

**VICTORIA SENIOR CITIZENS CENTER, INC.
dba MEALS ON WHEELS VICTORIA**

FINANCIAL STATEMENTS

**FOR THE YEARS ENDED
SEPTEMBER 30, 2021 AND 2020**

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Victoria Senior Citizens Center, Inc.
dba Meals on Wheels Victoria
Victoria, Texas

We have audited the accompanying financial statements of the Victoria Senior Citizens Center, Inc. dba Meals on Wheels Victoria (a nonprofit organization), which comprise the statements of financial position as of September 30, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility 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; this includes 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.

Auditors' Responsibility

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Victoria Senior Citizens Center, Inc. dba Meals on Wheels Victoria as of September 30, 2021 and 2020, 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.

Roloff, Hnatek & Co., L.L.P.

Certified Public Accountants

March 3, 2022

VICTORIA SENIOR CITIZENS CENTER, INC.
dba MEALS ON WHEELS VICTORIA
STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 2021 AND 2020

ASSETS

	<u>2021</u>	<u>2020</u>
Current Assets:		
Cash and Cash Equivalents	\$ 718,174	\$ 557,101
Accounts Receivable	157,935	104,789
Unconditional Promises to Give	28,125	35,625
Prepaid Expenses	<u>8,615</u>	<u>7,034</u>
Total Current Assets	912,849	704,549
Noncurrent Assets:		
Property and Equipment, Net	<u>396,147</u>	<u>404,029</u>
Total Assets	<u>\$ 1,308,996</u>	<u>\$ 1,108,578</u>

LIABILITIES AND NET ASSETS

Current Liabilities:		
Accounts Payable	\$ 37,994	\$ 11,529
Other Liabilities	552	534
Paycheck Protection Program Note Payable - Current	<u>-0-</u>	<u>13,281</u>
Total Current Liabilities	<u>38,546</u>	<u>25,344</u>
Long-Term Liabilities		
Paycheck Protection Program Note Payable - Net of Current	<u>-0-</u>	<u>27,519</u>
Total Long-Term Liabilities	<u>-0-</u>	<u>27,519</u>
Total Liabilities	<u>38,546</u>	<u>52,863</u>
Net Assets:		
With Donor Restrictions	41,654	75,000
Without Donor Restrictions	<u>1,228,796</u>	<u>980,715</u>
Total Net Assets	<u>1,270,450</u>	<u>1,055,715</u>
Total Liabilities and Net Assets	<u>\$ 1,308,996</u>	<u>\$ 1,108,578</u>

The accompanying notes are an integral part of the financial statements.

VICTORIA SENIOR CITIZENS CENTER, INC.
dba MEALS ON WHEELS VICTORIA
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue:			
Grants and Contracts	\$ 606,479	\$ -0-	\$ 606,479
Program Revenues	16,688	-0-	16,688
Fundraising Income	140	-0-	140
Interest Income	877	-0-	877
Donations	214,633	58,938	273,571
United Way	37,500	-0-	37,500
Noncash Donations	360	-0-	360
Other Income	50,116	-0-	50,116
Gain on Disposition of Assets	384	-0-	384
Net Assets Released from Restrictions	92,284	(92,284)	-0-
Total Support and Revenue	<u>1,019,461</u>	<u>(33,346)</u>	<u>986,115</u>
Expenses:			
Program Services	664,883	-0-	664,883
Supporting Services:			
Administrative	90,923	-0-	90,923
Fundraising	15,574	-0-	15,574
Total Expenses	<u>771,380</u>	<u>-0-</u>	<u>771,380</u>
Increase (Decrease) in Net Assets	248,081	(33,346)	214,735
Net Assets, Beginning of Year	<u>980,715</u>	<u>75,000</u>	<u>1,055,715</u>
Net Assets, End of Year	<u>\$ 1,228,796</u>	<u>\$ 41,654</u>	<u>\$ 1,270,450</u>

The accompanying notes are an integral part of the financial statements.

