

Meals on Wheels – Older Adult Alternatives
of Fairfield County, Inc.
Fairfield County
Regular Audit
For the Year Ended December 31, 2015



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Dave Yost • Auditor of State

Board of Directors
Meals on Wheels-Older Adult Alternatives of Fairfield County, Inc.
253 Boving Road
Lancaster, Ohio 43130

We have reviewed the *Independent Auditors' 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, 2015 to December 31, 2015. 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 "Dave Yost".

Dave Yost
Auditor of State

December 19, 2016

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Meals on Wheels – Older Adult Alternatives of Fairfield County, Inc.
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For the Year Ended December 31, 2015

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Independent Auditor's Report

Board of Directors
Meals on Wheels – Older Adult Alternatives of Fairfield County, Inc.
253 Boving Road
Lancaster, Ohio 43130

Report on the Financial Statements

We have audited the accompanying financial statements of the Meals on Wheels – Older Adult Alternatives of Fairfield County, Inc., Fairfield County, Ohio (the NFP Organization), (a not-for-profit organization), which comprise the statement of financial position as of December 31, 2015, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Meals on Wheels – Older Adult Alternatives of Fairfield County, Inc., Fairfield County, Ohio as of December 31, 2015, 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.

Emphasis of Matter

As discussed in Note 13 to the financial statements, the NFP Organization restated its December 31, 2014 financial statements to correct a material misstatement in previously reported net position. We did not modify our opinion regarding this matter.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2016 on our consideration of the NFP 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 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 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 NFP Organization’s internal control over financial reporting and compliance.



Robyn Roush, CPA, CITP
Vice-President/Owner
Millhuff-Stang, CPA, Inc.
Chillicothe, Ohio

June 28, 2016

MEALS ON WHEELS - OLDER ADULT ALTERNATIVES OF FAIRFIELD COUNTY, INC.
STATEMENT OF FINANCIAL POSITION
December 31, 2015

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$	264,920
Tax levy receivable		1,098,897
Accounts receivable		40,747
Inventory		35,565
Prepaid expenses		12,150
TOTAL CURRENT ASSETS		1,452,279

Property and equipment-net		249,557
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TOTAL ASSETS	\$	1,701,836
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$	35,889
Levy accounts payable		21,013
Accrued salaries		30,423
Compensated absences		16,001
Current portion of capital lease payable		15,811
TOTAL CURRENT LIABILITIES		119,137

LONG-TERM LIABILITIES

Capital lease payable		61,406
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TOTAL LIABILITIES		180,543
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NET ASSETS

Unrestricted		1,521,292
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TOTAL LIABILITIES AND NET ASSETS	\$	1,701,835
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See accompanying notes to the financial statements

MEALS ON WHEELS - OLDER ADULT ALTERNATIVES OF FAIRFIELD COUNTY, INC.
STATEMENT OF ACTIVITIES
Year Ended December 31, 2015

UNRESTRICTED NET ASSETS

SUPPORT AND REVENUE

Local contributions	\$	21,942
Property tax levy-operating		1,648,327
Service provider contracts		111,122
Grants		133,320
Donations		139,365
Contract meals/cost share/CSFP		156,684
Federal and state grants		431,466
Capital gain		2,505
Passport		300,427
County Auditor's levy expense		29,834
Miscellaneous		11,253
In-kind facilities		34,850
Interest		227
TOTAL SUPPORT AND REVENUE		3,021,322

FUNCTIONAL AND OTHER EXPENSES

Nutrition services division		1,630,310
Aging services division		683,152
Grants		125,000
Management and general		131,308
TOTAL FUNCTIONAL EXPENSES AND OTHER EXPENSES		2,569,770

