175	932	-
Internet	-	-	-	-
Postage	266	528	227	-
Printing	-	-	-	-
Disposables	2,547	13,300	16,557	5,566
Kitchen Supplies	240	475	204	-
Office Supplies	1,750	3,449	1,482	-
Laundry	1,028	1,299	662	-
Payroll Services	-	-	-	-
Advertising and Outreach	-	-	-	-
Repairs and Maintenance	1,873	2,633	1,437	-
Audit	-	-	-	-
Bad Debt Expense	-	-	-	19
Registration	417	523	267	-
Miscellaneous	210	262	135	-
<b>TOTALS</b>	<b>\$ 125,048</b>	<b>\$ 320,765</b>	<b>\$ 308,815</b>	<b>\$ 38,627</b>

See accompanying notes.

<u>CSE</u>	<u>Donations</u>	<u>Total Program Services</u>	<u>Supporting Services</u>	<u>Total</u>
\$ 26,403	\$ 28,189	\$ 408,556	\$ 125,571	\$ 534,127
3,475	5,463	72,939	26,946	99,885
2,300	835	44,223	-	44,223
-	-	625	-	625
818	-	15,478	-	15,478
379	-	8,318	-	8,318
16,549	888	252,862	-	252,862
-	-	6,011	-	6,011
444	-	8,425	-	8,425
235	-	4,440	493	4,933
-	1,191	1,191	-	1,191
58	459	1,538	120	1,658
-	1,125	1,125	-	1,125
2,575	-	40,545	-	40,545
50	271	1,240	-	1,240
376	1,320	8,377	963	9,340
166	-	3,155	-	3,155
-	154	154	6,436	6,590
-	1,695	1,695	-	1,695
335	315	6,593	-	6,593
-	-	-	5,650	5,650
-	-	19	-	19
68	718	1,993	225	2,218
34	2,801	3,442	85	3,527
<u>\$ 54,265</u>	<u>\$ 45,424</u>	<u>\$ 892,944</u>	<u>\$ 166,489</u>	<u>\$ 1,059,433</u>

**NUTRITION FOR THE ELDERLY IN TOMPKINS COUNTY, INC.  
STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31,**

	2010	2009
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net Income	\$ 16,428	\$ 53,185
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation Expense	47,600	42,323
Gain/Loss from Sale of Equipment	( 1,000)	( 800)
Amortization of Bond Cost	262	262
Loan Forgiveness	-	( 5,000)
Loss on Damaged Asset	370	1,151
Changes in Inventory	903	( 15)
Changes in Grants Receivable	500	( 740)
Changes in Other Receivables	495	( 495)
Changes in Pledges Receivable	( 1,925)	7,235
Changes in Accounts Payable	1,790	675
Changes in Salaries and Fringe Benefits Payable	2,781	2,790
Changes in Other Current Liabilities	2,041	( 1,394)
Total Adjustments	53,817	45,992
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>70,245</b>	<b>99,177</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of Capitalized Assets	( 52,873)	( 1,920)
Proceeds from Sale of Equipment	1,000	800
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>( 51,873)</b>	<b>( 1,120)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Principal Payments on Capital Lease Agreement	( 16,994)	( 16,145)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>( 16,994)</b>	<b>( 16,145)</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	1,378	81,912
<b>CASH AND CASH EQUIVALENTS, beginning of year</b>	126,888	44,976
<b>CASH AND CASH EQUIVALENTS, end of year</b>	\$ 128,266	\$ 126,888
<b>SUPPLEMENTAL INFORMATION ON CASH FLOWS:</b>		
Cash paid during the year for:		
Interest	\$ 8,224	\$ 8,791

**NUTRITION FOR THE ELDERLY IN TOMPKINS COUNTY, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

**A. Summary of Significant Accounting Policies:**

The Organization

The Organization (known as "Foodnet" and "Foodnet Meals on Wheels") is a private, not-for-profit corporation created to help the elderly remain in independent living as long as possible and appropriate through maintenance of a healthy diet, provision of opportunities for socialization and referrals to other services as needed. Components include meals served in dining rooms at various community sites and delivery of meals to individuals throughout Tompkins County as well as nutrition counseling. The Organization began operations in January 1987.

