

**METRO ERIE MEALS ON WHEELS, INC
FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
JUNE 30, 2025 AND 2024**

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Certified Public Accountants and Business Advisors

ERIE • EDINBORO • CORRY

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Board of Directors
Metro Erie Meals on Wheels, Inc.
Erie, PA

We have reviewed the accompanying financial statements of Metro Erie Meals on Wheels (a nonprofit corporation), which comprise the statement of financial position as of June 30, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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.

Accountants' Responsibility

Our responsibility is to conduct the review engagement in accordance with the Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of Metro Erie Meals on Wheels and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our review.

Accountants' Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements for them to be in accordance with accounting principles generally accepted in the United States of America.

Supplementary Information

The 2025 and 2024 supplementary information included is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The supplementary information has been subjected to the review procedures applied in our review of the basic financial statements. We are not aware of any material modifications that should be made to the supplementary information. We have not audited the supplementary information and do not express an opinion on such information.

Maloney, Reed, Scarpitti & Company, LLP

Erie, PA
November 10, 2025

METRO ERIE MEALS ON WHEELS, INC.
STATEMENTS OF FINANCIAL POSITION
For The Years Ended June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
ASSETS		
CURRENT ASSETS		
Cash- unrestricted	\$ 164,126	\$ 82,762
Cash- board designated	20,395	20,509
Cash- restricted	29,332	32,651
Accounts receivable:		
Client fees	15,415	9,824
Prepaid expenses	<u>2,745</u>	<u>1,323</u>
TOTAL CURRENT ASSETS	\$ 232,013	\$ 147,069
Property and equipment, net accumulated depreciation	\$ 5,117	\$ 7,906
Right of use asset, net of amortization	30,390	-
Investments	<u>2,320,043</u>	<u>2,136,362</u>
TOTAL ASSETS	<u>\$ 2,587,563</u>	<u>\$ 2,291,337</u>
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	\$ 72,771	\$ 28,062
Current portion of lease obligations	15,420	-
Compensated absences	11,475	3,060
Deferred revenue	<u>15,065</u>	<u>48,745</u>
TOTAL CURRENT LIABILITIES	<u>\$ 114,731</u>	<u>\$ 79,867</u>
Long-term lease liabilities	\$ 15,601	\$ -
TOTAL LIABILITIES	<u>\$ 130,332</u>	<u>\$ 79,867</u>
NET ASSETS		
Without donor restrictions	\$ 2,407,504	\$ 2,158,310
Without donor restrictions - board designated	20,395	20,509
With donor restrictions	<u>29,332</u>	<u>32,651</u>
TOTAL NET ASSETS	<u>\$ 2,457,231</u>	<u>\$ 2,211,470</u>
LIABILITIES AND NET ASSETS	<u>\$ 2,587,563</u>	<u>\$ 2,291,337</u>

See accompanying notes and independent accountants' review report.

METRO ERIE MEALS ON WHEELS, INC
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
For The Years Ended June 30, 2025 and 2024

	Without donor restrictions	2025 Board Designated	With donor restrictions	Total
PUBLIC SUPPORT				
Contributions	\$ 173,497	\$ -	\$ 21,878	\$ 195,375
Grants	8,001	-	35,794	43,795
Fundraising	17,482	-	300	17,782
TOTAL PUBLIC SUPPORT	\$ 198,980	\$ -	\$ 57,972	\$ 256,952
PROGRAM REVENUE				
Erie County-Under 60 program	\$ 40,716	\$ -	\$ -	\$ 40,716
Client fees	132,952	-	-	132,952
Grocery shopping program	45,626	-	-	45,626
UPMC insurance program	231,608	-	-	231,608
TOTAL PROGRAM REVENUE	\$ 450,902	\$ -	\$ -	\$ 450,902
OTHER REVENUE				
Interest and dividend income	\$ 73,017	\$ 252	\$ 400	\$ 73,669
Net realized and unrealized gains	204,301	-	-	204,301
Miscellaneous income	5,570	-	-	5,570
TOTAL OTHER REVENUE	\$ 282,888	\$ 252	\$ 400	\$ 283,540
TOTAL REVENUE	\$ 932,770	\$ 252	\$ 58,372	\$ 991,394
EXPENSES				
Program services	\$ 594,935	\$ -	\$ -	\$ 594,935
Supporting services	104,115	-	-	104,115
Fundraising	46,583	-	-	46,583
TOTAL EXPENSES	\$ 745,633	\$ -	\$ -	\$ 745,633
INCREASE (DECREASE) IN NET ASSETS	\$ 187,137	\$ 252	\$ 58,372	\$ 245,761
Net assets released from restrictions				
Satisfaction of purpose restrictions	62,057	(366)	(61,691)	-
NET ASSETS, BEGINNING OF YEAR	2,158,310	20,509	32,651	2,211,470
NET ASSETS, END OF YEAR	\$ 2,407,504	\$ 20,395	\$ 29,332	\$ 2,457,231

