

MEALS ON WHEELS – OLDER ADULT ALTERNATIVES  
OF FAIRFIELD COUNTY, INC.  
FAIRFIELD COUNTY  
REGULAR AUDIT  
FOR THE YEAR ENDED DECEMBER 31, 2023



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OHIO AUDITOR OF STATE  
KEITH FABER



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Columbus, Ohio 43215  
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Board of Directors  
Meals on Wheels - Older Adult Alternatives of Fairfield County, Inc.  
1515 Cedar Hill Road  
Lancaster, Ohio 43130

We have reviewed the *Independent Auditor's Report* of the Meals on Wheels - Older Adult Alternatives of Fairfield County, Inc., Fairfield County, prepared by Millhuff-Stang, CPA, Inc., for the audit period January 1, 2023 through December 31, 2023. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Meals on Wheels - Older Adult Alternatives of Fairfield County, Inc. is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber  
Auditor of State  
Columbus, Ohio

November 22, 2024

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**Meals on Wheels – Older Adult Alternatives of Fairfield County, Inc.**  
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## Independent Auditor's Report

Board of Directors  
Meals on Wheels – Older Adult Alternatives of Fairfield County, Inc.  
1515 Cedar Hill Road  
Lancaster, Ohio 43130

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the financial statements of Meals on Wheels – Older Adult Alternatives of Fairfield County, Inc., Fairfield County, Ohio (the Organization), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Meals on Wheels – Older Adult Alternatives of Fairfield County, Inc., Fairfield County, Ohio as of December 31, 2023 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.

#### *Basis for Opinion*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for one year after the date that the financial statements are issued.

***Auditor’s Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

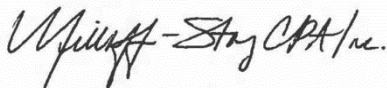
In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit 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 Organization’s internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization’s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 25, 2024, on our consideration of the Organization’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization’s internal control over financial reporting and compliance.



Millhuff-Stang, CPA, Inc.  
Chillicothe, Ohio

October 25, 2024



**MEALS ON WHEELS - OLDER ADULT ALTERNATIVES OF FAIRFIELD COUNTY, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**December 31, 2023**

**ASSETS**

**CURRENT ASSETS**

Cash and cash equivalents	\$	2,286,080
Tax levy receivable		37,961
Accounts receivable		58,103
Inventory		67,305
Prepaid expenses		34,012
<b>TOTAL CURRENT ASSETS</b>		<b>2,483,461</b>

**PROPERTY AND EQUIPMENT - NET**

1,810,512

**OTHER ASSETS**

Investments		387,907
		<u>387,907</u>

**TOTAL ASSETS** **\$ 4,681,880**

**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES**

Accounts payable	\$	79,653
Levy accounts payable		37,488
Accrued salaries		44,091
Compensated absences		94,446
Unearned revenue - levy		473
<b>TOTAL CURRENT LIABILITIES</b>		<b>256,151</b>

**NET ASSETS**

Without donor restrictions		4,415,393
With donor restrictions		10,336
<b>TOTAL NET ASSETS</b>		<b>4,425,729</b>

**TOTAL LIABILITIES AND NET ASSETS** **\$ 4,681,880**

See accompanying notes to the financial statements.

**MEALS ON WHEELS - OLDER ADULT ALTERNATIVES OF FAIRFIELD COUNTY, INC.**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended December 31, 2023**

<b>REVENUES, GAINS, AND OTHER SUPPORT</b>	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Levy revenue	\$ 3,468,730	\$ -	\$ 3,468,730
Grants	133,315	73,800	207,115
Contributions of financial assets	216,838	8,017	224,855
Contract revenue	1,159,454	-	1,159,454
Miscellaneous	14,524	-	14,524
Contributions of non-financial assets	71,105	-	71,105
Gain/(loss) on investments, net	45,218	2,041	47,259
Interest	59,038	-	59,038
Gain on sale of capital assets	1,800	-	1,800
Support provided by expiring time and purpose restrictions	97,003	(97,003)	-
<b>TOTAL REVENUES, GAINS, AND SUPPORT</b>	<b>5,267,025</b>	<b>(13,145)</b>	<b>5,253,880</b>
 <b>EXPENSES</b>			
Program services:			
Nutrition services division	3,079,736	-	3,079,736
Aging services division	1,201,733	-	1,201,733
Service provider contracts	99,530	-	99,530
Community outreach	170,000	-	170,000
Total program services	4,550,999	-	4,550,999
Management and general	109,491	-	109,491
Fundraising	25,919	-	25,919
<b>TOTAL EXPENSES</b>	<b>4,686,409</b>	<b>-</b>	<b>4,686,409</b>
<b>CHANGE IN NET ASSETS</b>	<b>580,616</b>	<b>(13,145)</b>	<b>567,471</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>3,834,777</b>	<b>23,481</b>	<b>3,858,258</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 4,415,393</b>	<b>\$ 10,336</b>	<b>\$ 4,425,729</b>

