

2016

ANNUAL REPORT



A Message from Our President and CEO



Two thousand and sixteen was a year of many accomplishments and I'm delighted to share these with you. Since the last annual report, we completed several major projects, paid down a substantial portion of debt, and are better positioned than ever to fulfill our mission of providing food, friendship and safety checks to the homebound seniors and disabled individuals of WNY. We continue to have an amazing staff and volunteer team who make me proud.

Major accomplishments and changes:

- **Planned & Major Gifts** – We developed and executed a planned and major gifts initiative to ensure continued support to bolster current and future contributions to the program.
- **Introducing new technology** – We rolled out new grant-funded tablets for our Registered Dietitians, expanding our in-home nutrition education options and tracking.
- **Electronic Timekeeping** – We've transitioned to an electronic timekeeping system that streamlines this process and ensures accuracy while easing reporting.

- **New Ovens** – The purchase and deployment of new portable meal delivery ovens at all of our sites has been completed. This was a \$234,000 investment and an enormous undertaking that required extensive research, planning, coordination and training and ensures the delivery of safe meals to our clients.
- **New Van** – A generous anonymous donor provided a \$50,000 donation for the purchase of a brand new meal delivery van. This vehicle replaced a nearly 20-year-old van and has allowed us to keep our meal deliveries running smoothly.
- **Partial Debt Pay Down** – As you will see in our financials, we have paid off the largest of our three mortgages.

Demand for Meals on Wheels continues to grow and change alongside the needs of aging seniors. Unfortunately, government support is not increasing in line with the demand. Government programs are serving 23 million fewer meals to seniors in need across the country than in 2005, while waiting lists are growing. We work hard locally to diversify our revenue and funding sources, but government support remains an important component of our budget.

We are working diligently to ensure we can continue to meet the needs of seniors today and tomorrow, but we need your help. Funding streams are not guaranteed and do not keep pace with rising costs.

We need your business leads. We need your hands and hearts to help us as volunteers – both as individuals and through our Adopt-A-Route program. We also need your financial assistance. Please consider a donation using the enclosed envelope.

Thank you for your ongoing support. We could not provide the food and friendship that means so much to so many without YOU!

Thank you,

Tara A. Ellis

– President and CEO, Meals on Wheels for Western New York and Meals on Wheels Foundation of Western New York

MEALS ON WHEELS FOUNDATION OF WNY, INC. MEALS ON WHEELS FOR WESTERN NEW YORK, INC. MAJOR DONORS FOR 2016 (\$5,000 AND UP)

Alliant Capital Management, LLC

American Coradius
International LLC

Bank of America

Business First of Buffalo*

Marjorie and John Buyers
Foundation, Inc.

James H. Cummings
Foundation, Inc.

Cumulus Radio*

Dash Markets, Inc.

David Collins Productions*

Virginia Evans Devereux Trusts

Timothy G. DeZastro, M.D.

Mr. and Mrs. James Joyce

Ms. Sarah M. Fallon

General Mills Foundation

Mrs. Kathy Gleason

Josephine Goodyear
Foundation Fund

Meals on Wheels of America

National Fuel Gas

Niagara Frontier Automobile
Dealers Association

The John R. Oishei Foundation

Perry's Ice Cream**

Mr. and Mrs. Todd and
Bonnie Skare

Subaru of America Inc.

Mr. and Mrs. Manson C. Surdam

Tops Markets**

The Walmart Foundation

Wegmans Food Markets, Inc.**

The Western New
York Foundation

WGRZ-TV*

* In Kind ** Cash and in Kind

OF OUR CLIENTS SAID THE
MEALS HAVE HELPED THEM

MAINTAIN THEIR INDEPENDENCE.

2016 Custom Survey Solutions Inc.

A Message from Our Board Leadership

Each year, Meals on Wheels for Western New York serves more than 3,400 homebound individuals in Erie County in addition to 4,000 mobile seniors through our congregate dining program. As a multi-million dollar safety net program, Meals on Wheels plays a crucial role in the community – and in some cases, we literally represent the difference between life and death.

In this annual report, you'll see an overview of our financial results from 2016 and learn about our audit from our CFO Lucian Wiza. Our 2016 performance was strong, and we are very proud of the entire team that works so hard to make these results possible.

Despite a strong 2016 performance, we continue to face a funding gap in our mission-oriented programming. This is partially offset by diversifying revenue and fundraising, but the reality is that we will always need community support to meet the needs of our growing senior population. Of particular concern this year are rising food costs and uncertainty in terms of the federal budget.

Those who are hungry, lonely or hopeless don't care where the funding comes from. They simply need help. And we are here to make sure that they get the help they need.

