

2018 ANNUAL REPORT



A Message from Our President and CEO



There is much to celebrate as I look back on our many accomplishments throughout 2018. Thanks to the support of our board members, community partners, staff and dedicated volunteers, Meals on Wheels provided nearly 1.4 million nutritious meals to our homebound neighbors, to mobile seniors through congregate feeding sites and to clients of other community

nonprofits. Our organization could not continue this critical work of providing nourishment and friendship to our vulnerable community members without you, and I am grateful for your partnership.

Our organizational achievements from this year include:

New Business – Our organization is always looking for new opportunities to serve the community and diversify our revenue. In June, Meals on Wheels secured the contract to serve meals for People Inc. We provided nearly 4,000 meals for the organization during 2018. In addition, we secured three-year contracts with Erie County for the continuation of home-delivered and congregate dining meals. These contracts have the potential for two one-year renewals.

Diet Expansion – In order to meet the nutrition needs of clients on dialysis, our renal diet includes modifications that control protein, among other nutrients. We secured funding from the Garman Family Foundation to add hard-boiled eggs and protein bars to our renal diet, ensuring clients are provided enough protein in their meals to meet the Recommended Dietary Allowance.

Partial Debt Pay Down – As you will see in the CFO report, we have paid off the second of three loans for the construction of the commissary. (The first and largest loan was retired in 2016.) This decision saved the organization \$6,500 in interest expense and increased our cash flow by \$50,500 per year.

Funding for Cold Room Renovations – The Meals on Wheels Foundation of WNY raised \$58,500 in funding for necessary renovations to eliminate condensation in our commissary's three temperature-controlled process rooms. We continue to raise funds in order to meet our \$166,600 goal to complete these critical upgrades.

Your ongoing support allows us to grow and strengthen our services in order to better assist our neighbors in need. In late 2017, throughout 2018 and in early 2019, Meals on Wheels embarked on a comprehensive study to determine if we should join forces with the Food Bank of WNY. A task force comprised of board members, staff and community volunteers from Meals on Wheels and the Food Bank worked incredibly hard to conduct a thorough analysis and review of the organizations' business models, challenges, opportunities and risks and how best to position them for success and sustainability in the future.

Ultimately the task force enthusiastically agreed that, by coming together, the new organization would make a greater impact in the community and touch even more lives. On February 27, 2019, the boards of the Meals on Wheels Agency, the Meals on Wheels Foundation and the Food Bank of WNY voted to come together as a single nonprofit known as FeedMore WNY.

I am deeply grateful to everyone who worked on making this next great step in eradicating hunger in Western New York possible. Most of all, I want to recognize the incredible efforts of Chris Procknal, who served as interim President and CEO of Meals on Wheels throughout this transition. Prior to her role as executive director, Chris was the chief operations officer for the organization. The dream of FeedMore WNY was in no small part realized thanks to her leadership, compassion and dedication to our mission. This annual report is dedicated to Chris, and I thank her for her service to our organization and the community as she now enjoys her very well-earned retirement.

Thank You,

Tara A. Ellis
President and CEO
FeedMore WNY (formerly Meals on Wheels for Western New York)

MEALS ON WHEELS FOUNDATION OF WNY, INC. MEALS ON WHEELS FOR WESTERN NEW YORK, INC. MAJOR DONORS FOR 2018 (\$5,000 AND UP)

- | | |
|---|---|
| Bank of America | The John R. Oishei Foundation |
| Business First of Buffalo * | Perry's Ice Cream Company Inc. ** |
| Marjorie and John Buyers Foundation, Inc. | Rich Products Corporation** |
| James H. Cummings Foundation | Russo Family Charitable Foundation |
| Dash Markets, Inc. | Seneca-Babcock Community Association Inc. |
| David Collins Productions * | Subaru of America Inc. |
| Virginia Evans Devereux Trusts | Tops Markets ** |
| Garman Family Foundation | Tower Family Fund |
| Mrs. Kathy Gleason | Wegmans Food Markets, Inc. ** |
| Josephine Goodyear Foundation Fund | West Herr Auto Group |
| Grainger | |
| Mr. Warren P. Lipka | |
| The M&T Charitable Foundation | |
| National Fuel Gas | |

* Gift in Kind ** Gift in Kind and Cash



Chris Procknal cuts the ribbon on the newly established Chris Procknal Conference Room at FeedMore WNY's James E. Casey location.