See accompanying notes and independent accountants' review report.

Without donor restrictions	2024 Board Designated	With donor restrictions	Total
\$ 63,046	\$ -	\$ 28,714	\$ 91,760
-	-	3,254	3,254
<u>51,629</u>	<u>-</u>	<u>1,225</u>	<u>52,854</u>
\$ <u>114,675</u>	\$ <u>-</u>	\$ <u>33,193</u>	\$ <u>147,868</u>
\$ 40,255	\$ -	\$ -	\$ 40,255
167,994	-	-	167,994
47,313	-	-	47,313
<u>137,159</u>	<u>-</u>	<u>-</u>	<u>137,159</u>
\$ <u>392,721</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>392,721</u>
\$ 69,598	\$ 509	\$ -	\$ 70,107
165,267	-	-	165,267
<u>591</u>	<u>-</u>	<u>-</u>	<u>591</u>
\$ <u>235,456</u>	\$ <u>509</u>	\$ <u>-</u>	\$ <u>235,965</u>
\$ <u>742,852</u>	\$ <u>509</u>	\$ <u>33,193</u>	\$ <u>776,554</u>
\$ 524,692	\$ -	\$ -	\$ 524,692
82,830	-	-	82,830
<u>26,764</u>	<u>-</u>	<u>-</u>	<u>26,764</u>
\$ <u>634,287</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>634,287</u>
\$ 108,565	\$ 509	\$ 33,193	\$ 142,267
51,600	-	(51,600)	-
<u>1,998,145</u>	<u>20,000</u>	<u>51,058</u>	<u>2,069,203</u>
\$ <u><u>2,158,310</u></u>	\$ <u><u>20,509</u></u>	\$ <u><u>32,651</u></u>	\$ <u><u>2,211,470</u></u>

METRO ERIE MEALS ON WHEELS, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
For The Years Ended June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
PROGRAM SERVICES		
Meals for delivery	\$ 411,903	\$ 341,720
Salaries, benefits and taxes	100,700	100,938
Grocery program	45,304	43,200
Local transportation	2,391	3,013
Advertising	15,714	11,430
Volunteer appreciation	3,324	1,927
Insurance	1,066	2,833
Occupancy	7,976	9,796
Telephone and internet	4,552	3,053
Conventions and memberships	2,005	-
Pet food program	<u>-</u>	<u>6,783</u>
TOTAL PROGRAM SERVICES	\$ 594,935	\$ 524,692
SUPPORTING SERVICES		
Salaries, benefits and taxes	\$ 28,818	\$ 27,261
Occupancy	7,976	9,796
Legal and professional	19,210	6,327
Investment fees	13,359	12,230
Printing	3,432	2,143
Insurance	654	1,737
Depreciation	2,788	2,649
Postage	1,738	1,927
Supplies	7,184	11,352
Bank and credit card fees	3,686	1,481
Uncollectible accounts	2,242	1,506
Conferences/meetings	2,853	2,322
Miscellaneous supporting expenses	2,381	1,261
Equipment/software expenses	7,289	500
Telephone and internet	<u>506</u>	<u>339</u>
TOTAL SUPPORTING SERVICES	\$ 104,115	\$ 82,830
FUNDRAISING EXPENSES	\$ 46,583	\$ 26,764
TOTAL EXPENSES	\$ <u>745,633</u>	\$ <u>634,287</u>

See accompanying notes and independent accountants' review report.