VICTORIA SENIOR CITIZENS CENTER, INC.
dba MEALS ON WHEELS VICTORIA
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue:			
Grants and Contracts	\$ 462,214	\$ -0-	\$ 462,214
Program Revenues	20,767	-0-	20,767
Fundraising Income	1,063	-0-	1,063
Interest Income	1,925	-0-	1,925
Donations	324,527	75,000	399,527
United Way	47,500	-0-	47,500
Noncash Donations	10,605	-0-	10,605
Other Income	3,717	-0-	3,717
Loss on Disposition of Assets	(13,721)	-0-	(13,721)
Net Assets Released from Restrictions	84,368	(84,368)	-0-
Total Support and Revenue	<u>942,965</u>	<u>(9,368)</u>	<u>933,597</u>
Expenses:			
Program Services	483,942	-0-	483,942
Supporting Services:			
Administrative	79,305	-0-	79,305
Fundraising	3,757	-0-	3,757
Total Expenses	<u>567,004</u>	<u>-0-</u>	<u>567,004</u>
Increase (Decrease) in Net Assets	375,961	(9,368)	366,593
Net Assets, Beginning of Year	<u>604,754</u>	<u>84,368</u>	<u>689,122</u>
Net Assets, End of Year	<u>\$ 980,715</u>	<u>\$ 75,000</u>	<u>\$ 1,055,715</u>

The accompanying notes are an integral part of the financial statements.

VICTORIA SENIOR CITIZENS CENTER, INC.
dba MEALS ON WHEELS VICTORIA
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED SEPTEMBER 30, 2021

	Program Services	Administrative	Fundraising	Total
Salaries and Related Expenses				
Salaries	\$ 281,501	\$ 25,303	\$ 9,489	\$ 316,293
Payroll Taxes	20,199	1,816	680	22,695
Total Salaries and Related Expenses	301,700	27,119	10,169	338,988
Food and Related Expenses	153,558	-0-	-0-	153,558
Meal Delivery and Supplies	76,181	-0-	-0-	76,181
Pet Supplies	4,143	-0-	-0-	4,143
Occupancy				
Janitorial Supplies	1,897	335	-0-	2,232
Maintenance and Repairs	22,199	3,918	-0-	26,117
Utilities and Telephone	25,911	4,572	-0-	30,483
Vehicle	11,011	-0-	-0-	11,011
Insurance	19,402	6,467	-0-	25,869
Advertising	2,342	6,088	936	9,366
Fundraising	-0-	-0-	2,500	2,500
Office	19,219	17,297	1,921	38,437
Postage	632	292	48	972
Professional Development	-0-	2,547	-0-	2,547
Professional Fees	-0-	15,616	-0-	15,616
Total Expenses Before Depreciation	638,195	84,251	15,574	738,020
Depreciation	26,688	6,672	-0-	33,360
Total Expenses	<u>\$ 664,883</u>	<u>\$ 90,923</u>	<u>\$ 15,574</u>	<u>\$ 771,380</u>

The accompanying notes are an integral part of the financial statements.

VICTORIA SENIOR CITIZENS CENTER, INC.
dba MEALS ON WHEELS VICTORIA
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED SEPTEMBER 30, 2020

	Program Services	Administrative	Fundraising	Totals
Salaries and Related Expenses				
Salaries	\$ 184,636	\$ 32,971	\$ 2,198	\$ 219,805
Payroll Taxes	14,283	2,551	170	17,004
Total Salaries and Related Expenses	198,919	35,522	2,368	236,809
Food and Related Expenses	124,827	-0-	-0-	124,827
Meal Delivery and Supplies	31,692	-0-	-0-	31,692
Pet Supplies	5,510	-0-	-0-	5,510
Occupancy				
Janitorial Supplies	1,581	279	-0-	1,860
Maintenance and Repairs	13,298	2,347	-0-	15,645
Rent	4,781	844	-0-	5,625
Utilities and Telephone	19,637	3,465	-0-	23,102
Vehicle	13,268	-0-	-0-	13,268
Insurance	20,176	6,725	-0-	26,901
Advertising	1,801	831	139	2,771
Fundraising	-0-	-0-	219	219
Office	25,300	7,421	1,012	33,733
Postage	246	113	19	378
Professional Development	-0-	1,307	-0-	1,307
Professional Fees	-0-	14,725	-0-	14,725
Total Expenses Before Depreciation	461,036	73,579	3,757	538,372
Depreciation	22,906	5,726	-0-	28,632
Total Expenses	<u>\$ 483,942</u>	<u>\$ 79,305</u>	<u>\$ 3,757</u>	<u>\$ 567,004</u>

