

SOCIAL AND VOLUNTARY SERVICES COMMISSION FUNDING REQUEST

Legal Name of Agency: Meals on Wheels of Norman Inc.

Mailing Address: P.O. Box 1371 Norman, OK 73070

Application completed by: Lynn Haynes, Executive Director

Telephone Number: (405)321-7272

Email Address: lynn@mealsonwheelsnorman.com

Amount of Funding Request: \$5,000

In what year was your Agency incorporated: 1972

Are you associated with a national organization: Yes

Number of volunteers: 160

How many hours do volunteers donate: 17,671

How much money do volunteers save the agency: \$248,461

Has your Agency applied for SVSC funds before: Yes

Year 2012 Amount \$2,000 Purpose Free Meal Program

Year 2010 Amount \$2,000 Purpose Outreach / Free Meals

Year 2009 Amount \$1,500 Purpose Background checks

Year 2008 Amount \$1,000 Purpose Emergency Food Closet

Year 2007 Amount \$ 900 Purpose New Delivery Route Carriers

Financial Information from the last fiscal year:

Percent of the budget which is spent on fund-raising:	<u>5%</u>
Percent of your budget spent on programs:	<u>90%</u>
Percent of your budget spent on administrative expenses:	<u>5%</u>

Percentage of Organizational funding:

Religious Organizations	<u>4%</u>
Civic Clubs	<u>1%</u>
Corporate Donors	<u>10%</u>
Endowment/Interest Income	<u>1%</u>
Fees for services/products	<u>16%</u>
Government Grants	<u>0</u>
Government Contracts	<u>0</u>
Individual Donors	<u>24%</u>
Private Foundations	<u>12%</u>
Special Events (based on net earnings)	<u>14%</u>
United Way	<u>18%</u>
Other	<u>0</u>

Overall Mission of Agency

Please provide a one page narrative in 10 or 12 point type describing the mission of your agency. List the client population (income, age, geographic location – percentage of City of Norman residents) and describe all programs and services offered currently by your agency. Include any duplication of services in our area and the percentage increase or decrease projected in staff numbers over previous year.

Specific project for which funding is being requested

Please provide a one page narrative in 10 or 12 point type describing the project for which funds are requested including staff positions, salaries, equipment, office

WE ARE
Meals On Wheels
So no senior goes hungry.



MEALS ON WHEELS OF NORMAN, INC.

Meals on Wheels of Norman, Inc., founded in 1972, is a 501 (c) (3) non-profit, United Way agency. As the only meal delivery service in Norman that does not discriminate based on age or income, Meals on Wheels has maintained the same basic philosophy to improve nutrition by providing meal service to the ill, disabled and senior residents within the Norman city limits. To improve the mental health of the isolated recipients by providing visitation; and to improve the well-being of senior citizens by providing coordination with existing services in the Norman area.

Clients must live within the Norman City limits and be ill, disabled or senior. The price of each meal is based on a sliding scale ranging from \$.81 - \$6.25 and is dependent on the client's income. A typical Meals on Wheels client is an elderly widow living on a low- fixed income. Today only eight percent of all clients qualify to pay the full price per meal, leaving the remaining 92% to receive subsidized and free meals. Those receiving free meals are extremely low-income and their expenses outweigh their income. The clients range in age from 18 years to 100+ years of age. Senior citizens make up 9% of the total population of Norman. Direct service by Meals on Wheels serves less than one percent of our community's population (725 annually), however each citizen of Norman can be touched by the meal delivery service.

Meals on Wheels benefits greatly through a community partnership with Norman Regional Health System. Not only does Norman Regional Health System prepare all the meals delivered by Meals on Wheels, but also a \$65,000+ annual subsidy of reduced meal cost, support and in-kind services are also provided through the partnership. The food service department of NRHS offers a tremendous benefit to Meals on Wheels and its clients. Licensed dieticians determine the necessary diets of the clients that have special dietary needs. Specialized diets such as diabetic, renal, healthy heart, pureed and meals that are sensitive to certain food allergies are prepared with care. Additional care is taken by the kitchen staff to cut the meat for clients without full use of their hands. All specialized diets are confirmed by the client's physician to ensure that the appropriate needs are being met.