METRO ERIE MEALS ON WHEELS, INC.
STATEMENTS OF CASH FLOWS
For The Years Ended June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 245,761	\$ 142,267
Adjustments to reconcile change in net assets to net cash provided by (used in)		
Depreciation	2,788	2,649
Net realized and unrealized (gain) on investments	(204,301)	(165,267)
Decrease (increase) in:		
Accounts receivable	(5,591)	5,367
Prepaid expenses	(1,422)	472
(Decrease) increase in:		
Accounts payable	44,709	(8,052)
Payroll liabilities and accrued expenses	-	(626)
Compensated absences	8,415	(7,205)
Deferred revenue	<u>(33,680)</u>	<u>35,261</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ <u>56,679</u>	\$ <u>4,866</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital asset additions	\$ -	\$ (1,949)
Right of use assets aquired through lease obligations	44,525	-
Purchase of investments	(58,748)	(57,878)
Proceeds from sale of investments	<u>80,000</u>	<u>80,000</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	\$ <u>65,777</u>	\$ <u>20,173</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Long-term right of use lease obligations	\$ <u>(44,525)</u>	\$ -
NET CASH (USED IN) FINANCING ACTIVITIES	\$ <u>(44,525)</u>	\$ -
NET INCREASE IN CASH AND RESTRICTED CASH	\$ 77,931	\$ 25,039
CASH AND RESTRICTED CASH AT BEGINNING OF YEAR	<u>135,922</u>	<u>110,883</u>
CASH AND RESTRICTED CASH AT END OF YEAR	\$ <u><u>213,853</u></u>	\$ <u><u>135,922</u></u>

See accompanying notes and independent accountants' review report.

Metro Erie Meals on Wheels
NOTES TO FINANCIAL STATEMENTS
June 30, 2025 and 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business

The Metro Erie Meals on Wheels ("Agency") is a non-profit corporation organized to promote healthy, independent living through home delivery of nutrition services to aged, convalescent and handicapped individuals who for physical, psychological, or economic reasons are unable to prepare meals or grocery shop for themselves, thereby intending to preserve the independence of and to prevent hardship and deterioration to those served.

The Agency entered into a contract with the County of Erie, Department of Human Services, Office of Mental Health and Mental Retardation to provide services to qualifying individuals under sixty years of age. Meals are purchased from LECOM and delivered to qualifying clients under this contract.

Services are provided to private clients who qualify but are unable to or do not wish to be under one of the above provider contracts. Private clients pay for meals delivered to them. Meals are purchased from LECOM and delivered to these clients. In addition, the Agency offers a grocery shopping and delivery service for home bound and disabled individuals. For a nominal fee plus cost of groceries, volunteers will shop the grocery list and deliver right to the clients' door.

Basis of Accounting

The financial statements of the Agency have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles applicable to non-profit organizations. Revenues are recognized when measurable and available and expenditures are recognized when incurred.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Agency considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. At June 30, 2025 and 2024 the Agency had no cash equivalents.

Income Taxes

The Agency, a nonprofit corporation operating under section 501(c)(3) of the Internal Revenue Code, is generally exempt from federal, state, and local income taxes and, accordingly, no provision for income taxes is included in the financial statements. The Agency has not recognized any activity that would require the filing of federal Form 990-T for unrelated business income taxes.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the Statements of Activities and Change in Net Assets and in the Statements of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Receivables

Receivables are considered to be fully collectible. Accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, they will be charged to operations when that determination is made.

Financial Statement Presentation

The Agency is required to report information regarding its financial position and activities according to two classes of net assets: without donor restriction and with donor restriction. For the years ended June 30, 2025, and 2024 the Agency had \$29,332 and \$32,651 of net assets with donor restrictions respectively.

The Agency has further classified net assets without restrictions into board designated of which there are \$20,395 for the year ended June 30, 2025, and \$20,509 for the year ended June 30, 2024.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. Accordingly, actual results could differ from these estimates.