The accompanying notes are an integral part of the financial statements.

VICTORIA SENIOR CITIZENS CENTER, INC.
dba MEALS ON WHEELS VICTORIA
STATEMENTS OF CASH FLOWS
YEARS ENDED SEPTEMBER 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
Cash Flows From Operating Activities:		
Net Increase in Net Assets	\$ 214,735	\$ 366,593
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	33,360	28,632
(Gain) Loss on Disposition of Assets	(384)	13,721
Paycheck Protection Program Loan Forgiveness	(40,800)	-0-
(Increase) Decrease in Operating Assets		
Accounts Receivable	(53,146)	(73,178)
Unconditional Promises to Give	7,500	7,125
Prepaid Expenses	(1,581)	2,137
Increase (Decrease) in Operating Liabilities		
Accounts Payable	26,465	(24,865)
Payroll Taxes Payable	-0-	(71)
Other Liabilities	<u>18</u>	<u>430</u>
Net Cash Provided by Operating Activities	<u>186,167</u>	<u>320,524</u>
Cash Flows from Investing Activities:		
Proceeds from Sale of Property and Equipment	2,950	-0-
Purchases of Property and Equipment	<u>(28,044)</u>	<u>(140,947)</u>
Net Cash Used by Investing Activities	<u>(25,094)</u>	<u>(140,947)</u>
Cash Flows from Financing Activities:		
Proceeds from Paycheck Protection Program Loan	<u>-0-</u>	<u>40,800</u>
Net Cash Provided (Used) by Financing Activities	<u>-0-</u>	<u>40,800</u>
Net Increase in Cash and Cash Equivalents	161,073	220,377
Cash and Cash Equivalents, Beginning of Year	<u>557,101</u>	<u>336,724</u>
Cash and Cash Equivalents, End of Year	<u>\$ 718,174</u>	<u>\$ 557,101</u>

The accompanying notes are an integral part of the financial statements.

VICTORIA SENIOR CITIZENS CENTER, INC.
dba MEALS ON WHEELS VICTORIA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020

Note 1: Nature of Activities

Victoria Senior Citizens Center, Inc. dba Meals on Wheels Victoria (the Center) is operated to provide services to the senior citizens of Victoria County, Texas. These services include transportation, on-site meals, delivered meals, social, recreation, education, information, referral and advocacy programs.

On September 12, 2018, the Center successfully filed with the office of the Secretary of the State of Texas to change its name from Victoria County Senior Citizens Center, Inc., to Victoria Senior Citizens Center, Inc. dba Meals on Wheels Victoria.

Note 2: Summary of Significant Accounting Policies

Basis of Accounting -- The Center prepares its financial statements in accordance with accounting principles generally accepted in the United States of America. Revenues are recognized when earned and expenses related to the revenues are recorded upon completion of the event to which they are applicable regardless of the timing of the related cash flows.

Basis of Financial Statement Presentation -- The Center reports information regarding its financial position and activities according to two classes of net assets: net assets with donor restrictions and net assets without donor restrictions.

Net assets without donor restrictions are net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Center. These net assets may be used at the discretion of the Center. Board-designated net assets are net assets without donor restrictions that are self-imposed limits by the action of the governing Board.

Net assets with donor restrictions are net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Board or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the Statement of Activities.