In order to serve the Norman community, Meals on Wheels relies on a base of over 160 volunteer drivers to deliver approximately 300 meals each weekday. There are 20 different routes that are delivered daily between 11:00 a.m. and 12:30 p.m. Volunteers deliver hot nutritious meals daily, shelf safe meals (blizzard bags, weekend meals, Ensure nutritional supplement, emergency food closet items, and holiday meals) when needed, and pet food to our recipients with furry friends. Our volunteers come from all walks of life and range in age from elementary school students to retirees. The growth of Meals on Wheels of Norman has greatly increased the need for an expanded base of volunteers. The service these volunteers provide is much greater than just meal delivery. They offer a lifeline to our often isolated clients. On many occasions volunteers have found clients in life threatening situations and were able to save the day by just being there.

Meals on Wheels is unique to Norman because we offer specialized diets and hot meals. Aging Services provides frozen meals through the Advantage program. Meals on Wheels is governed by an active and dedicated board of directors with 100% contributing financially. The staff is comprised of three full-time employees and a part-time project coordinator. There has been no significant increase or decrease in the number of employees over the last five years. Student Interns through the University of Oklahoma Work-Study Program provide additional office help as well as TANF employees provided through DHS. Since 1972 Meals on Wheels of Norman has delivered 1.64 million meals to the ill, disabled, and elderly of our community. This remarkable feat could not have been accomplished without the dedication of hundreds of volunteers and support of our community.



Meals on Wheels Free Meal Program

The cost of providing nutritious home-delivered meals for one year is roughly equal to the cost of a one day stay in the hospital. Imagine the impact Meals on Wheels can have on our health system, when half of all health conditions affecting seniors are directly connected to a lack of nutrients. Meals on Wheels of Norman has been providing nutritious noon-time meals to the ill, disabled, and senior members of our community for over 41 years.

Last year our volunteer drivers delivered 71,757 meals to 729 ill, disabled, and senior members of our community. Of those meals 20,000 are provided free of charge to very low-income seniors and homebound individuals. The Free Meal Program costs Meals on Wheels of Norman costs \$62,370 annually. Meals on Wheels of Norman, Inc. is asking for \$5,000 in funding to provide free meals to qualified low-income senior and homebound individuals. The funding will supply 1,608 nutritious meals at a cost of \$3.11 per meal.

The impact on the individuals served can best be expressed through our annual survey results. The 2012 results report that 99% of meal recipients say that they have a healthier diet and look forward to the daily meal delivery. 99% also state they are less isolated and able to live independently as a result of the program. Over 95% report better emotional and physical health and feel safer as a result of the service.

The individuals who directly benefit from our Free Meal Program are extremely low-income seniors and often isolated. Each year about 200 of our meal recipients receive meals free of charge. However, sufficient funding to provide meals free of charge is beneficial to all Meals on Wheels clients by keeping the sliding scale at a reasonable rate and avoiding establishing a waiting list for services.

With the help of Norman Community Foundation Meals on Wheels of Norman will be able to ensure that our low-income seniors and homebound individuals are eating healthier meals and able to stay independent longer through the Free Meal program. It is critical that meals be provided based on need and not on the ability to pay.

The requested funds will allow Meals on Wheels to better serve our senior and disabled populations. Our delivery service is unduplicated in that it provides meals to those in need based on a sliding fee scale and does not have an income cap. The Free Meal Program allows Meals on Wheels to provide nutritious noon-time meals and life-saving interaction to all in need. It is critical to maintain sufficient funding for the Free Meal Program to keep an affordable sliding fee scale and avoid instituting a waiting list for services. For many of the Meals on Wheels recipients requesting the service is the first time they have ever had to ask for help. It would be tragic if these individuals did not receive the nutritional assistance they need and the companionship of our wonderful volunteer drivers.

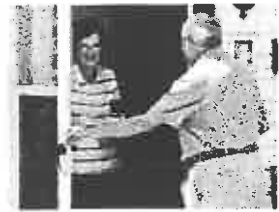


Meals on Wheels of Norman, Inc. Financial Information

The daily accounting of receipts receivable and payable is performed in office by Meals on Wheels staff. Standard practices for division of duties regarding opening mail, copying checks, preparing deposits, and making bank deposits are employed. Accounting statements including monthly bank reconciliation and a monthly detailed ledger are prepared by Janice Jansing, CPA and are forwarded for review to Travis Lowry, CPA, and Treasurer of the Meals on Wheels Board of Directors. The Executive Director also reviews these documents. Each member of the Board of Directors receives a copy of the Monthly Financial Statement at each board meeting where Mr. Lowry gives a financial report.

The Annual Financial Audit and Statements are prepared by Rahhal Henerson Johnson, PLLC which is then reviewed by the Executive Director, Board Treasurer, and the Board of Directors. During 2013 there is a 2% increase over the 2012 budget.