CHANGE IN NET ASSETS 451,552

NET ASSETS, BEGINNING OF YEAR - AS RESTATED 1,069,741

NET ASSETS, END OF YEAR \$ 1,521,293

See accompanying notes to the financial statements

MEALS ON WHEELS - OLDER ADULT ALTERNATIVES OF FAIRFIELD COUNTY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2015

	Nutrition Services Division	Aging Services Division	Grants	Total Program	Management and General	Total
Payroll	\$ 570,325	\$ 200,385	\$ -	\$ 770,710	\$ 85,634	\$ 856,344
Payroll tax expense	49,933	17,615	-	67,548	7,527	75,075
Personnel benefit	86,392	30,354	-	116,746	12,972	129,718
Professional fees	63,866	42,577	-	106,443	11,577	118,020
Raw food and related supplies	603,628	-	-	603,628	-	603,628
Office supplies	10,515	7,111	-	17,626	1,975	19,601
Telephone	5,112	4,533	-	9,645	1,072	10,717
Occupancy	18,144	6,711	-	24,855	2,762	27,617
Rental/maintenance equipment	7,299	2,839	-	10,138	1,126	11,264
Printing and publications	13,331	9,021	-	22,352	2,506	24,858
Vehicle expense	36,883	17,357	-	54,240	-	54,240
Conference, training and meetings	1,263	842	-	2,105	234	2,339
Insurance	21,186	14,124	-	35,310	3,923	39,233
Licenses	1,903	987	-	2,890	-	2,890
In-kind facilities and services	23,698	11,152	-	34,850	-	34,850
Contractual services	14,631	272,914	-	287,545	-	287,545
Grants	-	-	125,000	125,000	-	125,000
Miscellaneous	2,160	1,016	-	3,176	-	3,176
Fundraising expense	2,702	1,260	-	3,962	-	3,962
County auditor's levy expense	15,179	7,143	-	22,322	-	22,322
	<u>1,548,150</u>	<u>647,941</u>	<u>125,000</u>	<u>2,321,091</u>	<u>131,308</u>	<u>2,452,399</u>
Depreciation	<u>82,160</u>	<u>35,211</u>	<u>-</u>	<u>117,371</u>	<u>-</u>	<u>117,371</u>
TOTAL	<u><u>\$ 1,630,310</u></u>	<u><u>\$ 683,152</u></u>	<u><u>\$ 125,000</u></u>	<u><u>\$ 2,438,462</u></u>	<u><u>\$ 131,308</u></u>	<u><u>\$ 2,569,770</u></u>

See accompanying notes to the financial statements

MEALS ON WHEELS - OLDER ADULT ALTERNATIVES OF FAIRFIELD COUNTY, INC.
STATEMENT OF CASH FLOWS
Year Ended December 31, 2015

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ 451,552
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Depreciation	117,371
Gain on disposal of capital assets	(2,505)
(Increase) decrease in operating assets	
Tax levy receivable	(393,013)
Accounts receivable	(7,047)
Inventory	4,150
Prepaid expenses	1,923
BWC deposit	1,000
Increase (decrease) in operating liabilities	
Accounts payable	17,479
Levy accounts payable	(5,316)
Accrued salaries	3,224
Compensated absences	<u>(17,358)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	171,460
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of equipment	(5,745)
CASH FLOWS FROM FINANCING ACTIVITIES	
Payments on capital lease	<u>(9,205)</u>
CHANGE IN CASH AND CASH EQUIVALENTS	156,510
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>108,410</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 264,920</u></u>
SUPPLEMENTAL DISCLOSURES	
Cash paid during the year for interest	<u>\$ 1,308</u>
Inception of Capital Lease	<u>\$ 82,557</u>
Disposal of Old Lease	<u><u>\$ (13,631)</u></u>

See accompanying notes to the financial statements

MEALS ON WHEELS - OLDER ADULT ALTERNATIVES OF FAIRFIELD COUNTY, INC.
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization Description

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.

Method of Accounting

The accounting records are maintained on the accrual basis for financial statement purposes.

Basis of Presentation

Under the Statement of Financial Accounting Standards Board (FASB ASC 958-205-05-06), Financial Statements of Not-for-Profit Organizations, the organization is required to report information regarding its financial position and activities according to three classes of net assets based upon the existence or absence of donor-imposed restriction. The three classes of net assets are: *Unrestricted net assets* are not subject to donor-imposed stipulations. *Temporarily restricted net assets* are subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restriction. *Permanently restricted net assets* are subject to donor-imposed stipulations that may be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on any related investments for general or specific purposes.

