A Message from Our President and CEO

Two thousand and fifteen was a great year for Meals on Wheels. We accomplished several critical projects for the organization and are better prepared 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 the best staff and volunteer team around and their efforts make me so proud.

There are a number of major changes that I’m proud to share with you today:

- **New Client System** – We finished the launch of our new client system last September, complete with effective data migration from our prior (16 year old) system. This new system marks the completion of several years’ hard work and will provide greater system stability, track additional fields and do more sophisticated reporting.

- **New Business** – As I’ve noted in previous reports, we are always looking for new opportunities to serve the community and to diversify our revenue. Meals on Wheels for WNY, in partnership with our food vendor Bateman Community Living, has secured five new contracts since around this time last year. We are now operating on two shifts to accommodate demand and the additional business has helped to round out our balance sheet. We now serve the meals for: Buffalo City Mission, Crawford County Active Aging, Cottages at Cicero, Evergreen Health Services, Hispanic United of Buffalo Adult Daycare, Lutheran Senior Life, and Livingston County MOW.

- **Planned & Major Gifts** – We know that need will continue to grow and are always keeping one eye to the future. That is why, I’m proud to announce that we have hired our first ever Planned & Major Gifts Officer. With this addition, we now have three full-time employees in the fundraising department.

- **Diet Expansion** – We have been piloting made-without-gluten meals since first quarter and are working on an official roll-out plan based on the pilot’s outcomes. We also are working on a rollout plan for a lactose-free milk option.

- **Partial Debt Pay Down** – As you will see in the CFO report, we have paid off a portion of our debt on the commissary. We are very proud of this and will save $150,000 in interest expense on that paid off debt through 2020.

Demand for Meals on Wheels continues to grow and change as the needs of aging seniors change. We also know that growth will continue to come through health care changes, which focus on “aging in place,” a smart decision given its cost benefits to the community and quality-of-life benefits to those we serve.

We are working hard to ensure we can 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 group 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

---

90% of adults age 65 and older say they hope to stay in their homes for as long as possible.*

But to do so, many people will eventually need some level of service or support to live safely and successfully in their home or community. That’s where Meals on Wheels comes in!

---

A Message from Our Board Leadership

Meals on Wheels for Western New York serves more than 3,600 homebound seniors in Erie County each year in addition to 4,000 mobile seniors through the 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 issue, you will see an overview of our financial results from 2015 and hear about our audit from our CFO Lucian Wiza. Our 2015 performance was strong, and we are very proud of this team, which works so hard to make these results possible.

However, 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 do not care where the funding comes from. They simply need help. And we are here to make sure that they get the help they need. That’s why 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 these seniors as the environment shifts and changes.

Your support is crucial 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; help us continue to nourish and enrich the lives of your homebound neighbors.

Thank you,

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.

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 2015, MOW once again received a favorable “unqualified” opinion from our independent auditors at Fred 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 balance sheet as of 12/31/15, MOW’s total assets are just over $11.2 million which includes MOW’s land, building and equipment of $5.9 million. Total liabilities are a little over $3.1 million. Current liabilities are $817,233, of which $216,827 is the current portion of long-term debt on the commissary; long-term debt on the commissary is at $2.36 million. Subsequent to the audit, MOW has retired a portion of its debt early. MOW retired its highest interest loan, with a balance of $1.2 million, resulting in a reduction in cash. This leaves MOW with just $1.25 million in debt on the commissary as of 07/31/16.

Total Revenue & Support was 13.08% higher than 2014 and Expenditures were 8.81% higher than 2014 leading to $692,057 in income from operations or 93.16 % higher than 2014. There was a $146,927 loss due to financing and investment activity which brought the total increase in Net Assets to $545,130. Total Net Assets are just over $8 million as of 12/31/15, of which $7.8 million is unrestricted. There are a few items that impacted the increase to net assets. MOW had a $462,569 increase in private contracts which include Medicaid funded contracts, a $294,677 increase in government funding and received a $222,000 estate. Also, MOW had a net unrealized loss of investments of $22,161 due to overall market conditions.

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 partial early debt retirement.