A Message from Our Board Leadership

Meals on Wheels for Western New York serves nearly 3,400 homebound individuals annually in Erie County in addition to 3,200 mobile seniors through our congregate dining program. As a multimillion-dollar safety net program, Meals on Wheels plays a critical role in the community. In some cases, we represent the difference between life and death.

In this annual report, you will see an overview of our financial results from 2018 and learn about our audit from our CFO, Lucian Wiza. Our 2018 performance was strong, and we are proud of our talented team that works so hard to make these results possible.

Despite a strong 2018 financial report, we continue to face financial challenges in our mission-oriented programming. While our team works hard to offset these challenges through diversifying revenue and fundraising, the reality is that we must rely on community support to meet the needs of our vulnerable neighbors. With Meals on Wheels coming together with the Food Bank of WNY to create FeedMore WNY, we will need the community's support more than ever as we work to provide dignity, hope and a brighter future to our hungry Western New York neighbors of all ages.

While the boards of Meals on Wheels for Western New York, Meals on Wheels Foundation of Western New York and the Food Bank of Western New York voted in February 2019 to come together as FeedMore WNY, we await formal approval of the merger from the New York State Attorney General. The approval process is moving steadily through the proper channels, though the date of official approval remains unknown. We will make sure to inform you of any updates to this timetable.

It has been an honor for us to lead the Meals on Wheels Agency and Foundation boards, and we are thrilled to take this great step forward with FeedMore WNY in our new roles on the FeedMore WNY Executive Committee. We are pleased to share that Jerry Sheldon, former Board Chair for the Food Bank of WNY, serves as the Board Chair of FeedMore WNY's single, unified Board of Directors. We look forward to continue working with Jerry and all of the board members and staff of FeedMore WNY as we build upon the great foundations of Meals on Wheels and the Food Bank to better serve our vulnerable community members and fill unmet needs.

We thank you for your partnership with Meals on Wheels and we encourage your support of FeedMore WNY as we continue to nourish and enrich the lives of our neighbors in need.

Thank you,



Richard A. Grimm III, Esq. Chairman
Immediate Past Chair
FeedMore WNY Board of Directors



David A. Smith
Co-Chair, Community Ambassador Council
FeedMore WNY Board of Directors



Richard A. Grimm, III



David A. Smith



Jerry Sheldon



Marilyn,
Client

"IT MAKES MY DAY TO WELCOME THE KINDHEARTED VOLUNTEERS WHO COME TO VISIT. I ALWAYS LOOK FORWARD TO SEEING WHO IS COMING TODAY. THEY BRING WONDERFUL MEALS THAT KEEP ME HEALTHY."

Meals on Wheels helps keep seniors in their homes, where they want to be, by providing them with two nutritious meals each day, a friendly visit from a caring volunteer and a wellbeing check. Many of our clients don't have family in the area, but describe their volunteers as friends and family. Volunteers value the interaction with clients as well - it's what keeps them delivering meals for 30, 35 and even 40 years!

Our volunteers have different reasons for joining Meals on Wheels, but they all quickly see the impact they have by sharing just an hour of their time to deliver meals to our clients. They're not just delivering food - they're sharing friendship and enabling independent living for homebound seniors.



Joe, Volunteer

"I REMEMBER ONE OF THE PEOPLE I DELIVER TO SAID THAT 'WE WERE THE ONLY ONES SHE SAW EACH DAY.' AS A VOLUNTEER, YOU BECOME THE FACE OF FRIENDLINESS FOR SO MANY PEOPLE IN NEED."



Loretta,
Caregiver

"KNOWING THAT MY SISTER-IN-LAW IS RECEIVING TWO NUTRITIOUS MEALS, ALONG WITH A FRIENDLY VISIT EACH DAY, REALLY PROVIDES PEACE OF MIND FOR OUR FAMILY."

Our homebound clients are no longer able to get out to purchase groceries or they may lack the ability to prepare meals for themselves. Without Meals on Wheels, they would go hungry or risk malnourishment. We even have six diets for those with particular medical needs - offering low fat/low sodium, diabetic, ground, renal, bland, and avoiding gluten meals as medically appropriate. It's about options, independence and staying healthy at home.