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.

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, 2015. There was no bad debt expense or write-offs for the year ended December 31, 2015.

Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restriction. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets. There are no temporarily or permanently restricted net assets at December 31, 2015.

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 capitalizes assets with costs exceeding \$1,000 and useful lives in excess of one year.

MEALS ON WHEELS - OLDER ADULT ALTERNATIVES OF FAIRFIELD COUNTY, INC.
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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.

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.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services receiving the benefit of these costs.

Federal Income Taxes

The Organization has been classified as an other-than private foundation and is tax-exempt under Section 501(c)(3) of the Internal Revenue Code. 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, 2015, 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 2012.

Contributed Services

The Organization receives donated services from a variety of unpaid volunteers assisting the organization in the preparation and delivery of meals. See Note 9 for details.

2. INVENTORY

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

3. CASH AND CASH EQUIVALENTS

Cash consists of the following accounts:

Cash in bank	\$ 242,411
Cash in bank - van account	9,903
Surety bond - money market account	12,606
	<u>\$ 264,920</u>

Van Account – Funds in the van account are used as the local matching portion under UMTA Section 16(b)(2) and are designated for the purchase of new vehicles and major repairs on owned vehicles.

The Surety Bond – Savings Account is held because the Organization is exempt from and does not maintain unemployment compensation. This account is interest bearing at a variable rate.

As of December 31, 2015, the Organization had no cash in bank in excess of the \$250,000 FDIC insurance limit.

MEALS ON WHEELS - OLDER ADULT ALTERNATIVES OF FAIRFIELD COUNTY, INC.
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

4. PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	<u>Balance 12/31/2014</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance 12/31/2015</u>
Office equipment	\$ 94,300	\$ 85,946	\$ (29,008)	\$ 151,238
Kitchen equipment	216,248	2,356	-	218,604
Vehicles	614,638	-	-	614,638
Buildings	8,433	-	-	8,433
	<u>933,619</u>	<u>88,302</u>	<u>(29,008)</u>	<u>992,913</u>
Accumulated Depreciation by Class:				
Office equipment	(58,785)	(16,835)	17,882	(57,738)
Kitchen equipment	(169,676)	(20,218)	-	(189,894)
Vehicles	(409,155)	(79,009)	-	(488,164)
Buildings	(6,251)	(1,309)	-	(7,560)
Total Accumulated Depreciation	<u>(643,867)</u>	<u>(117,371)</u>	<u>17,882</u>	<u>(743,356)</u>
NET PROPERTY AND EQUIPMENT	<u><u>\$ 289,752</u></u>	<u><u>\$ (29,069)</u></u>	<u><u>\$ (11,126)</u></u>	<u><u>\$ 249,557</u></u>

5. LINE OF CREDIT

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 balance due as of December 31, 2015 was \$-0-.

6. COMPENSATED ABSENCES

Regular full-time employees and regular part-time employees (regularly working 15 hours or more per week) are eligible to accrue vacation 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. Compensated absences for the year ended December 31, 2015 was \$16,001.

Years of service	YRLY 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

7. FEDERAL AND STATE GRANTS

Grants are made to the Organization by the U.S. Departments of Agriculture and Health, and Ohio Department of Job and Family Services and administered by the Central Ohio Area Agency on Aging. Federal and State Grant III B is for transportation of the elderly and provides home repair and supportive services. Federal and State Grant III C provides the congregate meals and home delivery meals to the elderly and the transportation to deliver the meals to those who are home bound and Grant III E is for the caregiver support program.

8. DONATIONS

Donations are received from recipients of services. The donations received for the year ended December 31, 2015 totaled \$139,365.

MEALS ON WHEELS - OLDER ADULT ALTERNATIVES OF FAIRFIELD COUNTY, INC.
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

9. IN-KIND FACILITIES AND SERVICES

The Organization has a lease with Lancaster Parks and Recreation Department for space occupied. The lease was renewed on December 31, 2015 for two years, expiring December 31, 2017. There is no rent paid to Lancaster Parks and Recreation, however the Organization reimburses Lancaster Parks and Recreation for a portion of utilities on the basis of area occupied and telephone usage. For the year ended December 31, 2015, in-kind revenue and expenses consisted of \$13,000 for facilities, \$21,350 for services for a total of \$34,850 in-kind contributions.