Cash and Cash Equivalents -- The Center considers all time deposits, certificates of deposit, investments in money market mutual funds, and highly liquid debt instruments with original maturities of three months or less to be cash equivalents.

Receivables -- The Center has contracted to provide services for certain government entities from which they are reimbursed. The receivables balance represents amounts earned on these contracts at September 30, 2021 and 2020. All receivables are considered to be fully collectible; accordingly, no allowance for doubtful accounts has been established.

VICTORIA SENIOR CITIZENS CENTER, INC.
dba MEALS ON WHEELS VICTORIA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020

Note 2: Summary of Significant Accounting Policies (Continued)

Contributions -- Contributions are recognized when the donor makes a promise to give to the Center that is, in substance, unconditional. Contributions that are restricted by the donor for future periods or a specific purpose are reported as increases in net assets with donor restrictions or without donor restrictions depending on the nature of the restriction. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Unconditional promises to give that are expected to be collected within one year are recorded at their realizable value. Unconditional promises to give that are expected to be collected after one year or more are recorded at the present value of estimated future cash flows. The discounts on those amounts are computed using a risk-free interest rate applicable to the year in which the promise is received. Amortization of the discount is included as contribution revenue. Conditional promises to give are not included as support until such time as the conditions are substantially met.

The Center reports gifts of property and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support.

If the only restriction on the unconditional promise to give is the construction or purchase of specified long-lived assets and absent explicit donor stipulations about how long those long-lived assets must be maintained, the Center reports expirations of donor restrictions as the donated or acquired long-lived assets are placed in service.

Prepaid Expenses -- Expense items of a nature that will benefit future periods are charged to the prepaid expense accounts and are expensed over the future periods to be benefited.

Compensated Absences -- The Center's vacation policy allows full-time employees with up to five years of service to accrue twelve days annually. For each service year over five, the employee receives an additional day per year up to a maximum of fifteen days. Part-time employees scheduled to work at least twenty hours per week accrue vacation at the same ratio of vacation leave to total hour worked as full-time employees. At September 30 of each year, accrued vacation leave in excess of five days (or its equivalent by ratio for those scheduled less than forty hours per week) is forfeited. Vacation leave is not paid upon termination. The Center's sick leave policy allows full time employees to accrue sick leave at the same rate and ratio as vacation leave. Sick leave is not paid upon termination. Consequently, no provision for compensated absences is included in the accompanying financial statements.

VICTORIA SENIOR CITIZENS CENTER, INC.
dba MEALS ON WHEELS VICTORIA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020

Note 2: Summary of Significant Accounting Policies (Continued)

Allocation of Expenses -- Certain categories of expenses are attributable to more than one program or supporting function and are allocated on a reasonable basis that is consistently applied. The expenses that are allocated are salaries and related benefits, which are allocated on the basis of estimates of time and effort; occupancy costs, insurance, depreciation, and other operating expenses, which are allocated based on usage studies conducted periodically.

Advertising Costs -- Advertising costs are expensed as incurred. Advertising expense was \$9,366 and \$2,771 for the years ended September 30, 2021 and 2020, respectively.

Property and Equipment -- The Center's policy is to capitalize property, improvements, and other assets that are valued at \$5,000 or more, and that are expected to have a useful life of greater than one year, at their historical cost or estimated fair market value. Expenditures for maintenance and repairs that do not significantly improve or extend the lives of the assets are expensed as incurred. Depreciation is taken on the straight-line method over the estimated useful lives of the related asset. Buildings are depreciated over twenty-five years, building improvements and office equipment over five to twelve years, and vehicles over five years. Property and equipment owned by the Center is reflected at original cost if acquired by purchase and if acquired by donation, at the fair market value at the time donated.

Income Taxes -- The Center is statutorily exempt from federal income tax under Internal Revenue Code section 501(c)(3). Accordingly, no provision for income tax expense has been included in the accompanying financial statements. In addition, it has been determined by the Internal Revenue Service not to be a "private foundation" within the meaning of Section 509(a). There was no unrelated business taxable income for the years ended September 30, 2021 or 2020.