WHY MEALS ON WHEELS MATTERS

Chief Financial Officer's Report and Financial Highlights



Meals on Wheels for Western New York, Inc. and its related entity Meals on Wheels Foundation of Western New York, Inc. (MOW) consolidate their financial statements consistent with Generally Accepted Accounting Principles (GAAP). MOW's fiscal year is the calendar year. For 2018, MOW once again received a favorable "unmodified" opinion from our independent audit by Freed Maxick CPAs, P.C. There were no significant deficiencies or material weaknesses identified. There were no findings related to the consolidated financial statement audit required to be reported in accordance with Government Auditing Standards and there were no findings or questioned costs for MOW's federal awards.

On the statement of financial position as of December 31, 2018, MOW's total assets are \$10.4 million. Current liabilities are \$707,000 of which \$120,000 is the current portion of long-term debt on the commissary; long-term debt on the commissary is

\$260,000 leading to total liabilities of \$967,000. Total liabilities are down \$893,000 from last year. This was due to the decision to retire a portion of the long-term debt on the commissary early.

For the original construction of the commissary, MOW had secured three loans. The largest loan was retired in July of 2016, three years early. In 2018, a second loan was retired in November. MOW incurred a pre-payment penalty of \$1,700 but will save

\$6,500 in interest expense through July of 2019 and eliminates a balloon payment of \$464,415 in July 2019. In addition, MOW's cash flow increases by \$50,500 a year by not having the debt payment. MOW believes this was the correct financial decision to put the organization in a stronger financial position moving forward.

Total Revenue and Support was 9.1% lower than 2017 and Expenditures were 1% higher than 2017 leading to \$47,000 in income from operations. Revenue and Support was significantly lower than 2017 due to several one-time large contributions received in 2017 totalling \$619,000 and a decrease in client contributions of \$99,000. After accounting for interest expense of \$24,000 and investment loss of \$132,000 there was a decrease in net assets for 2018 of \$109,000. The decrease in net assets was largely attributable to the loss on investments as of the year-end 2018. The market rebounded in the first quarter of 2019. Total Net Assets for MOW are \$9.4 million as of December 31, 2018, of which \$9.1 million are unrestricted.

The organization's need for equipment maintenance and repair, equipment upgrades, the anticipated further increases in meals served, and increase in food and delivery costs continue to drive up MOW's costs and cash flow needs. However, we are optimistic about the steps we are taking to ensure a strong financial future, including merging with the Food Bank of WNY to become FeedMore WNY, the early debt retirement and the ongoing efforts at revenue diversification and expenditure control.

Respectfully submitted,

Lucian Wiza – Chief Financial Officer

Meals on Wheels for Western New York, Inc. & Related Entity CONSOLIDATED FINANCIAL INFORMATION December 31, 2018

Current Assets	\$2,463,419
Investments	2,018,223
Land, Building & Equipment	5,616,846
Pledges Receivable	46,813
Other Assets	254,263
Total	\$10,339,564
Current Liabilities	706,923
Long-Term Liabilities	260,000
Total Liabilities	966,923
Net Assets	9,432,641
Total	\$10,399,564

REVENUES

Federal, State & County Grants	\$3,404,652
Client Contributions	1,057,153
Private pay fees, Other Contracts & Misc.	1,803,071
Fundraising Contributions	1,019,377
Rental Income	416,778
Investment Income, net of interest expense	(155,988)
Total	\$7,545,043

EXPENSES

Program Services	
Nutrition	\$5,839,711
Commissary	715,053
Management & General	677,638
Fundraising	421,453
Total	\$7,653,855
Change in net assets	\$(108,812)
Year-end net assets	\$9,432,641

MEAL COUNTS (2018)	MEALS	%
Home-Delivered Meals	866,946	63%
Congregate Meals	232,621	17%
Cicero (Garden Grove)	81,930	6%
Buffalo City Mission / Cornerstone	70,300	5%
Livingston County MOW	61,352	4%
Meadville, PA	44,442	3%
Lutheran Senior Life	16,352	1%
People Inc.	3,975	<1%
Venture Forthe	2,148	<1%
TOTAL	1,380,066	100%

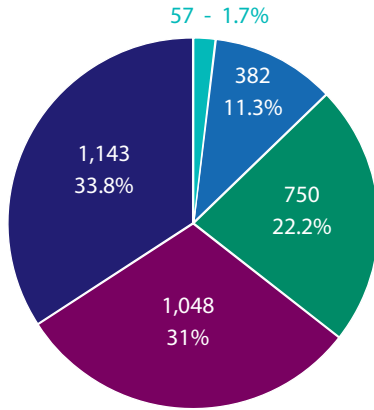
Outside contracts such as Buffalo City Mission or Livingston County MOW give us an opportunity to diversify our revenue and close budget shortfalls. This outside business is continuing to grow - up to 20% of our meals. Many of these outside clients are not-for-profits with complementary missions. Your donations go to support our traditional home-delivery meal programming here in WNY.