10. 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 will be able to be renewed in 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, 2015, the Organization has unappropriated funds at the County in the amount of \$1,393,108.

11. CAPITAL LEASE OBLIGATION

Capitalized lease obligation for purchase of a new copier in 2015 provides for monthly payments of \$1,468 including imputed interest at approximately 2.58% a year through 2020. The lease payment includes equipment, maintenance services, and taxes.

Future minimum lease payments under the capital lease as of December 31 are:

2016	\$	17,617
2017		17,617
2018		17,617
2019		17,617
2020		<u>11,563</u>
Total minimum lease payments		82,031
Less: amounts representing interest		<u>4,814</u>
Present value of net minimum lease payments	\$	<u><u>77,217</u></u>

The copier was capitalized for \$82,557. As of December 31, 2015 the copier had accumulated depreciation of \$4,128, with a net book value of \$78,429.

12. SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through June 28, 2016, the date which the financial statements were available to be issued.

MEALS ON WHEELS - OLDER ADULT ALTERNATIVES OF FAIRFIELD COUNTY, INC.
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2015

13. RESTATEMENT OF NET ASSETS

Errors were noted in previously reported net assets due to the improper recognition of unearned revenue. Correction of these errors resulted in the following effect on previously reported net assets:

Net Assets, As Reported, December 31, 2014	\$ 540,186
Restatement	<u>529,555</u>
Net Assets, As Restated, December 31, 2014	<u><u>\$ 1,069,741</u></u>

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.
253 Boving 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, the financial statements of the Meals on Wheels – Older Adult Alternatives of Fairfield County, Inc., Fairfield County, Ohio (the NFP Organization), which comprise the statement of financial position as of December 31, 2015, 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 June 28, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the NFP Organization's internal control over financial reporting (internal control) to determine 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 NFP Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the NFP 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 NFP Organization'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and responses as item 2015-001, that we consider to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the NFP 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 determination of financial statement amounts. 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*.

Organization’s Response to Finding

The NFP Organization’s response to the finding identified in our audit is described in the accompanying schedule of findings and responses. The NFP Organization’s response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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.



Robyn Roush, CPA, CITP
Vice-President/Owner
Millhuff-Stang, CPA, Inc.
Chillicothe, Ohio

June 28, 2016

Meals on Wheels – Older Adult Alternatives of Fairfield County, Inc.
Fairfield County
Schedule of Findings and Responses
For the Year Ended December 31, 2015

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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Finding Number 2015-001

Material Weakness – Financial Reporting

A monitoring system by the NFP Organization should be in place to prevent or detect misstatements for the accurate presentation of the NFP Organization’s financial statements. Errors were identified in the financial statements related levy funding not yet received by Meals on Wheels. These errors required adjustments, which are reflected in the accompanying financial statements, in order to properly present the activity of the NFP Organization. The NFP Organization should implement additional monitoring procedures to ensure transactions are properly recorded.

Client Response:

We feel the agency has good controls and oversight over our financial statements. We will continue to monitor, review, and ask appropriate questions regarding the numbers reported on the financial statements and increase our understanding of what is being reported. We will also be asking our accounting firm if there are any significant changes made to our accounting policies, interpretation, assumptions or methodology for compiling our financials. Any deviation from our current accounting practices must be reviewed and discussed with the Agency and the accounting firm prior to finalization of statements.

Meals on Wheels – Older Adult Alternatives of Fairfield County, Inc.

Fairfield County

Schedule of Prior Audit Findings

For the Year Ended December 31, 2015

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
Finding 2014-001	Abuse/Significant Deficiency	Yes	



Dave Yost • Auditor of State

MEALS ON WHEELS – OLDER ADULT ALTERNATIVES OF FAIRFIELD COUNTY

FAIRFIELD COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
DECEMBER 29, 2016**