The accounting standard on accounting for uncertainty in income taxes addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under that guidance, the Center may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities based on the technical merits of the position. Examples of tax positions include the tax-exempt status of the Center and various positions related to the potential sources of unrelated business taxable income. The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. There were no unrecognized tax benefits identified or recorded as liabilities for the years ended September 30, 2021 and 2020.

The Center is generally no longer subject to examination by the Internal Revenue Service for tax years ending before 2018.

VICTORIA SENIOR CITIZENS CENTER, INC.
dba MEALS ON WHEELS VICTORIA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020

Note 2: Summary of Significant Accounting Policies (Concluded)

Use of Estimates -- The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Donated Services, Property, and Materials -- Donated services are recognized as contributions in accordance with Financial Accounting Standards Board Accounting Standards Codification ("FASB ASC") 958, *Presentation of Financial Statements of Not-for-Profit Entities*, if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Center.

The Center generally pays for services requiring specific expertise; however, the Center received donated pest control services during the year. A substantial number of volunteers donated significant amounts of their time in the Center's program, but these services do not meet the criteria for recognition as contributed services. Donations of property and equipment are recorded as support at their fair market value at the date of donation. They are recorded to net assets without donor restrictions unless the donor has restricted the donated assets to a specific purpose.

Materials are donated throughout the year; however, their accumulated fair market value would not materially affect the financial statements and are not reflected.

The Food Bank of the Golden Crescent donates food products and basic need products to the Center. The estimated fair market value of these donations is reported in support and expenses in the Statement of Activities. The Center uses the fair market value per pound of donated food and donated basic need products according to Feeding America (a national food bank) in order to calculate total support and expenses.

Reclassifications -- Certain prior year amounts have been reclassified to conform to the current year presentation.

Date of Management's Review -- Subsequent events were evaluated through March 3, 2022, which is the date the financial statements were available to be issued.

VICTORIA SENIOR CITIZENS CENTER, INC.
dba MEALS ON WHEELS VICTORIA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020

Note 3: Concentration of Credit Risk

The Center maintains its cash in two financial institutions located in Victoria, Texas. Deposit accounts are guaranteed by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000, for each deposit insurance category. At times, the balances in bank deposit accounts may exceed federally insured limits. The Center's cash and cash equivalent balances were fully insured at September 30, 2021 and 2020. The Center has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk related to its cash and cash equivalents balances.

Note 4: Property and Equipment

As of September 30, 2021, and 2020, the Center's property and equipment was comprised of the following:

	2021	2020
Nondepreciable:		
Land	\$ 14,483	\$ 14,483
Depreciable:		
Building and Improvements	542,681	542,681
Furniture and Equipment	165,385	153,644
Vehicles	84,686	84,686
Totals at Historical Cost	807,235	795,494
Accumulated Depreciation	(411,088)	(391,465)
Total Property and Equipment, Net	<u>\$ 396,147</u>	<u>\$ 404,029</u>

Depreciation expense for the years ended September 30, 2021 and 2020 was \$33,360 and \$28,632, respectively.

Note 5: Unconditional Promises to Give

The United Way of Victoria unconditionally promised to give the Center \$37,500 and \$47,500, respectively, in unrestricted contributions for the years ending September 30, 2021 and 2020. The United Way of Victoria allocates grants on a fiscal year cycle of July 1 through June 30 and remits one fourth of the grant allocation on a quarterly basis. Accordingly, the Center accrues the unconditional promise to give in the amount of three quarterly payments not yet received by the end of the Center's fiscal year reporting cycle of October 1 through September 30.

Note 6: Revenue Concentration

The majority of revenue is received from donations from various sources, federal grants awarded through Golden Crescent Regional Planning Commission, and the Victoria County United Way. The loss of these revenues would have a severe impact on the operation of the Center.