The Meals on Wheels budget does include in kind donations. The two most significant sources of in kind donations are from Norman Regional Hospital and the Meals on Wheels volunteer drivers. The in kind donation from Norman Regional Hospital is a reduction in meal cost, valued at \$65,000. During 2012 the in kind donation of time, service, and mileage from the Meals on Wheels volunteers totaled \$248,461.



Free Meal Budget

Expense

Free Meal Budget

\$ 62,370

(Based on the cost of 20,055 meals)

20,055 x 3.11 (cost per meal) = 62,370

Income

Committed Funding for Free Meals

Community Development Block Grant (FY 2013/2014)	\$ 7,000
Carl C. Anthony and Marie Jo Anderson Foundation	\$ 5,000
Norman Rotary Club	\$ 1,500
Falkenstein Scholarship Meals	\$ 1,000
E.L and Thelma Gaylord Foundation	\$ 5,000
Norman Community Foundation	<u>\$ 500</u>
	\$20,000

Outstanding Requests for Free Meals

Social & Voluntary Services Commission	\$ 5,000
Kirkpatrick Family Fund	\$ 5,000
Anne and Henry Zarrow Foundation	\$ 5,000
Cox Connects Foundation	\$ 5,000
OEC Foundation	\$ 9,000
Inasmuch Foundation	\$ 5,000
Philip Boyle Foundation	\$ 3,000
Fundraising Events	\$ 2,370
Local Churches	<u>\$ 3,000</u>
	\$42,370

Funding for Free Meals and subsidizing costs for sliding fee scale meals is always a struggle. Additional grants will be pursued as well as funding through special events and contribution campaigns.

Meals on Wheels of Norman, Inc.
Unaudited Statement of Revenues Expenses
Modified Cash Basis

For the one month & twelve months ended December 31, 2012

	Dec-12		Year to Date		Over/(Under)	Total
	Actual	Budget	Actual	Budget	Budget	Budget
Public Support & Revenues						
400 · United Way Allocation	5,695.31	8,623.33	99,999.96	103,480.00	(3,480.04)	103,480.00
401 · Contributions	12,897.95	6,666.67	72,201.49	80,000.00	(7,798.51)	80,000.00
402 · Special Events	15,324.00	7,413.67	106,026.36	88,964.00	17,062.36	88,964.00
403 · Program Service Fees	6,719.25	8,657.08	87,610.56	103,885.00	(16,274.44)	103,885.00
405 · Grants	6,019.30	5,250.00	64,134.55	63,000.00	1,134.55	63,000.00
406 · Foundation	2,273.41	1,250.00	13,763.30	15,000.00	(1,236.70)	15,000.00
407 · In Kind Donations	15,694.58	6,930.00	100,847.93	83,160.00	17,687.93	83,160.00
410 · Investment Income	388.89	625.00	3,481.72	7,500.00	(4,018.28)	7,500.00
414-Realized Gain/Loss on stock	0.00	0.00	0.00	0.00	0.00	0.00
415-Unrealized Gain/Loss	(1,078.34)	0.00	577.26	0.00	577.26	0.00
Total Support and Revenues	63,934.35	45,415.75	548,643.13	544,989.00	3,654.13	544,989.00
Operating Expenses						
601 · Salaries & Wages	11,524.73	12,443.17	148,796.97	149,318.00	(521.03)	149,318.00
605 · Payroll Taxes	881.65	893.58	11,382.97	10,723.00	659.97	10,723.00
606 · Employee Benefits	2,072.37	1,922.33	23,050.16	23,068.00	(17.84)	23,068.00
627 · Bank & Credit Card Charges	183.66	83.33	1,639.84	1,000.00	639.84	1,000.00
628 · Conference & Meetings	0.00	41.67	80.00	500.00	(420.00)	500.00
631 · Depreciation Expense	78.85	0.00	1,105.84	0.00	1,105.84	0.00
636 · Fund Raising Expense	18,224.94	2,083.33	26,932.24	25,000.00	1,932.24	25,000.00
638 · Copy Service	153.45	83.33	1,119.12	1,000.00	119.12	1,000.00
641 · Insurance	0.00	416.67	4,889.33	5,000.00	(110.67)	5,000.00
650 · Membership Dues	0.00	41.67	225.00	500.00	(275.00)	500.00
655 · Accounting & Auditing	125.00	716.67	7,720.00	8,600.00	(880.00)	8,600.00
656 · Postage	377.45	500.00	5,060.42	6,000.00	(939.58)	6,000.00
657 · Printing & Publications	4,347.60	880.00	12,522.54	10,560.00	1,962.54	10,560.00
676 · Occupancy	819.95	820.00	9,839.40	9,840.00	(0.60)	9,840.00
680 · Equip Repair & Maintenance	75.00	125.00	2,054.64	1,500.00	554.64	1,500.00
691 · Supplies	156.91	375.00	2,510.75	4,500.00	(1,989.25)	4,500.00
693 · Specific Assistance/Food	40,554.21	23,290.00	287,471.04	279,480.00	7,991.04	279,480.00
695 · Telephone	198.16	183.33	2,315.59	2,200.00	115.59	2,200.00
697 · Travel & Mileage	338.55	141.67	2,292.91	1,700.00	592.91	1,700.00
698 · Volunteer Appreciation	613.25	208.33	5,558.90	2,500.00	3,058.90	2,500.00
Total Operating Expenses	80,725.73	45,249.08	556,567.66	542,989.00	13,578.66	542,989.00
Net Ordinary Public Support & Revenues over Expenses	(16,791.38)	166.67	(7,924.53)	2,000.00	(9,924.53)	2,000.00
Other Income/Expense						
Other Expense						
800 · Equipment Purchases		166.67	0.00	2,000.00	(2,000.00)	2,000.00
Total Other Expense	0.00	166.67	0.00	2,000.00	(2,000.00)	2,000.00
Net Public Support and Revenues over Expense	(16,791.38)	0.00	(7,924.53)	0.00	(7,924.53)	0.00