It's more important than ever that we not only meet today's needs but at the same time plan for the future. Our boards are continually working on future vision and strategic planning to make sure that the infrastructure is in place to serve local seniors as the environment shifts and changes.

Your support is critical in ensuring that we have the resources in place to support smart growth. We encourage you to support Meals on Wheels for WNY in any way that you are able. Please help us continue to nourish and enrich the lives of your homebound neighbors.



David A. Smith
– Chairman Meals on Wheels
Foundation of Western New York, Inc.

Richard A. Grimm, III, Esq.
– Chairman Meals on Wheels
for Western New York, Inc.

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

December 31, 2016

Current Assets	\$2,285,406
Investments	1,919,105
Land, Building & Equipment	5,734,733
Pledges Receivable	123,336
Other Assets	217,422
Total	\$10,280,002
Current Liabilities	832,067
Long-Term Liabilities	1,026,471
Total Liabilities	1,858,538
Net Assets	8,421,464
Total	\$10,280,002

REVENUES

1. Federal, State & County Grants	\$3,169,441
2. Client Contributions	1,249,995
3. Private pay fees, Other Contracts & Misc.	1,899,845
4. Fundraising Contributions	1,347,527
5. Rental Income	432,234
6. Investment Income, net of interest expense	2,287
Total	\$8,101,329

EXPENSES

1. Program Services	
1a. Nutrition	\$5,714,993
1b. Commissary	805,500
2. Management & General	755,232
3. Fundraising	447,281
Total	\$7,723,006
Change in net assets	\$378,323
Year-end net assets	\$8,421,464

CFO'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 2016, 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 12/31/16, MOW's total assets are \$10.3 million. Current liabilities are \$832,000 of which \$161,000 is the current portion of long-term debt on the commissary; long-term debt on the commissary is a little over \$1 million leading to total liabilities of \$1.9 million. Total liabilities are down \$1.3 million 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 (3) loans with the largest having the highest interest rate of 5.91%. This loan was retired utilizing a little under \$1.3 million in cash in July of 2016. Over half of the funds utilized were from funds collected and designated for the commissary construction and maintenance. MOW incurred a pre-payment penalty of \$92,000 but will save \$230,000 in interest expense through the end of 2019 and eliminates a balloon payment of \$966,000 in December 2019. In addition, MOW's cash flow increases by \$129,000 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 & Support was 1.1% higher than 2015 and Expenditures were 5.5% higher than 2015 leading to \$376,036 in income from operations. After accounting for interest expense and investment income the overall change in net assets for 2016 was \$378,323. Of the \$378,323 change in net assets \$284,000 was received and restricted for capital investments of new food delivery ovens and technology equipment upgrades. Total Net Assets for MOW are \$8.4 million as of 12/31/16, of which \$8 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 the partial early debt retirement and the ongoing efforts at revenue diversification.

Respectfully submitted,

Lucian Wiza – Chief Financial Officer



WHY MEALS ON WHEELS MATTERS



1 YEAR

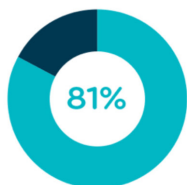
1 DAY

We can provide a senior Meals on Wheels for **1 YEAR** for roughly the same cost as **1 DAY** in a hospital.

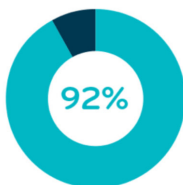
MEAL COUNTS (2016)	MEALS	%
Home-Delivered Meals	911,318	60.56%
Congregate Meals	239,907	15.94%
Buffalo City Mission / Cornerstone	71,461	4.75%
Cicero (Garden Grove)	77,211	5.13%
Evergreen Health Services	12,600	.84%
Hispanics United of Buffalo	442	.03%
Livingston County MOW	84,201	5.60%
Lutheran Senior Life	17,910	1.19%
Meadville, PA	87,369	5.81%
People Inc.	2,056	.14%
Venture Forthe	190	.01%
TOTAL	1,504,665	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 23% 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.

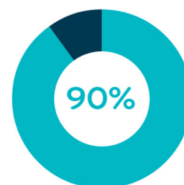
MEALS ON WHEELS DELIVERS THE SUPPORT THAT KEEPS SENIORS IN THEIR OWN HOMES, WHERE THEY WANT TO BE.



81% say it improves their health



92% say it enables them to remain living at home



90% say it makes them feel more safe and secure



[Client Mary J.]

"IT WOULD BE HARD FOR ME IF I DIDN'T HAVE MEALS ON WHEELS. I DON'T WANT TO LEAVE."

Meals on Wheels helps keep seniors in their homes, where they want to be by providing them with two nutritiously sound 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!