See accompanying notes to the financial statements.

**MEALS ON WHEELS - OLDER ADULT ALTERNATIVES OF FAIRFIELD COUNTY, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**For the Year Ended December 31, 2023**

	<b>Nutrition Services Division</b>	<b>Aging Services Division</b>	<b>Service Provider Contracts</b>	<b>Community Outreach</b>	<b>Total Program</b>	<b>Management and General</b>	<b>Fundraising</b>	<b>Total</b>
Payroll	\$ 1,033,897	\$ 576,080	\$ -	\$ -	\$ 1,609,977	\$ 80,116	\$ 17,071	\$ 1,707,164
Payroll tax expense	103,700	34,567	-	-	138,267	8,825	-	147,092
Professional fees	86,690	28,895	-	-	115,585	7,378	-	122,963
Raw food and related supplies	1,112,009	-	-	-	1,112,009	-	7,744	1,119,753
Office supplies	19,314	6,439	-	-	25,753	1,644	104	27,501
Telephone	3,035	1,011	-	-	4,046	258	-	4,304
Occupancy	72,584	24,194	-	-	96,778	6,177	-	102,955
Rental/maintenance equipment	31,160	10,387	-	-	41,547	-	-	41,547
Printing and publications	13,421	4,473	-	-	17,894	1,142	-	19,036
Vehicle expense	93,479	31,160	-	-	124,639	-	-	124,639
Conference, training and meetings	4,898	1,632	-	-	6,530	416	-	6,946
Insurance	195,228	65,076	-	-	260,304	3,535	-	263,839
Licenses	2,946	982	-	-	3,928	-	-	3,928
In-kind services	53,329	17,776	-	-	71,105	-	-	71,105
Contractual services	-	-	99,530	-	99,530	-	-	99,530
Specific assistance	39,940	327,692	-	-	367,632	-	-	367,632
Grants	-	-	-	170,000	170,000	-	-	170,000
Miscellaneous	12,034	4,011	-	-	16,045	-	1,000	17,045
County Auditor's levy expense	37,520	12,507	-	-	50,027	-	-	50,027
	<u>2,915,184</u>	<u>1,146,882</u>	<u>99,530</u>	<u>170,000</u>	<u>4,331,596</u>	<u>109,491</u>	<u>25,919</u>	<u>4,467,006</u>
Depreciation	<u>164,552</u>	<u>54,851</u>	<u>-</u>	<u>-</u>	<u>219,403</u>	<u>-</u>	<u>-</u>	<u>219,403</u>
<b>TOTAL</b>	<u><u>\$ 3,079,736</u></u>	<u><u>\$ 1,201,733</u></u>	<u><u>\$ 99,530</u></u>	<u><u>\$ 170,000</u></u>	<u><u>\$ 4,550,999</u></u>	<u><u>\$ 109,491</u></u>	<u><u>\$ 25,919</u></u>	<u><u>\$ 4,686,409</u></u>

See accompanying notes to the financial statements.