Meals on Wheels of Norman

2013 Budget

Public Support & Revenues	2013
United Way	100,000
Contributions	83,480
Special Events	97,026
Program Service Fees	104,905
Investment Income	7,500
Grants	63,000
Foundation (CDBG)	15,000
InKind Donations	83,160
Total Public Support & Revenues	554,071

Operating Expenses	
Equipment	2,000
Insurance	5,000
Fundraising	25,000
Bank/Credit Card Charges	1,000
Accounting & Audit	8,600
Membership Dues	500
Equipment Repair & Maintenance	1,500
Salaries	156,784
Employee Benefits	23,128
Payroll Tax Expense	11,259
Copy Service	1,000
Supplies	4,500
Postage	6,000
Printing & Publications	10,560
Volunteer Appreciation	2,500
Occupancy	9,840
Specific Food Assistance	280,500
Telephone	2,200
Travel & Mileage	1,700
Conferences, Meetings & Training	500
Bad Debt Expense	(actual accrued)
Total Operating Expenses	554,071

Net Public Support & Revenue Over Expenses

0

Meals on Wheels of Norman

2014 Budget

Public Support & Revenues		2014
United Way		100,000
Contributions		83,480
Special Events		97,026
Program Service Fees		106,905
Investment Income		7,500
Grants		63,000
Foundation (CDBG)		15,000
InKind Donations		83,160
Total Public Support & Revenues		556,071

Operating Expenses		
Equipment		2,000
Insurance		5,000
Fundraising		25,000
Bank/Credit Card Charges		1,000
Accounting & Audit		8,600
Membership Dues		500
Equipment Repair & Maintenance		1,500
Salaries		156,784
Employee Benefits		23,128
Payroll Tax Expense		11,259
Copy Service		1,000
Supplies		4,500
Postage		6,000
Printing & Publications		10,560
Volunteer Appreciation		2,500
Occupancy		9,840
Specific Food Assistance		282,500
Telephone		2,200
Travel & Mileage		1,700
Conferences, Meetings & Training		500
Bad Debt Expense		(actul accrued)
Total Operating Expenses		556,071

Net Public Support & Revenue Over Expenses

0

Meals on Wheels Norman, Inc.
Financial Statements
Year-End December 31, 2012

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MEALS ON WHEELS OF NORMAN, INC.
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December 31, 2012

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RAHHAL HENDERSON JOHNSON, PLLC
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Meals on Wheels Norman, Inc.
Ardmore, Oklahoma

We have audited the accompanying financial statements of Meals on Wheels Norman, Inc (a nonprofit organization), which comprise the statement of financial position as of December 31, 2012, 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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

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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 Meals on Wheels Norman, Inc as of December 31, 2012, 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.

Rahhal Henderson Johnson, PLLC

Ardmore, Oklahoma
August 5, 2013

MEALS ON WHEELS OF NORMAN, INC,
Statement of Financial Position
December 31, 2012

ASSETS:

Cash and cash equivalents	\$ 140,554
Accounts receivable	8,630
Pledge and grant receivable	50,000
Board designated cash	200,193
Investments	21,152
Fixed assets, net	<u>1,217</u>
Total Assets	<u><u>\$ 421,746</u></u>

LIABILITIES AND NET ASSETS

Liabilities

Payroll taxes payable	\$ 2,852
Simple payable	824
United Way payable	<u>42</u>
Total Liabilities	<u>3,718</u>

Net Assets

Unrestricted net assets	
Designated by board	181,303
Undesignated	112,412
Temporarily restricted net assets	<u>124,313</u>
Total Net Assets	<u>418,028</u>

Total Liabilities and Net Assets	<u><u>\$ 421,746</u></u>
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The accompanying notes are an integral part of these financial statements.