Contributions

Contributions are recognized when the donor makes a promise to give to the organization that is, in substance, unconditional. Donor restricted contributions are reported as increase net assets with donor restrictions depending on the nature of the restrictions such as purpose, time, and perpetuity. When a restriction expires, net assets with restrictions are reclassified to net assets without restrictions.

Concentration of Credit Risk

The Agency's financial instruments that are exposed to concentration of credit risk consist primarily of cash. The Agency's cash is primarily held in two banks and is FDIC insured up to \$250,000. Balances did not exceed this amount at June 30, 2025 and 2024.

Fair Value

The Agency reports its financial assets and liabilities at fair value which is defined here as the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. This price is known as the exit price. In many cases original cost will equal the exit price and therefore, represent fair value.

Donated Services

Contributions of donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received. Contributed services that do not meet the above criteria are not recognized. Many volunteers have donated substantial amounts of time on behalf of the Agency, but no amounts have been reflected in the financial statements because the criteria for recognition under FASB ASC 958-605 have not been satisfied.

Leases

Commencing with the year ended June 30, 2025, the Agency's lease agreements are recognized as a lease liability and an intangible right-to-use lease asset at the commencement of the lease term, unless the lease is a short-term lease (less than 12-month term) or it transfers ownership of the underlying asset. The lease liability is measured at the present value of payments expected to be made during the lease term, less any incentives. The lease asset is measured at the amount of the initial measurement of the lease liability, adjusted for any payments made to the lessor at or before the commencement of the lease term plus certain initial direct costs.

Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is amortized on the straight-line method over the shorter of the lease term or the useful life of the underlying asset. Short-term leases are defined as leases that, at the commencement of the lease term, have a maximum possible term under the lease contract of 12 months or less, including any options to extend, regardless of their probability of being exercised. Short-term lease payments are recognized as expenditures based on the payment provisions of the lease contract. An asset is recognized if payments are made in advance or a liability for rent due if payments are to be made subsequent to the reporting period. Key estimates and judgements related to leases include how the Organization determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The Agency uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Agency uses the risk-free discount rate for a comparable lease term.
- The lease term includes the noncancellable period of the lease and the option to renew if it's reasonably certain to be exercised. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the Agency is reasonably certain to exercise.

The Agency monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Leases are reported as right of use asset - leases and lease liability on the statement of financial position.

NOTE 2 – RISK MANAGEMENT

The Agency carries insurance for all risks of loss, including workers' compensation and general liability.

NOTE 3 - CONCENTRATION OF RISK – DEPENDENCE

The Agency is dependent on the cash donations and grants from the area which it serves. It will rarely receive monetary donations from outside of this area.

NOTE 4 - ADVERTISING

The Agency expenses the costs of advertising as incurred. Advertising expense amounted to \$15,714 and \$11,430, respectively, for the years ended June 30, 2025, and 2024.

NOTE 5 - CONTINGENCIES

The use of contract and grant monies received is subject to compliance audits by the disbursing agencies. The Agency's management believes it is following all significant contract and grant requirements.

NOTE 6 – UNCERTAIN TAX POSITIONS

Management has determined that the Agency does not have any uncertain tax positions and associated unrecognized benefits that materially impact the financial statements or related disclosures. Since tax matters are subject to some degree of uncertainty, there can be no assurance that the Agency's tax returns will not be challenged by the taxing authorities and that the Agency will not be subject to tax, penalties, and interest as a result of such challenge. Generally, the Agency's tax returns remain open for three years for federal and state income tax examination. The Agency does not have any accruals for uncertain tax positions as of June 30, 2025, and 2024.

NOTE 7 – COMPENSATED ABSENCES

The Agency's policies provide for an accumulation of up to 30 sick days for each of its full-time staff. The liability accumulated under this policy, which amounts to \$11,475 and \$3,060 at June 30, 2025, and 2024 respectively, is recorded as compensated absences.