**MEALS ON WHEELS - OLDER ADULT ALTERNATIVES OF FAIRFIELD COUNTY, INC.**  
**STATEMENT OF CASH FLOWS**  
**For the Year Ended December 31, 2023**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Change in net assets	\$ 567,471
<b>Adjustments to reconcile change in net assets to net cash provided by operating activities</b>	
Depreciation	219,403
(Gain)/loss on sale of capital asset	(1,800)
Unrealized (gain)/loss on investments	(42,794)
<b>(Increase) decrease in operating assets</b>	
Tax levy receivable	10,242
Accounts receivable	(2,459)
Inventory	(3,046)
Prepaid expenses	(7,356)
Other assets	5,833
<b>Increase (decrease) in operating liabilities</b>	
Accounts payable	23,092
Levy accounts payable	(9,834)
Accrued salaries	11,321
Compensated absences	3,050
Unearned revenue	473
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>773,596</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Purchase of property, plant and equipment	(221,324)
Interest reinvested	(8,119)
Investment contributions	(6,104)
Realized gains	(4,465)
<b>NET CASH (USED) BY INVESTING ACTIVITIES</b>	<u>(240,012)</u>
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>	533,584
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>1,752,496</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u><u>\$ 2,286,080</u></u>

See accompanying notes to the financial statements.

**Meals on Wheels-Older Adults Alternative of Fairfield County, Inc.**

*Notes to the Financial Statements  
For the Year Ended December 31, 2023*

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**Note 1 – Description of the Organization**

Meals on Wheels – Older Adult Alternatives of Fairfield County, Inc. (the Organization) is a nonprofit organization that provides meals, transportation and other services for the elderly. The Organization’s services are limited to Fairfield County. The Organization is supported primarily through federal and state grants and monies received from the collection of a tax levy for the purposes of providing senior services to Fairfield County Seniors.

**Note 2 – Summary of Significant Accounting Policies**

The Organization prepares its financial statements in accordance with generally accepted accounting principles promulgated in the United States of America (U.S. GAAP) for not-for-profit entities. The significant accounting and reporting policies used by the Organization are described subsequently to enhance the usefulness and understandability of the financial statements.

**Basis of Accounting**

The Organization prepares its financial statements using the accrual basis of accounting and accounting principles generally accepted in the United States of America.

**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 and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Net Assets**

The financial statements report net assets and changes in net assets in two classes that are based upon the existence or absence of restrictions on use that are placed by its donors, as follows:

Net assets without donor restrictions – Net assets without donor restrictions are resources available to support operations. The only limits on the use of these net assets are the broad limits resulting for the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Net assets with donor restrictions – Net assets with donor restrictions are resources that are restricted by a donor for use for a particular purpose or in a particular future period. Some donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor’s instructions or when the stipulated time has passed. Other donor-imposed restrictions are perpetual in nature; the Organization must continue to use the resources in accordance with the donor’s instructions.

An organization’s unspent contributions are included in this class if the donor limited their use.

When a donor’s restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions. Net assets restricted for acquisition of buildings or equipment (or less commonly, the contribution of those assets directly) are reported as net assets with donor restrictions until the specified asset is placed in service by the Organization, unless the donor provides more specific directions about the period of its use.

Net assets with donor restrictions are further discussed in note 12.

**Meals on Wheels-Older Adults Alternative of Fairfield County, Inc.**

*Notes to the Financial Statements  
For the Year Ended December 31, 2023*

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**Classification of Transactions**

All revenues and net gains are reported as increases in net assets without donor restrictions in the statement of activities unless the donor specified the use of the related resources for a particular purpose or in a future period. All expenses and net losses other than losses on endowment investments are reported as decreases in net assets without donor restrictions. Net gains on endowment investments increase net assets with donor restrictions, and net losses on endowment investments reduce that net asset class. The Organization had no endowments.

**Cash and Cash Equivalents**

For purposes of the statement of cash flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

**Accounts Receivable**

Accounts receivable are shown at their net realizable value. Uncollectible accounts are charged to operations during the period in which they are determined to be uncollectible. Management believes that the direct write-off method closely approximates the reserve method of accounting for uncollectible accounts and believes that a reserve for bad debts is not required at December 31, 2023. There was no bad debt expense or write-offs for the year ended December 31, 2023.

**Prepaid Expenses**

Payments made to vendors for services that will benefit periods beyond December 31, 2023 are recorded as prepaid expenses using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expense is reported in the fiscal year in which the services are consumed.

**Property and Equipment**

Property and equipment are recorded at cost and depreciated over their estimated useful lives ranging from 3 to 40 years by the straight-line method. Repairs and maintenance are charged to operations when incurred and additions and improvements are capitalized. The Organization capitalized assets with costs exceeding \$1,000 and useful lives in excess of one year through March 10, 2020. For additions and improvement recognized on or after March 11, 2020, the Organization capitalizes assets with costs exceeding \$5,000 and useful lives in excess of one year.