MEALS ON WHEELS OF NORMAN, INC.
Statement of Activities
For the Year Ended December 31, 2012

	Unrestricted	Temporarily Restricted	Total
REVENUE			
Contributions	68,367	\$ 3,339	\$ 71,706
Grants	28,735	49,163	77,898
In-Kind donations	124,547	-	124,547
Investment income	4,059	-	4,059
Program service fees	87,611	-	87,611
Special events	106,521	-	106,521
United Way allocation	-	100,000	100,000
Net assets released from restrictions:			
Expiration of time restrictions -			
United Way	102,638	(102,638)	-
Satisfaction of program restrictions	38,194	(38,194)	-
Total support and revenues	<u>\$ 560,672</u>	<u>\$ 11,670</u>	<u>\$ 572,342</u>
EXPENSES			
Program	481,199	-	481,199
General and administrative	24,216	-	24,216
Fundraising	74,848	-	74,848
Total expenses	<u>\$ 580,263</u>	<u>\$ -</u>	<u>\$ 580,263</u>
CHANGE IN NET ASSETS	\$ (19,591)	\$ 11,670	(7,921)
NET ASSETS, BEGINNING OF YEAR	<u>313,306</u>	<u>112,643</u>	<u>\$ 425,949</u>
NET ASSETS, END OF YEAR	<u>\$ 293,715</u>	<u>\$ 124,313</u>	<u>\$ 418,028</u>

The accompanying notes are an integral part of these financial statements.

MEALS ON WHEELS OF NORMAN, INC.
Statement of Functional Expenses
For the Year Ended December 31, 2012

	Program Expenses	General & Administrative	Fundraising Expenses	Totals
Accounting & Auditing	\$ 6,176	\$ 772	\$ 772	\$ 7,720
Bank & Credit Card Charges	1,312	164	164	1,640
Conference & Meetings	64	8	8	80
Copy Service	895	111	111	1,117
Depreciation Expense	885	110	111	1,106
Employee Benefits	13,250	1,656	1,656	16,562
Retirement Expense	5,190	649	649	6,488
Equip Repair & Maintenance	1,644	206	206	2,056
Fund Raising Expense	-	-	50,631	50,631
Insurance	3,911	489	489	4,889
Membership dues	180	23	23	226
Occupancy	7,871	984	984	9,839
Payroll Taxes	9,106	1,138	1,138	11,382
Postage	4,048	506	506	5,060
Printing & Publications	10,018	1,252	1,252	12,522
Salaries & Wages	119,038	14,880	14,880	148,798
Specific Assistance/Food	287,471	-	-	287,471
Supplies	2,006	251	251	2,508
Telephone	1,853	232	232	2,317
Travel & Mileage	1,834	229	229	2,292
Volunteer Appreciation	4,447	556	556	5,559
Total expenses	<u>\$ 481,199</u>	<u>\$ 24,216</u>	<u>\$ 74,848</u>	<u>\$ 580,263</u>

The accompanying notes are an integral part of these financial statements.

MEALS ON WHEELS OF NORMAN, INC.
Statement of Cash Flows
For the Year Ended December 31, 2012

CASH FLOWS FROM OPERATING ACTIVITIES

Change in Net Assets	\$ (7,921)
Adjustments to Reconcile Change in Net Assets to	
Net Cash Provided by Operating Activities	
Depreciation	1,106
Realized and unrealized (gain) on investments	(577)
(Increase) Decrease in:	
Accounts receivable	5,035
Grant receivable	2,638
Increase (Decrease) in	
Accounts payable	278
Net Cash Provided by Operating Activities	<u>559</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of Investments	<u>(454)</u>
Net Cash Used by Operating Activities	<u>(454)</u>

Net Increase (Decrease) in Cash and Cash Equivalents 105

Cash and Cash Equivalents at Beginning of Year 340,642

Cash and Cash Equivalents at End of Year \$ 340,747

As reported on the Statement of Net Assets

Cash and cash equivalents	\$ 140,554
Board designated cash	200,193
	<u><u>\$ 340,747</u></u>

The accompanying notes are an integral part of these financial statements.