Accounting Method

The financial statements are prepared using the accrual method of accounting, recognizing income and receivables as earned, and expenses and liabilities as incurred.

Income Taxes

The Organization is exempt from income taxes under Section 501 (c)(3) of the Internal Revenue Code.

The Organization accounts for income taxes in accordance with FASB Accounting Standards Codification (ASC) 740, *Income Taxes*. FASB ASC 740-10 clarifies the accounting for income taxes by prescribing a minimum recognition threshold that a tax position is required to meet before being recognized in the financial statements. With few exceptions, the Organization is no longer subject to U.S. federal, state, or local income tax examinations by tax authorities before 2007.

Cash and Cash Equivalents

For cash flow reporting purposes, cash and cash equivalents consist of cash, checking accounts and certificates of deposit.

Fixed Assets

Vehicles, equipment, leasehold improvements, land and building are stated at cost if purchased or fair value if donated. Depreciation is provided over the estimated useful lives of 3 to 40 years by the straight-line method. Repairs and maintenance are expensed while betterments to existing assets are depreciated over their estimated useful lives.

Estimates and Assumptions

Management of the Organization uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that management uses.

### 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.

### Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions.

#### **B. Donated Goods and Services:**

Donations of baked goods and other foods were received from non-profits and other donors. Educational institutions provide interns for various projects. These types of donations were received in both 2010 and 2009. No dollar value has been determined for these contributions due to the difficulty of assigning fair market value to them.

#### **C. Inventory:**

Inventory is valued at cost and consisted of food and supplies on hand at December 31:

	2010	2009
Food	\$ 5,815	\$ 5,547
Kitchen and Office Supplies	673	613
Disposables	2,528	3,759
	<u>\$ 9,016</u>	<u>\$ 9,919</u>

#### **D. Promises to Give:**

Unconditional promises to give consisted of the following at December 31, 2010:

Unconditional Promises to Give Due in:

Less than One Year	\$ 2,845
One Year to Five Years	-
More than Five Years	40,000
	<u>\$ 42,845</u>
Less:	
Discount to Present Value	-
Allowance for Uncollectibles	-
	<u>-</u>
Net Unconditional Promises to Give	<u>\$ 42,845</u>

Unconditional promises to give due in more than one year are recognized at fair value. The Organization had no conditional promises as of December 31, 2010.

**E. Fixed Assets:**

The Organization's fixed assets consisted of the following at December 31,:

	<u>2010</u>	<u>2009</u>
Land	\$ 30,000	\$ 30,000
Building	270,000	270,000
Leasehold Improvements	155,882	155,039
Vehicles	162,479	174,854
Equipment	182,455	174,661
	<u>800,816</u>	<u>804,554</u>
Less: Accumulated Depreciation	429,377	438,018
	<u>\$ 371,439</u>	<u>\$ 366,536</u>

Depreciation expense for the years ended December 31, 2010 and 2009 was \$47,600 and \$42,323, respectively.

Title to equipment purchased with grant monies, administered by Tompkins County Office of the Aging, would be transferred to Tompkins County if the programs should cease to exist or are passed on to another organization in the future. Title to equipment donated to Foodnet purchased from donated funds would remain with Foodnet.

At December 31, 2010, the Organization owned ten vehicles which are available for meal deliveries.

**F. Line of Credit:**

Nutrition for the Elderly in Tompkins County, Inc. has a \$30,000 line of credit with Tompkins Trust Company. The bank line of credit bears interest at prime plus 2 (5.25% at December 31, 2010).

**G. Lease Agreements:**

In May 2004, Foodnet entered into a capital lease agreement for the North Triphammer Road property with Tompkins County. The term of the lease is twenty years, commencing May 1, 2004 and ending April 30, 2023, with an option to purchase the building for \$1 plus the redemption of all outstanding bonds issued by the County to finance the purchase. Included in the bond was \$24,770 to be set aside for property repairs and improvements. Foodnet received these funds in 2005. The payment is to be made monthly based on 1/12<sup>th</sup> of the annual debt service of the bonds. Monthly payments began in March 2005. Foodnet is responsible for all insurance and property taxes. In 2006 Foodnet made additional principal payments and accelerated the pay off date to March 1, 2020.