**Contributions**

Contributions of cash and other assets, including unconditional promises to give, are recognized as contributions of financial assets when received. All contributions are reported as increases in net assets without donor restrictions unless use of the contributed assets is specifically restricted by the donor. Amounts received that are restricted by the donor to use in future periods or for specific purposes are reported as increases in net assets with donor restrictions. Unconditional promises with payments due in future years have an implied restriction to be used in the year the payment is due, and therefore are reported as restricted until the payment is due, unless the contribution is clearly intended to support activities of the current fiscal year. Conditional promises, such as matching grants, are not recognized until they become unconditional, that is, until all conditions on which they depend are substantially met.

Donations of real property, services and other non-financial assets are recorded as contributions of non-financial assets and reported at their estimated fair value at the date of the gift. Such donations are reported as support without donor restrictions unless the donor has restricted the donated asset for a specific purpose.

**Revenue**

Contract and grant revenue is recognized when the qualifying costs are incurred for cost-reimbursement grants or contracts or when a unit of service is provided for performance grants. Grant revenue from federal agencies is subject to independent audit under the Office of Management and Budget's audit requirements for federal awards and review by grantor agencies. The review could result in the disallowance of expenditures under the terms of the grant or

**Meals on Wheels-Older Adults Alternative of Fairfield County, Inc.**

*Notes to the Financial Statements  
For the Year Ended December 31, 2023*

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reductions of future grant funds. Based on prior experience, the Organization's management believes that costs ultimately disallowed, if any, would not materially affect the financial position of the Organization.

**Concentration of Credit Risk**

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents and accounts receivable. The Organization maintains cash and cash equivalents with various financial institutions to limit exposure with any one financial institution. The Organization's receivables present virtually no risk of collection since they are due from government agencies and generally received prior to the date of the accountants' report.

**Fair Value of Financial Instruments**

The carrying value of the Organization's financial instruments, including cash, cash equivalents, accounts receivable, accounts payable and short-term debt approximates fair value due to their short-term maturities.

**Expense Recognition and Allocation**

The cost of providing the Organization's programs and other activities is summarized on a functional basis in the statement of activities and statement of functional expenses. Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated among the various functions benefited using a reasonable allocation method that is consistently applied, as follows:

- Salaries and wages, benefits and payroll taxes are allocated based on activity reports prepared by key personnel.
- In-kind contributions, county levy fees, and depreciation are allocated based on allocation percentages prepared by key personnel.
- Other expenses are allocated based on usage, typically by number of clients served.

General and administrative expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the Organization.

**Income Tax Status**

The Organization is a not-for-profit organization classified as an other-than-private foundation and is exempt from income taxes under Internal Revenue Section 501(c)(3). Accordingly, no provision for federal income tax has been made in the accompanying financial statements. The Organization is subject to tax on income from any unrelated business.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Organization and recognize a tax liability (or asset) if the Organization has taken an uncertain tax position that more likely than not would be sustained upon examination by the Internal Revenue Service. The Organization has analyzed the tax positions taken by the Organization, and has concluded that as of December 31, 2023, there are no uncertain positions taken or expected to be taken that would require recognition (or asset) or disclosure in the financial statements. The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Organization believes it is no longer subject to income tax examinations for years prior to 2020.

**Meals on Wheels-Older Adults Alternative of Fairfield County, Inc.**

*Notes to the Financial Statements  
For the Year Ended December 31, 2023*

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**Note 3 – Liquidity and Availability**

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of December 31, 2023 are:

Financial assets:	
Cash and cash equivalents	\$2,286,080
Tax levy receivable	37,961
Accounts receivable	58,103
Investments	387,907
Total financial assets	<u>2,770,051</u>
Less financial assets held to meet donor-imposed restrictions:	
Purpose-restricted net assets (Note 12)	<u>(10,336)</u>
Amount available for general expenditures within one year	<u>\$2,759,715</u>

The above table reflects donor-restricted funds as unavailable because the Organization must spend these resources in accordance with donor agreements. Note 12 provides more information about those funds.