Meals on Wheels Norman, Inc.
Notes to the Financial Statements
December 31, 2012

Note 1 - Nature of Activities

Organization and Nature of Activities – Meals on Wheels of Norman, Inc. (MOW) was incorporated January 21, 1972 as Norman Mobile Meals Council. The articles of incorporation were amended January 13, 1986, and the name was changed to Meals on Wheels of Norman, Inc. The purpose of MOW is to improve nutrition by providing meal service to elderly, ill, or disabled residents unable to prepare their own meals; to improve the mental health of the isolated recipients by providing visitation; and to improve the well being of elderly citizens by providing coordination with existing services in the Norman area. MOW's programs are supported primarily by contributions and program service fees.

Note 2 - Significant Accounting Policies

Net Assets - MOW is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Contributions received are classified for reporting depending on the existence or nature of any donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Temporarily restricted net assets whose restrictions are met in the year received are recorded in the financial statements as unrestricted assets. MOW does not imply time restrictions on gifts of long-lived assets. No permanently restricted net assets were held by MOW during the year ended December 31, 2012 and, accordingly, are not reflected in these financial statements.

Contributions – Contributions, including unconditional promises to give, are recorded as received. All contributions are available for unrestricted use unless specifically restricted by the donor. Unconditional promises to give are reported at net realizable value if at the time the promise is made, payment is expected to be received in one year or less. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

The fair value of donated services is recognized in the financial statements when the services either (a) create or enhance a nonfinancial asset or (b) require specialized skills that would be purchased if they were not donated. MOW receives services from volunteers that form an integral part of the efforts of MOW as it presently exists. If not for volunteers, these services would have to be performed by paid personnel in order for MOW to continue its current level of operations. MOW controls the duties of the service donated including time, location, nature, and performance and has a clearly measurable basis for the amount listed. However, since the services are not specialized and do not create or enhance a nonfinancial asset, the amounts have not been recorded in these financial statements.

Meals on Wheels Norman, Inc.
Notes to the Financial Statements
December 31, 2012

Note 2 - Significant Accounting Policies (continued)

Functional Expenses – Expenses are charged to each program based on direct expenditures incurred. Indirect expenses are allocated to programs using percentages of total expenses.

Basis of Presentation – The accompanying financial statements are prepared on the accrual basis of accounting and include all material amounts receivable and payable, and all other significant liabilities and prepaid expenses of the funds reported.

Income Tax Status – MOW qualifies as an organization exempt from income taxes under Section 501 (c)(3) of the Internal Revenue Code. Therefore, no provision for federal or state income taxes has been recorded. There was no interest or penalties to the Internal Revenue Service included in these financial statements. The 2009, 2010, and 2011 tax years remain open and are subject to examination by the Internal Revenue Service and the State of Oklahoma.

Accounts Receivable – MOW extends unsecured credit to clients for meals. Accounts receivable represent amounts due for meals. Amounts are past due when not paid by the end of the following month. MOW has made no allowance for doubtful accounts as all amounts considered collectible at December 31, 2012. MOW writes off doubtful accounts in the periods when management determines the collection becomes questionable.

Investments – Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values based on quoted prices in active markets (all Level 1 measurements) in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

Property and Equipment – All expenditures in excess of \$500 for property and equipment are capitalized at cost, if purchased. Contributed assets are recorded at fair market value at the date of acquisition. Depreciation on property and equipment are computed using the straight-line method over the estimated useful lives of the assets ranging from three to five years.

Compensated Absences – Full-time employees may earn from one to three weeks of vacation per year, depending on length of service. Accrued vacation is paid at termination, but may not be carried over from year to year.

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.

Meals on Wheels Norman, Inc.
Notes to the Financial Statements
December 31, 2012

Note 2 - Significant Accounting Policies (continued)

Cash and Cash Equivalents – MOW considers short-term investments with an original maturity of three months or less to be cash equivalents. Excluded from this definition of cash equivalents are such amounts that represent funds that have been designated by the Board for investment.

Concentrations of Credit Risk – Financial instruments that potentially subject MOW to credit risk are primarily cash and client accounts receivable. MOW maintains cash balances in financial institutions located in Norman, Oklahoma, and in a brokerage account. The balances are insured by the Federal Deposit Insurance Corporation or the Securities Investor Protection Corporation up to \$250,000. From time to time, MOW may have uninsured balances in financial institutions. As of December 31, 2012, the organization had no uninsured cash balances.

Credit risk for accounts receivable is concentrated because substantially all of the balances are receivable from individuals located within the same geographic region.