[Volunteer Cynthia E.]

"MY MOTHER HAD TO GO IN A SKILLED NURSING FACILITY AND IT WOULD HAVE BEEN NICER TO KEEP HER IN HER HOME. ANYTHING I CAN DO TO HELP ANYONE ELSE STAY IN THEIR HOME, I WANT TO DO THAT."

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.



[Client Rita B.]

"I CAN'T GO OUT ANYMORE. I CAN HAVE A MEAL COME IN AND EAT. I LOVE STAYING HOME."

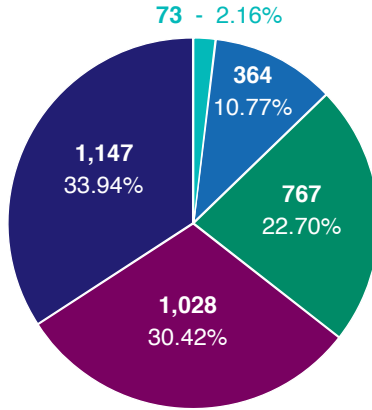
Our homebound clients are no longer able to get out to purchase groceries or they may lack the ability to prepare meals for themselves. Without Meals on Wheels, they would go hungry or risk malnourishment. We even have five diets for those with particular medical needs – offering low fat/low sodium,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

ABOUT OUR PROGRAM

AGE

(3,379 Clients, 2016)

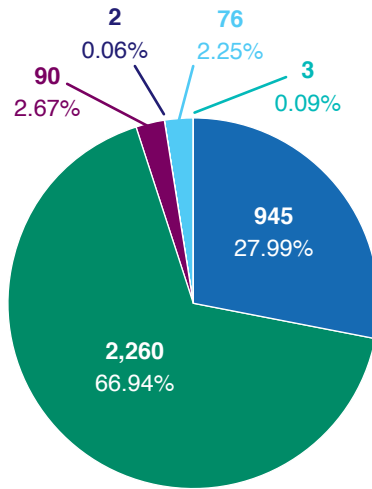
< 55	
55 - 64	
65 - 74	
75 - 84	
85+	



ETHNICITY

(3,376 Clients, 2016)

Asian	
Black	
Caucasian	
Hispanic	
Indian	
Other / Prefer not to say	



98% OF OUR CLIENTS SAID
"NUTRITION EDUCATION
HELPS ME MAKE BETTER
FOOD CHOICES"

(C) 2016, Custom Survey Solutions

93% OF OUR CLIENTS SAID
"I WOULD RECOMMEND MOW-
WNY'S FOOD TO A FRIEND"

DONOR SEGMENTS

\$1,347,527 total

Individuals	49%	\$505,610
Leadership / Board	13%	\$175,621
Corporations / Foundation / Organizations	38%	\$666,296

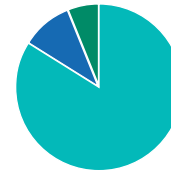
HOW WE USE OUR RESOURCES *

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

Fundraising
\$447,281
6%



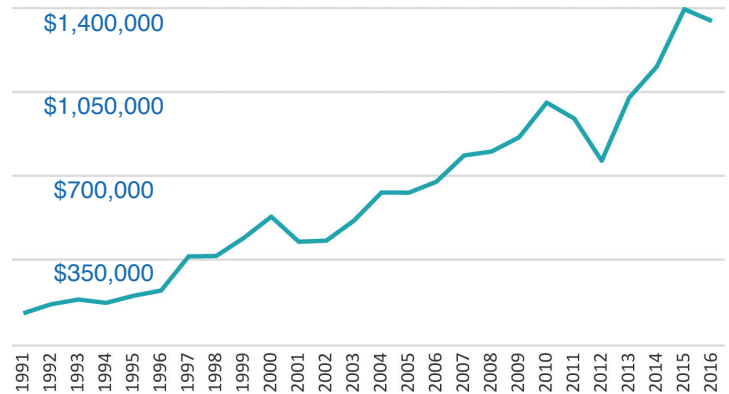
Programs & Operations
\$6,520,493
84%

Management & General Administration
\$755,232 - 10%

TOTAL = \$7,723,006

* 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



VOLUNTEERS ARE THE LIFEBLOOD OF OUR PROGRAM



2016 Numbers:

- * 338 New Volunteers
- * 1721 Active Volunteers

- * 17 New Adopt-A-Routes
- * 81 Adopt-A-Routes
- * 109,872 Estimated Volunteer Hours
- * \$3,076,416 Value of Estimated Volunteer Hours (per NYSOFA standard of \$28 / hour)

Our volunteers provide crucial food and friendship!