**Note 4 – Tax Levy Receivable**

Fairfield County has a senior services tax levy for which services are provided by and through Meals on Wheels. In 2013, the County renewed their tax levy at 0.5 mills for each one dollar of valuation, which is equal to five cents (\$.05) for every \$100 of real property valuation. The levy was renewed in November 2018 with an increase of 0.3 mills for each dollar of valuation. Collections on this levy began in 2019 and ended in 2023. The 0.8 mill levy was renewed in November of 2023. Collections begin in 2024 and will continue for 5 years. The purpose of the levy is to provide services for older adult residents (aged 60 and older), including, but not limited to: home delivered meals, congregate site meals and activities, nutrition education, nutrition counseling, caregiver relief and support services, minor home repairs, transportation, and other senior citizens services.

The Organization recognizes as a receivable the difference between what was appropriated by the County for the levy and what has been released to Meals on Wheels for payment of expenditures.

As of December 31, 2023, the Organization has unappropriated funds at the County in the amount of \$2,362,971.

**Note 5 – Fair Value Measurements**

The Organization reports fair value measures of its assets and liabilities using a three-level hierarchy that prioritizes the inputs used to measure fair value. This hierarchy, established by GAAP, requires that entities maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The asset or liability's measurement within the fair value hierarchy is based on the lowest level of input that is significant to the measurement. The three levels of inputs used to measure fair value are as follows:

Level 1 – Quoted prices for identical assets or liabilities in active markets to which the Organization has access at the measurement date.

Level 2 – Inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include:

- quoted prices for similar assets or liabilities in active market;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- observable inputs other than quoted prices for the asset or liability; and
- inputs that are derived principally from, or corroborated by, observable market data by correlation or other means.

Level 3 – Unobservable inputs for the asset or liability. Unobservable inputs should be used to measure the fair value if observable inputs are not available.



**Meals on Wheels-Older Adults Alternative of Fairfield County, Inc.**

*Notes to the Financial Statements  
For the Year Ended December 31, 2023*

**Note 6 – Investments**

In 2017, Meals on Wheels established a fund with the Fairfield County Foundation. The investments are held in a pool of assets held by the Foundation for the benefit of various organizations.

An allocation of types of investments held by the Fairfield County Foundation, percentages held in each type, and approximate dollar amounts invested in each type at December 31, 2023 follows:

	Fair Value	Percentage
Corporate bonds	\$24,555	6.33
Stocks	65,285	16.83
Government Agencies	2,870	0.74
Partnerships	1,164	0.30
Certificates of deposit	1,784	0.46
Mutual funds	256,135	66.03
Money market	36,114	9.31
Total	<u>\$387,907</u>	<u>100.00</u>

All investments are valued using Level 1 inputs.

**Note 7 – Inventory**

Inventory consists of food, beverages and supplies and is priced at cost on the first-in first-out basis.

**Note 8 – Property and Equipment**

Property and equipment consist of the following:

	<b>Balance</b> 12/31/22	<b>Additions</b>	<b>Disposals</b>	<b>Balance</b> 12/31/23
Land	\$20,600	\$-	\$-	\$20,600
Construction in process	234,038	8,500	(234,038)	8,500
Office equipment	256,200	6,713	-	262,913
Kitchen equipment	467,959	11,665	-	479,624
Vehicles	1,148,196	94,133	(38,597)	1,203,732
Buildings and improvements	1,303,222	336,151	-	1,639,373
	<u>3,430,215</u>	<u>457,162</u>	<u>(272,635)</u>	<u>3,614,742</u>
Accumulated Depreciation by Class:				
Office equipment	(178,339)	(13,132)	-	(191,471)
Kitchen equipment	(378,721)	(54,921)	-	(433,642)
Vehicles	(895,775)	(98,343)	38,597	(955,521)
Buildings and improvements	(170,588)	(53,008)	-	(223,596)
	<u>(1,623,423)</u>	<u>(219,404)</u>	<u>38,597</u>	<u>(1,804,230)</u>
<b>NET PROPERTY AND EQUIPMENT</b>	<u>\$1,806,792</u>	<u>\$237,758</u>	<u>(\$234,038)</u>	<u>\$1,810,512</u>

**Meals on Wheels-Older Adults Alternative of Fairfield County, Inc.**

*Notes to the Financial Statements  
For the Year Ended December 31, 2023*

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**Note 9 – Compensated Absences**