Fair Value – The fair market value of certain financial assets and liabilities have been determined using level 1 inputs that are based on unadjusted quoted market prices within active markets. Financial assets and liabilities valued using level 2 inputs are based primarily on quoted prices for similar assets or liabilities in active or inactive markets. Financial assets and liabilities using level 3 inputs were primarily valued using management's assumptions about the assumptions market participants would utilize in pricing the asset or liability. Valuation techniques utilized to determine fair value are consistently applied.

All assets have been valued using a market approach. There have been no changes in valuation techniques and related inputs.

Subsequent events – Subsequent events have been evaluated through August 5, 2013, which is the date the financial statements were available to be issued.

Note 3 - Investments

Investments are stated at fair value and consist primarily of equity securities and silver bars as of December 31, 2012, as follows:

	Investments 2012		
	Cost	Fair Value	Unrealized Gain/(Loss)
Federated Capital Reserves	\$ 1,455	\$ 1,455	\$ -
Equity security	14,466	17,297	2,831
Silver bars	2,400	2,400	-
	<u>\$ 18,321</u>	<u>\$ 21,152</u>	<u>\$ 2,831</u>

Meals on Wheels Norman, Inc.
Notes to the Financial Statements
December 31, 2012

Note 3 – Investments (continued)

The following summarizes the investment return on the statement of activities:

Interest and dividend income	\$ 3,482
Unrealized Gain (loss)	<u>577</u>
	<u><u>\$ 4,059</u></u>

Note 4 - Fair Value Measurements

Fair values of assets measured on a recurring basis at December 31, 2012, are as follows:

		Fair Value Measurements at Reporting Date Using	
	Fair Value	Quoted Prices In active Markets for Identical Assets (Level 1)	Significant other observable Inputs (Level 2)
Federated Capital Reserves	\$ 1,455	\$ 1,455	\$ -
Equity security	17,297	17,297	-
Silver bars	<u>2,400</u>	<u>-</u>	<u>2,400</u>
Total	<u><u>\$ 21,152</u></u>	<u><u>\$ 18,752</u></u>	<u><u>\$ 2,400</u></u>

Fair values for investments are determined by reference to quoted market prices and other relevant information generated by market transactions. Total gains or losses included in unrestricted net assets for the year were \$577.

Note 5 - Property, Furniture and Equipment

The carrying value of such assets at December 31, 2012 is as follows:

Computer Software	\$ 3,711
Equipment	42,258
Furniture and fixtures	<u>8,920</u>
	54,889
Less: Accumulated depreciation	<u>53,672</u>
Net Property, furniture and equipment	<u><u>\$ 1,217</u></u>

Meals on Wheels Norman, Inc.
Notes to the Financial Statements
December 31, 2012

Note 6 - Pledges Receivable

Pledges receivable are all due within one year and have been recorded at net realizable value. This entire amount is due from United Way of Norman.

Note 7 - Net Assets

Temporarily restricted net assets, other pledges receivable, are available for the following purposes:

Sponsored meals	\$ 50,000
United Way - Time restriction	<u>74,313</u>
Total temporarily restricted net assets	<u>\$ 124,313</u>

The MOW board has chosen to place limitations on unrestricted net assets for future operating, building and storage needs. These limitations have been shown as designated by the board in the statement of net assets.

Note 8 - Employee Benefit Plan

MOW offers a simple 403(b) plan to all full-time employees after one year of employment with matching contributions not to exceed 3% of gross salary. Total benefits at December 31, 2012 were \$6,488.

Note 9 - Concentrations

MOW is a United Way of Norman agency. The annual allocation received from United Way is a substantial part of MOW's operating budget. Loss of this support would require MOW to increase revenue from other sources or reduce the scope of its operation.

Note 10 - Commitments and Contingencies

MOW has a three year lease agreement with Sarkeys Foundation which expires September 30, 2013. The agreement allows MOW to lease offices from Sarkeys Foundation at no cost to MOW. However, this agreement is treated as an in-kind donation from Sarkeys Foundation to MOW and lease payments are valued at \$800 per month. This lease may be renewed annually.

Meals on Wheels Norman, Inc.
Notes to the Financial Statements
December 31, 2012

Note 11 - Conditional In-Kind Contribution

Norman Regional Hospital contributes a portion of the meals served by MOW. The amount to be contributed is determined as part of the hospital's budgeting process. The amount of the 2011-2012 contribution from Norman Regional Hospital remaining at December 31, 2012 is \$32,924. This contribution is contingent on MOW continuing to purchase meals from Norman Regional Hospital.