NOTE 8 – DEFERRED REVENUE

During 2025 and 2024, private clients made advance payments on their accounts. These advances will be applied to future deliveries and are therefore recorded as deferred revenue. In addition, the Agency received special event revenue for an event being held in the subsequent year as well as a grant that was recognized for fiscal year 2025/26; it is being shown on the Statement of Financial Position at June 30, 2025, and 2024 as \$15,065 and \$48,745, respectively.

NOTE 9 – RETIREMENT PLAN

The Agency has a Simple IRA retirement plan. All full-time employees are eligible to participate in the plan after one full year of employment. The Agency contributes 2% of the employee's salary to the plan. The amount of the contribution for the year ended June 30, 2025, was \$1,273 and for June 30, 2024, was \$1,886.

NOTE 10 – ALLOCATED COSTS

The financial statements of the Agency report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated included occupancy costs, which are allocated on a square footage basis, as well as salaries and benefits, which are allocated based on time and effort studies.

NOTE 11 – COMMITMENTS

The Agency signed a contract with LECOM Senior Living Center which will prepare, package, and deliver meals to Metro Erie Meals on Wheels according to specific guidelines for the period of July 1, 2024 through June 30, 2026, unless sooner terminated. There are no minimums or maximums applied or assumed as there is a natural fluctuation in the number of meals delivered through the course of a year. The fee schedule indicates charges of \$6 for ready to heat and frozen meals and \$3 for a cold light meal. Furthermore, there is a yearly disposable meal packaging fee of \$9,600 payable in August of the contract.

NOTE 12 – PROPERTY AND EQUIPMENT

Maintenance and repairs are charged to expense as incurred, while major renewals and betterments are capitalized. Property and equipment are stated at its fair market value at the date of donation for donated property and equipment, and at cost for property and equipment purchased. Depreciation of property and equipment has been provided on a straight-line basis over the estimated useful lives of the respective property and equipment. The Agency capitalizes property and equipment with a cost of over \$1,000 and an estimated life of five or more years. Depreciation is computed using the straight-line method based on the estimated useful lives of the assets, as follows:

Building and Improvements	10-30 Years
Furniture and Equipment	5-10 Years
Software	3 Years

The balance at June 30, 2025, and 2024 consists of the following:

	<u>2025</u>	<u>2024</u>
Office equipment	\$ 9,015	\$ 9,015
Program equipment	9,722	9,722
Leasehold improvements	4,155	4,155
Software	<u>5,286</u>	<u>5,286</u>
Total	\$ 28,178	\$ 28,178
Less: Accumulated depreciation	<u>(23,061)</u>	<u>(20,272)</u>
	\$ <u>5,117</u>	\$ <u>7,906</u>

NOTE 13 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

Metro Erie Meals on Wheels manages its liquid resources by focusing on fundraising efforts to ensure the entity has adequate contributions and grants to cover programs that are being conducted. The Agency prepares very detailed budgets and has been very active in cutting costs to ensure the entity remains liquid. The following reflects the Agency's financial assets (cash and cash equivalents, accounts receivable, investments and other assets) as of June 30, 2025, expected to be available within one year to meet the cash needs for general expenditures: \$157,665. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the financial position date. Receivables are subject to implied time restrictions but are expected to be collected within one year.

NOTE 14 – NET ASSETS WITHOUT RESTRICTIONS – BOARD DESIGNATED

During 2023, the Agency opened a money market account to maintain funds to be used for future monetary assistance for scholarship recipients. For the year ended June 30, 2023, the Agency transferred \$20,000 to this account in anticipation of distributions to occur during the 2023-24 fiscal year. It was later determined that these funds would not be able to be disbursed as intended. In September 2024, the Agency's board of directors voted to reallocate \$20,509 of board designated funds that were originally intended for scholarship assistance to veteran meal recipients with anticipation that the funds will be disbursed during the 2025-26 fiscal year. For the year ended June 30, 2025, the balance of these funds is \$20,395.

NOTE 15 – FAIR VALUE FINANCIAL INSTRUMENTS

ASS ASC 820, Fair Value Measurements, defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. FASB ASC 820 also established a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that observable inputs be used when available. Level 1 observable inputs are inputs that market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the entity. Level 2 are inputs, other than quoted market prices, that are observable, either directly or indirectly. Level 3 inputs are unobservable inputs.