VICTORIA SENIOR CITIZENS CENTER, INC.
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NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020

Note 7: Lease Agreement

On March 1, 2018, the Center entered into a lease agreement for a copy machine with Dewitt Poth and Son through Great America Financial Services. The lease agreement requires monthly payments of \$89 for 63 months with a late fee arrangement of the higher of \$26 or \$0.10 for each dollar overdue. Maintenance fees of \$0.009 for each black copy and \$0.06 for each color copy with a minimum charge of \$30 are also applied on a monthly basis.

The minimum lease payments are as follows:

Year Ending September 30,	Amount
2022	\$ 1,068
2023	801
2024	-0-
2025	-0-
2026	-0-
	<u>\$ 1,869</u>

Note 8: Availability and Liquidity of Financial Assets

The following represents the Center's financial assets as of September 30, 2021 and 2020 reduced by amounts not available for general use within one year of the balance sheet date because of donor-imposed restrictions.

	2021	2020
Cash and Cash Equivalents	\$ 718,174	\$ 557,101
Accounts Receivable	157,935	104,789
Unconditional Promises to Give	28,125	35,625
Total Financial Assets	<u>904,234</u>	<u>697,515</u>
Less Donor-Imposed Purpose Restrictions	<u>41,654</u>	<u>75,000</u>
Financial Assets Available to Meet General Expenditures Over the Next Twelve Months	<u>\$ 862,580</u>	<u>\$ 622,515</u>

The Center manages its liquidity by operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs while building reserves to assure long-term obligations will be discharged. In addition to the financial assets available to meet general expenditures over the next twelve months, the Center operates within a balanced budget and anticipates collecting sufficient revenues to cover general expenditures not covered by donor-restricted resources. Periodic actual to budget comparisons are performed and adjustments are made as considered necessary.

VICTORIA SENIOR CITIZENS CENTER, INC.
dba MEALS ON WHEELS VICTORIA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020

Note 9: Net Assets

Net assets at September 30, 2021 and 2020 were as follows:

	<u>2021</u>	<u>2020</u>
With Donor Restrictions		
Specific Purpose:		
Pilot Program	\$ 5,000	\$ -0-
Furniture and Equipment	10,000	-0-
Meals	10,000	-0-
Kitchen Expansion/Capacity Building	16,654	-0-
Passage of Time:		
For Periods After September 30, 2020	-0-	75,000
	<u>\$ 41,654</u>	<u>\$ 75,000</u>
Without Donor Restrictions		
Board Designated Net Assets	\$ 195,405	\$ 159,205
Undesignated	1,033,391	821,510
	<u>\$ 1,228,796</u>	<u>\$ 980,715</u>

The Board has designated funds to be set aside for operating reserves and future capital purchases.

Net assets released from net assets with donor restrictions during the years ended September 30, 2021 and 2020 were as follows:

	<u>2021</u>	<u>2020</u>
Satisfaction of Purpose Restrictions:		
Building Renovations/Parking Lot	\$ -0-	\$ 79,383
Christmas Gifts	-0-	2,485
Pet Program	-0-	2,500
Furniture and Equipment	14,784	-0-
Pilot Program	2,500	-0-
	<u>17,284</u>	<u>84,368</u>
Satisfaction of Time Restrictions:		
For Periods After September 30, 2020	75,000	-0-
	<u>\$ 92,284</u>	<u>\$ 84,368</u>

VICTORIA SENIOR CITIZENS CENTER, INC.
dba MEALS ON WHEELS VICTORIA
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021 AND 2020

Note 10: Paycheck Protection Program Note Payable

On April 21, 2020, the Center received a loan in the amount of \$40,800 under the Paycheck Protection Program ("PPP") established as part of the Coronavirus Aid, Relief and Economic Security Act ("CARES"). The loan and related accrued interest were forgivable after twenty-four weeks as long as the borrower used the loan proceeds for eligible purposes as outlined in the CARES Act. The loan was payable over thirty months at an interest at a rate of 1.00%, with a deferral of payments for the first twelve months. Because the Center used the proceeds for eligible purposes, the loan was fully forgiven on August 12, 2021.