Note 12 - Donated Goods and Services

The amount of donated services not recorded in the financial statements includes transportation expense at 55 cents per mile and donated services at \$14.06 per hour. Total hours donated at December 31, 2012 are 17,672. Services donated for the year ended December 31, 2012 were \$257,408.

During the year ended December 31, 2012, MOW also received the following in-kind contributions:

Meals	\$ 80,787
Fund raising	23,699
Rent	9,600
Volunteer Appreciation	1,901
Printing and Publication	8,560
	<u>\$ 124,547</u>

Note 13 - Beneficial Interest in Funds Held by Others

MOW is the beneficiary of funds held by the Communities Foundation of Oklahoma. As of December 31, 2012, these funds total \$93,559. These funds have not been included in the statement of financial position because the funds can be redirected by the Communities Foundation Board. The income distributed for the year ended December 31, 2012 was \$3,903.

INTERNAL REVENUE SERVICE
District Director

DEPARTMENT OF THE TREASURY
1100 Commerce St., Dallas, TX 75242

MEALS ON WHEELS OF NORMAN INC
P. O. BOX 1371
NORMAN, OK 73070-1371

Person to Contact:
Customer Service Division

Telephone Number:
(800) 829-1040

Refer Reply to:
EP/EO:MC:4940 DAL

Date: FEB 09 1998

EIN: 73-0931924

Dear Sir or Madam:

Our records show that Meals on Wheels of Norman Inc is exempt from Federal Income Tax under section 501(c)(3) of the Internal Revenue Code. This exemption was granted April 1972 and remains in full force and effect. Contributions to your organization are deductible in the manner and to the extent provided by section 170 of the Code.

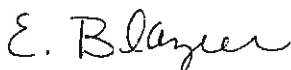
We have classified your organization as one that is not a private foundation within the meaning of section 509(a) of the Internal Revenue Code. Your organization is described in section 170(b)(1)(A)(vi) of the code.

Any year, that gross receipts for your organization reach \$25,000.00, you will need to file Form 990, (Return of Organization Exempt From Income Tax), and the Schedule A, (Organization Exempt Under Section 501(c)(3)), with the Service Center. See the instructions for Form 990 for further information.

This letter may be used to verify tax-exempt status.

If we may be of further assistance, please call the telephone number listed above or write to us at the address in the letterhead, Mail Code 4940 DAL.

Sincerely,



E. Blazier
Chief, Employee Plans
and Exempt Organizations
Customer Service Section

**Meals on Wheels
Meals on Wheels of Norman, Inc.
2013 Board of Directors**

<u>Town</u>	<u>Name</u>	<u>Occupation</u>	<u>Employment</u>
Norman	Jeanette Capshaw	Deputy Superintendent	Moore/Norman Technology Center
Washington	Debbie Eddy	Banker	First Bank & Trust
Norman	Travis Lowry	C.P.A.	Eide Bailly
Norman	Carol Colwell	Administrator	Moore/Norman Technology Center
OKC	Paul Pape	Director of Accommodations	Norman Regional Health Systems
Norman	John Frank	Land Management	West Star Operating Company
Norman	Teresa Pope	Office Manager	Pope Law
Norman	Clyde Brawner	Administrator	Norman Regional Health System
Norman	Pam Campbell	Public Relations	Lifecare Oklahoma
Norman	Tina Fairless	Marketing Director	Flintco Construction
Norman	Jackie Farley	Business Owner	Wise Women
Norman	Kevin Foster	Police Captain	City of Norman
Norman	Tracie Gray	Account Executive	KREF, Sports Talk Radio
Norman	David Joplin	Marketing Director	Moore/Norman Technology Center
Norman	Kris Koepp	Sales	Chemsearch
Norman	Courtney McLaughlin	Executive Director	Rivermont Retirement Community
Norman	Kay Mercer	Children's Minister	Retired/First Baptist Church
Norman	Blaine Nice	Attorney	Fellers Snider
Norman	Brad Shipman	Manager	Brockhaus Jewelry
Norman	Michael Tisdale	Insurance Agent	Tisdale Insurance Company
Norman	Diane Tucker	Business Owner	Stonehouse Marketing
Norman	Charles Wood	Executive Director	Retired/Sundance Counseling
Goldsby	Cindy Zumwalt	Bank Manager	First American Bank



Meals on Wheels of Norman Staff

Lynn Haynes	Executive Director	(full time)
Summer McGuire	Associate Director	(full time)
Deana Knight	Assistant Director	(full time)
Sophie Meek	Office Manager	(part time)

There are 3 full time and one part time staff positions at
Meals on Wheels of Norman, Inc.