The table below presents the balance of assets measured at fair values as of June 30, 2025, and 2024:

Investments	2025	2024
Level 1	\$ 2,320,043	\$ 2,136,362
Level 2	-	-
Level 3	-	-
Total	\$ 2,320,043	\$ 2,136,362

NOTE 16 – INVESTMENTS

The investment account represents amounts received in a prior year from an anonymous donor, which have been invested with Erie Bank Investment Advisor.

As of June 30, 2025, the investment account's ending market value was \$2,320,043 while at June 30, 2024, the market value was \$2,136,362. Investment income recognized for the year ended June 30, 2025, was \$73,669 while investment income was \$70,107 for the year ended June 30, 2024. The realized gain for the year ended June 30, 2025, was \$6,183 while the realized loss for the year ended June 30, 2024, was \$1,398. The unrealized gain was \$198,119 for June 30, 2025, and the unrealized gain was \$166,665 for June 30, 2024. Investment fees paid out totaled \$13,359 and \$12,230 for the years ended June 30, 2025, and 2024, respectively.

The investment allocation at year end is as follows:

June 30, 2025	Cost	Fair Value
Cash and equivalents	\$ 43,247	\$ 43,247
Equities and mutual funds	1,154,784	1,402,578
Bonds	901,634	874,218
Total	\$ 2,099,665	\$ 2,320,043
June 30, 2024	Cost	Fair Value
Cash and equivalents	\$ 10,055	\$ 10,055
Equities and mutual funds	1,075,739	1,388,849
Bonds	828,086	737,458
Total	\$ 1,913,880	\$ 2,136,362

NOTE 17 - ADOPTION OF NEW ACCOUNTING PRONOUNCEMENT

For the year ended June 30, 2025, The Agency adopted the Financial Accounting Standards Board's Accounting Standards Update ASU 2016-02, "Leases (Topic 842)," is effective for the financial statements for the year beginning after December 15, 2020. This amendment will require lessees to recognize assets and liabilities on the statement of financial position for the rights and obligations created by all leases with terms of more than twelve months. Disclosures also will be required by lessees to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

NOTE 18 – LEASE COMMITMENTS

In March of 2024, the Agency updated their lease agreement with the Women's Care Center of Erie to occupy a second suite space at the Agency's current address. This event stems from the need for increased office space for staff members as well as the need for additional storage space. The term of the updated lease is 36 months which commenced in April of 2024 with monthly lease payments of \$1,285 or \$15,420 per year. Lease expense for the year ended June 30, 2025, and June 30, 2024, was \$14,135 and \$16,890 respectively.

An initial lease liability of \$31,021 was recorded in 2025. As of June 30, 2025, the value of the lease liability was \$31,201. The risk-free discount rate for the lease is 3.75%. The value of the right of use asset as of the end of the year was \$30,390 which included accumulated amortization of \$14,135.

The right of use asset at June 30, 2025 consists of the following:

		Balance at 6/30/2024	Additions	Deletions	Balance at 6/30/2025
Right of use Asset	\$	-	44,525	-	\$ 44,525
Accumulated Amortization		-	(14,135)	-	\$ (14,135)
Net Right of Use Asset	\$	-	30,390	-	\$ 30,390

The lease liability at June 30, 2025 consists of the following:

		Balance at 6/30/2024	Additions	Deletions	Balance at 6/30/2025	Due within one year
Lease liability	\$	-	31,021	-	31,021	\$ 15,420

Future minimum lease payments on the lease are as follows:

		Principal	Interest	Total
6/30/2026	\$	14,820	\$ 600	\$ 15,420
6/30/2027	\$	14,820	\$ 781	\$ 15,601

NOTE 19 – SUBSEQUENT EVENTS

In preparing these financial statements the Agency has evaluated events and transactions for potential recognition or disclosure through November 10, 2025, which is the date the financial statements were available to be issued. Management has not noted any subsequent events required to be disclosed.