Regular full-time employees and regular part-time employees (regularly working 15 hours or more per week) are eligible to accrue vacation and sick time credit on a bi-weekly basis beginning on the first day of work. The chart below indicates the maximum vacation accruals for employees based on years of service per 80 hours worked. Part-time employees regularly scheduled to work 15 hours or more per week earn vacation time on a pro rata basis according to the number of hours they work and the number of years of service. Sick time accrues at a rate of 4.62 every regular, bi-weekly pay period for hours actually worked and continue to accrue without limit. Upon termination, an employee is paid for accrued but unused vacation credit. Upon resignation or retirement from active service and after at least 5 years of service, an employee may elect to be paid for their accrued sick leave balance up to a maximum of 240 hours of pay. Compensated absences as of December 31, 2023 was \$94,446.

Years of service	Yearly Accrual And Maximum Accrual	Accrued per 80 hours worked
Less than 8 yrs.	96 hours	3.6923
8-19 years	144 hours	5.5390
20+ years	192 hours	7.3850

**Note 10– Grants**

Grants are made to the Organization by various local organizations and government agencies. Some of these grants are restricted as to use and are therefore reported as donor-restricted revenues.

**Note 11– Contributions**

Donations are received from recipients of services and the general public. The donations of financial assets received for the year ended December 31, 2023 totaled \$224,855.

The Organization benefits from personal services provided by a substantial number of volunteers. Those volunteers have donated significant amounts of time and services in the Organization’s program operations and in its fundraising campaigns. However, the majority of the contributed services do not meet the criteria for recognition in financial statements. GAAP allow recognition of contributed services only if (a) the services create or enhance nonfinancial assets, or (b) the services would have been purchased if not provided by contribution require specialized skills, and are provided by individuals possessing those skills. Donated salaries and contributions with an estimated fair value of \$71,105 met those criteria and are included in contributions of nonfinancial assets revenue in the statement of activities. The donated services in the amounts of \$53,329 and \$17,776 were utilized during the year by the Nutrition Services Division and the Aging Services Division, respectively. The Organization estimates the fair value of these services utilizing estimates of hourly wages that would be paid for similar services in the United States.

**Note 12 – Net Assets With Donor Restrictions**

At December 31, 2023, net assets with donor restrictions are available for the following purpose:

Purpose restrictions, available for spending:	
Home Repair Program	\$750
Pet Program	3,177
Older Adult Network	6,409
Total purpose-restricted net assets	<u>10,336</u>
Total net assets with donor restrictions	<u>\$10,336</u>

**Meals on Wheels-Older Adults Alternative of Fairfield County, Inc.**

*Notes to the Financial Statements  
For the Year Ended December 31, 2023*

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**Note 13 – Line of Credit and Loan**

The Organization has an unsecured line of credit established at the Vinton County National Bank. The maximum limit of credit is \$150,000 with an adjustable interest rate equal to the prevailing national rate as published in the Wall Street Journal. The outstanding balance as of December 31, 2023 was \$-0-.

**Note 14 – Subsequent Events**

The Organization's management has performed an analysis for the activities and transactions subsequent to December 31, 2023 to determine the need for any adjustments or disclosures within the financial statements. Management has performed the analysis through October 25, 2024.

**Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards***

**Independent Auditor's Report**

Board of Directors  
Meals on Wheels – Older Adult Alternatives of Fairfield County, Inc.  
1515 Cedar Hill Road  
Lancaster, Ohio 43130

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of Meals on Wheels – Older Adult Alternatives of Fairfield County, Inc., Fairfield County, Ohio (the Organization), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 25, 2024.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

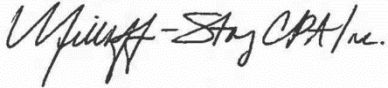
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Organization’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Millhuff-Stang, CPA, Inc.  
Chillicothe, Ohio

October 25, 2024

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# OHIO AUDITOR OF STATE KEITH FABER



**MEALS ON WHEELS - OLDER ADULT ALTERNATIVES OF FAIRFIELD COUNTY**

**FAIRFIELD COUNTY**

**AUDITOR OF STATE OF OHIO CERTIFICATION**

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



**Certified for Release 12/5/2024**

65 East State Street, Columbus, Ohio 43215  
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)