ABOUT OUR PROGRAM

AGE

(3,380 Clients, 2018)

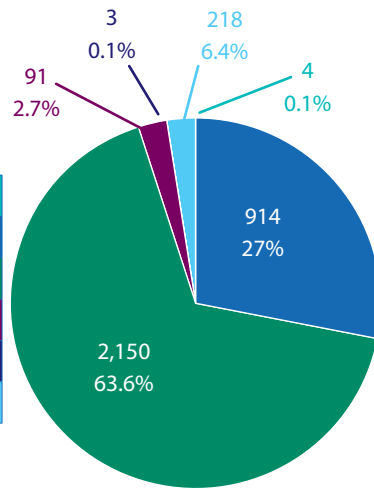
< 55	
55 - 64	
65 - 74	
75 - 84	
85+	



ETHNICITY

(3,380 Clients, 2018)

Asian	
Black	
Caucasian	
Hispanic	
Native American / Alaskan	
Other / Prefer not to say	



100%

OF OUR CLIENTS

WOULD RECOMMEND MEALS ON WHEELS TO OTHERS

99%

OF OUR CLIENTS WOULD

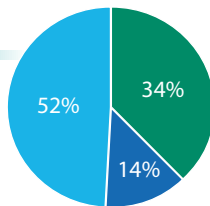
DESCRIBE MOW VOLUNTEERS AS "WARM AND FRIENDLY"

2018 Client Survey, Conducted by Fifteen

DONOR SEGMENTS

\$1,019,377 total

Individuals	\$530,369
Leadership	\$143,114
Corporations / Foundation / Organizations	\$345,894



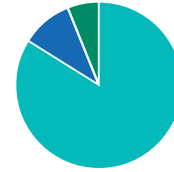
HOW WE USE OUR RESOURCES*

Programs and Operations include all meal costs, and other allocated costs such as wages, fringe benefits, supplies, rent, utilities, phone, depreciation, etc.

Management & General allocated costs such as wages, fringe benefits, supplies, rent, utilities, phone, depreciation, etc.

Fundraising includes all fundraising & special event costs, and other allocated costs such as wages, fringe benefits, supplies, rent, utilities, phone, depreciation, etc.

Fundraising
\$421,453
5%



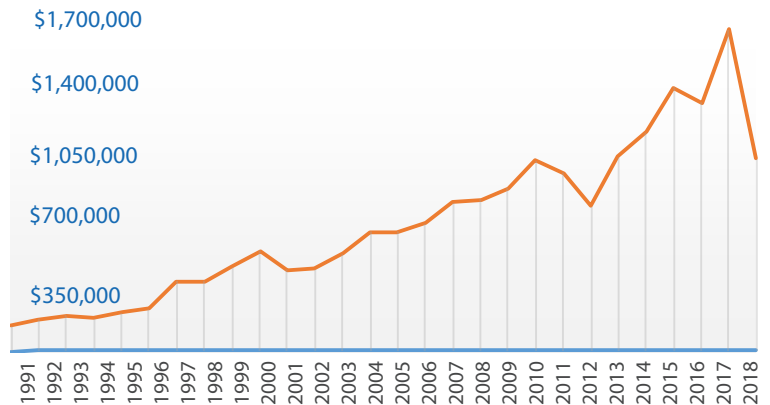
Programs & Operations
\$6,554,764
86%

Management & General Administration
\$677,638 - 9%

TOTAL = \$7,653,855

* All three groupings above include allocated wages, fringe benefits and all supporting costs such as supplies, rent, utilities, phone, insurance, depreciation, etc. All meal costs are part of programs and operations. Other expenses such as interest and loss on investments are excluded.

FUNDRAISING SUCCESS DRIVES PROGRAMMING



VOLUNTEER POWER! 2018 Numbers:



- *243 New Volunteers
- *1,710 Active Volunteers
- *6 New Adopt-A-Routes
- *90 Total Adopt-A-Routes
- *100,650 Estimated Volunteer Hours
- *\$2,818,186 Value of Estimated Volunteer Hours (per NYSOFA standard of \$28/hour)