SUPPLEMENTAL INFORMATION

METRO ERIE MEALS ON WHEELS, INC
COUNTY OF ERIE/TITLE XX ADULT SERVICES BLOCK GRANT
HOME DELIVERED MEALS PROGRAM
SCHEDULES OF BUDGETED AND INCURRED COSTS
For The Years Ended June 30, 2025 and 2024

	2025		
	Approved Annual Budget Under Age 60(1)	Costs Incurred(2)	Over(Under) Budget
PERSONNEL EXPENSES			
Wages and salaries	\$ 18,382	\$ 13,782	\$ (4,600)
Payroll taxes	912	1,113	201
Retirement	-	130	130
Insurance	720	919	199
TOTAL PERSONNEL EXPENSES	20,014	15,945	(4,069)
OPERATING EXPENSES			
Rent	\$ 2,505	\$ 1,540	\$ (965)
Utilities	-	-	-
Insurance	282	103	(179)
Communications	675	495	(180)
Office supplies	1,725	749	(976)
Meals for delivery	49,385 (3)	318,083 (4)	268,698
Staff travel	-	-	-
Client travel	513	249	(264)
Mileage	-	-	-
Volunteer recognition	325	347	22
Recruitment/advertising	2,003	1,047	(956)
Miscellaneous	150	-	(150)
TOTAL OPERATING EXPENSES	\$ 57,563	\$ 322,614	\$ 265,051
DISTRIBUTION OF ADMINISTRATION	-	-	-
TOTAL EXPENSES	\$ 77,577	\$ 338,559	\$ 260,982
GENERAL INCOME			
County of Erie, per contract	\$ 52,500	\$ 40,716	\$ (11,784)
Contributions	19,630	125,740	106,110
TOTAL GENERAL INCOME	72,130	166,456	94,326
TOTAL INCOME	72,130	166,456	94,326
EXCESS OF REVENUE OR (EXPENSES)	\$ (5,447)	\$ (172,103)	\$ (166,656)
UNITS OF SERVICE	4,375	6,249	
Cost per unit of service			
Average food cost	\$ 16.49	\$ 26.64	
Average delivery cost	\$ 6.44	\$ 3.28	
Meals delivered	8,750	12,498	
Average total cost per meal	\$ 8.87	\$ 27.09	

- (1) Budget cost is 13.91% of selected expenses based on projected units
- (2) Incurred cost is 10.43% of selected expenses items based on actual units
- (3) Projected food service cost
- (4) Actual food service cost

2024		
Approved Annual Budget Under Age 60(1)	Costs Incurred(2)	Over(Under) Budget
\$ 17,984	\$ 16,700	\$ (1,284)
796	1,359	563
-	234	234
720	912	192
<u>19,500</u>	<u>19,206</u>	<u>(295)</u>
\$ 2,341	\$ 2,094	\$ (247)
-	205	205
301	165	(136)
675	146	(529)
1,475	1,408	(67)
47,974 (3)	265,983 (4)	218,009
-	-	-
513	374	(139)
-	-	-
321	239	(82)
2,003	1,316	(687)
200	-	(200)
\$ <u>55,803</u>	\$ <u>271,929</u>	\$ <u>216,127</u>
-	-	-
\$ 75,303	\$ 291,134	\$ 215,831
\$ 52,500	\$ 40,255	\$ (12,245)
<u>19,630</u>	<u>36,928</u>	<u>17,298</u>
<u>72,130</u>	<u>77,183</u>	<u>5,053</u>
<u>72,130</u>	<u>77,183</u>	<u>5,053</u>
\$ <u>(3,173)</u>	\$ <u>(213,951)</u>	\$ <u>(210,778)</u>
4,375	6,755	
\$ 16.49	\$ 11.43	
\$ 6.25	\$ 3.72	
8,750	13,510	
\$ 8.61	\$ 21.55	

- (1) Budget cost is 13.17% of selected expenses based on projected units
(2) Incurred cost is 12.42% of selected expenses items based on actual units
(3) Projected food service cost
(4) Actual food service cost