Respectfully submitted,

Lucian Wiza
Chief Financial Officer

| Current Assets | $2,882,174 |
| Investments | 1,766,488 |
| Land, Building & Equipment | 5,909,723 |
| Pledges Receivable | 87,910 |
| Other Assets | 569,401 |
| **Total** | **$11,215,696** |
| Current Liabilities | **$817,233** |
| Long-Term Liabilities | $2,355,322 |
| **Total Liabilities** | **$3,172,555** |
| Net Assets | 8,043,141 |
| **Total** | **$11,215,696** |

**REVENUES**

1. Federal, State & County Grants | $3,169,942 |
2. Client Contributions | 1,347,727 |
3. Private pay fees, Other Contracts, Investment Income & Miscellaneous | 1,697,467 |
4. Fundraising Contributions | 1,411,981 |
5. Rental Income | 385,302 |
5. Investment Income, net of interest expense | (146,927) |
**Total** | **$7,865,492**

**EXPENSES**

1. Program Services
   1a. Nutrition | $5,689,667 |
   1b. Commissary | 608,681 |
2. Management & General | 645,888 |
3. Fundraising | 376,126 |
**Total** | **$7,320,362**

**Change in net assets** | 545,130 |
Why Meals on Wheels Matters

The cost of 1 YEAR for a senior to receive Meals on Wheels ($2,900) is less than one day in the hospital (~$5,000) and 35 times less than a year in an assisted living facility (~$100,000+).

<table>
<thead>
<tr>
<th>MEAL COUNTS (2015)</th>
<th>#</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Home-Delivered Meals</td>
<td>911922</td>
<td>68%</td>
</tr>
<tr>
<td>Congregate Meals</td>
<td>244918</td>
<td>18%</td>
</tr>
<tr>
<td>Evergreen Health Services</td>
<td>12652</td>
<td>1%</td>
</tr>
<tr>
<td>People Inc.</td>
<td>8265</td>
<td>1%</td>
</tr>
<tr>
<td>Buffalo City Mission / Cornerstone</td>
<td>71461</td>
<td>5%</td>
</tr>
<tr>
<td>Lutheran Senior Life</td>
<td>32041</td>
<td>2%</td>
</tr>
<tr>
<td>Crawford County Active Aging</td>
<td>40935</td>
<td>3%</td>
</tr>
<tr>
<td>Livingston County MOW</td>
<td>17985</td>
<td>1%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>1340179</td>
<td>100%</td>
</tr>
</tbody>
</table>

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 14% 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.

- **83%** say it improves their health
- **92%** say it enables them to remain living at home
- **87%** say it makes them feel more safe and secure

“**You saved my dad’s life.**”

Every week our volunteers find clients in distress and follow a special process to notify our Social Work team. From people who have fallen, who are stuck in the snow, non-responsive in the tub, or exhibiting signs of stroke or heart attack... our volunteers truly “share an hour, and save a life.”

“**Your diabetic meals keep me healthy.**”

75% of clients receive one of our special diets - diabetic, ground, renal, or bland. Plus, our regular diet is low fat, low cholesterol and low sodium. We also are piloting new diets (pg. 3). It’s not just food and friendship. It’s about choice and independence for our clients. It’s about staying healthy at home.

“**She’s my friend. I love seeing her.**”

For many, the visit is just as important as the meals. In our last brand survey (2013), 80% of clients described their volunteers as “friends and family.” And, volunteers listed the ability to interact with clients as the best part of the job. That may be why we were able to honor 29 volunteers with 20, 25, 30, 35 or 40+ years of service this year.
VOLUNTEERS ARE THE LIFEBLOOD OF OUR PROGRAM

2015 Numbers:
* 452 New Volunteers
* 1672 Active Volunteers
(1593 - delivery, 12 - office, 67 - one-time)
* 17 New Adopt-A-Routes
* 64 Adopt-A-Routes
* 104,088 Estimated Volunteer Hours
* $2,914,464 Value of Estimated Volunteer Hours
(per NYSOFA standard of $28 / hour)

Our volunteers provide crucial food and friendship!

SURVEY RESULTS:
ARE YOU ABLE TO MAKE BETTER FOOD CHOICES BASED ON THE NUTRITION EDUCATION YOU RECEIVE?

Yes 251 (89%)
No 31 (11%)

WOULD YOU RECOMMEND OUR FOOD TO YOUR FRIENDS?
©2015, CUSTOM SURVEY SOLUTIONS

Yes 94%
No 6%