	<u>2010</u>	<u>2009</u>
Capital lease obligation for land and building, payable in monthly lease payments through March 2020 including interest at 3.375%.	\$ 209,457	\$ 226,451
Less: Current Portion	<u>17,419</u>	<u>16,994</u>
	<u>\$ 192,038</u>	<u>\$ 209,457</u>

Future estimated minimum lease payments as of December 31, 2010 are:

2011	\$ 25,195
2012	25,421
2013	25,187
2014	25,332
2015	25,406
Thereafter	<u>127,026</u>
	253,567
Less: Amount Representing Interest	<u>44,110</u>
	<u>\$ 209,457</u>

Foodnet has entered into the following operating lease agreements to provide meals for on-site locations:

1. Village of Groton Housing Authority - Foodnet is responsible for utilities at a cost of approximately \$625 annually. The lease has been renewed until December 2011.
2. Ithaca Housing Authority - The Housing Authority contributes the rental space at a fair market value of \$340 per month. This lease expires December 2011.
3. Lansing Housing Authority - An in-kind contribution for the rental of the meal distribution location is provided to Foodnet with no fair market value estimated. The lease for the distribution location expires in December 2011.

Total rental expense was \$625 for 2010 and 2009.

#### H. Capitalized Lease Bond Costs:

Bond costs of \$5,230 were incurred as a part of the lease for the purchase of the land and building and are expensed over the term of the lease of twenty years. Amortization expense for 2010 and 2009 was \$262.

**I. Other Commitments:**

Seneca County Office for the Aging (SCOFA) - The Organization has a subcontract agreement with SCOFA to provide the nutrition site and personnel for meal distribution in Trumansburg. The contract has been renewed until December 2011.

Foodnet responsible for reimbursing SCOFA for the meals served daily to Tompkins County residents.

**J. Restricted Net Assets:**

The temporarily restricted net assets are restricted by time or use as follows:

	2010	2009
Bequest - Time	\$ 40,000	\$ 40,000
Contributions - Use	21,585	6,208
Capital Improvement Fund - Use	8,299	8,299
	<u>\$ 69,884</u>	<u>\$ 54,507</u>

**K. Pension Plan:**

The Organization allows employees to participate in a tax-deferred annuity plan. Employees are eligible upon commencement of employment and may contribute a percentage of their salary up to \$15,500. The Organization does not match employee contributions nor contribute any other amounts to the plan.

**L. Concentrations:**

The Organization may have deposits in excess of the FDIC limit during the year.

The Organization received 55% and 56% of its funding from Tompkins County (Office of Aging) during the years ended December 31, 2010 and 2009, respectively.

**M. Bequest Receivable:**

The Organization is a beneficiary in a trust. Bequest receivable is the amount to be received upon death of the bequeathor.

**N. Fair Value Measurements:**

Accounting Standards Code 820 established a three-tier hierarchy for fair value measurements, which prioritizes the inputs used in measuring fair value as follows.

- Level 1 - observable inputs such as quoted prices for identical instruments in active markets.
- Level 2 - inputs other than quoted prices in active markets that are observable either directly or indirectly through corroboration with observable market data.
- Level 3 - unobservable inputs in which there is little or no market data, which would require the Organization to develop its own assumptions.

As of December 31, 2010, the Organization held certain assets that were measured at fair value on a recurring basis. The fair value of investments is obtained from readily available market prices. The following table presents the Organization's financial assets measured at fair value on a recurring basis as of December 31, 2010:

<b>ASSETS:</b>	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Beneficial Interest in Trusts	\$ 40,000	\$ 40,000	\$ -	\$ -

**O. Subsequent Events:**

Subsequent events were evaluated through April 6, 2011, which is the date the financial statements were available to be issued.