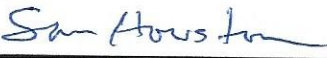




MEALS ON WHEELS AND MORE, INC.
(dba MEALS ON WHEELS CENTRAL TEXAS)
AND RELATED ENTITY
AND COMBINED FINANCIAL STATEMENTS

Years Ended September 30, 2020 and 2019

After careful consideration, the Board of Directors of Meals on Wheels and More, Inc., (dba Meals on Wheels Central Texas) do hereby certify that the organization's financial audit report/financial review the Annual Audit Report for the Years Ended September 30, 2020 and 2019 from Atchley & Associates, LLP was reviewed and approved by the Board of Directors on the 27th day of May 2021.



Sam Houston
Board Secretary
Meals on Wheels and More, Inc
(dba Meals on Wheels Central Texas)

May 27, 2021

Date

MEALS ON WHEELS AND MORE, INC.
dba MEALS ON WHEELS CENTRAL TEXAS
AND RELATED ENTITIES
COMBINED FINANCIAL STATEMENTS

SEPTEMBER 30, 2020 AND 2019

MEALS ON WHEELS AND MORE, INC.
dba MEALS ON WHEELS CENTRAL TEXAS
AND RELATED ENTITIES
TABLE OF CONTENTS

	<u>PAGE</u>
Independent Auditors' Report	1
FINANCIAL STATEMENTS:	
Combined Statements of Financial Position	3
Combined Statements of Activities	4
Combined Statement of Functional Expenses	
Year Ended September 30, 2020	5
Year Ended September 30, 2019	9
Combined Statements of Cash Flows	12
Notes to Combined Financial Statements	13
SUPPLEMENTAL INFORMATION:	
Combining Statement of Financial Position	26
Combining Statement of Activities	27
Schedule of Expenditures of Federal Awards	29
Schedule of Expenditures of State Awards	30
Notes to Schedules of Expenditures of Federal and State Awards	31
COMPLIANCE AND INTERNAL CONTROLS:	
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	32
Independent Auditors' Report on Compliance With Requirements That Could Have a Direct and Material Effect on Each Major Program and Internal Control Over Compliance in Accordance With Uniform Guidance and <i>the State of Texas Single Audit Circular</i>	34
Schedule of Findings and Questioned Costs	36
Status of Prior Year Audit Findings	37



Independent Auditors' Report

Board of Directors
Meals on Wheels and More, Inc. dba
Meals on Wheels Central Texas and Related Entities
Austin, Texas

Report on the Combined Financial Statements

We have audited the accompanying combined financial statements of Meals on Wheels and More, Inc., dba Meals on Wheels Central Texas, and related entities (the Organizations), which comprise the combined statements of financial position as of September 30, 2020 and 2019, and the related combined statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the combined financial statements.

Management's Responsibility for the Combined Financial Statements

Management is responsible for the preparation and fair presentation of these combined 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 combined financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these combined 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 audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the combined 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 combined 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 combined financial statements referred to above present fairly, in all material respects, the combined financial position of the Organizations as of September 30, 2020 and 2019, and the combined changes in their net assets and their combined cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Our audits were conducted for the purpose of forming an opinion on the combined financial statements as a whole. The accompanying combining statement of financial position as of September 30, 2020, and the combining statement of activities for the year then ended are presented for the purpose of additional analysis and are not required parts of the financial statements. The Schedules of Expenditures of Federal and State Awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and *the State of Texas Single Audit Circular*, are presented for purposes of additional analysis and is not a required part of the combined financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the combined financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated May 17, 2021, on our consideration of Meals on Wheels Central Texas' 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 Meals on Wheels Central Texas' internal control over financial reporting and compliance.

Atchley & Associates, LLP

Austin, Texas

May 17, 2021

FINANCIAL STATEMENTS

MEALS ON WHEELS AND MORE, INC.
dba MEALS ON WHEELS CENTRAL TEXAS
AND RELATED ENTITIES
COMBINED STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 2020 AND 2019

	2020	2019
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 7,307,512	\$ 3,375,774
Investments	1,212,632	1,233,567
Receivables		
Grants and Contracts, net of allowance	1,477,495	1,416,972
Other	2,303	5,284
Prepaid Items and Other Current Assets	86,183	139,854
Total Current Assets	10,086,125	6,171,451
Non-Current Assets		
Fixed Assets, net	5,228,961	5,574,294
Total Non-Current Assets	5,228,961	5,574,294
TOTAL ASSETS	\$ 15,315,086	\$ 11,745,745
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts Payable	\$ 635,467	\$ 673,014
Accrued Payroll Liabilities	185,083	294,357
Liability for Compensated Absences	236,121	179,376
Deferred Revenue	198,873	638,722
Current Portion of Long-Term Debt	130,890	124,762
Total Current Liabilities	1,386,434	1,910,231
Non-Current Liabilities		
Long-Term Debt	2,207,174	2,345,490
Total Non-Current Liabilities	2,207,174	2,345,490
Total Liabilities	3,593,608	4,255,721
Net Assets		
Without Donor Restrictions		
Undesignated	10,636,023	6,342,996
Designated for Debt	28,889	28,889
Total Without Donor Restrictions	10,664,912	6,371,885
Net Assets With Donor Restrictions		
Time or Purpose	56,566	118,139
In Perpetuity	1,000,000	1,000,000
Total Net Assets	11,721,478	7,490,024
TOTAL LIABILITIES AND NET ASSETS	\$ 15,315,086	\$ 11,745,745

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

MEALS ON WHEELS AND MORE, INC.
dba MEALS ON WHEELS CENTRAL TEXAS
AND RELATED ENTITIES
COMBINED STATEMENTS OF ACTIVITIES
YEARS ENDED SEPTEMBER 30, 2020 AND 2019

NET ASSETS WITHOUT DONOR RESTRICTIONS	<u>2020</u>	<u>2019</u>
Support and Revenue		
Grants and Contracts	\$ 15,445,231	\$ 13,123,485
Public Contributions	5,848,235	3,552,888
United Way	7,834	12,901
In-Kind Donations	29,174	-
Other Revenue	184,802	87,986
Net Assets Released from Restrictions	<u>1,385,695</u>	<u>812,934</u>
Total Support and Revenue	<u>22,900,971</u>	<u>17,590,194</u>
Expenses		
Program Services	16,431,051	15,414,501
Management and General	1,006,917	1,374,978
Development Fundraising	<u>1,170,532</u>	<u>1,160,583</u>
Total Expenses	<u>18,608,500</u>	<u>17,950,062</u>
Revenues Over (Under) Expenses	4,292,471	(359,868)
Other Revenues and Expenses		
Investment Return, Net	6,517	15,930
Gain (Loss) on Disposal of Fixed Assets	<u>(5,961)</u>	<u>(954)</u>
Total Other Revenues and Expenses	<u>556</u>	<u>14,976</u>
Change in Net Assets Without Donor Restrictions	<u>4,293,027</u>	<u>(344,892)</u>
NET ASSETS WITH DONOR RESTRICTIONS		
Time or Purpose		
Support and Revenue		
Grants and Contracts	1,309,000	846,109
Investment Return, Net	15,122	33,375
Net Assets Released from Restrictions	<u>(1,385,695)</u>	<u>(812,934)</u>
Increase (Decrease) in Net Assets with Donor Restrictions - Time or Purpose	<u>(61,573)</u>	<u>66,550</u>
In Perpetuity		
Support and Revenue		
Public Contributions	<u>-</u>	<u>-</u>
Increase (Decrease) in Net Assets with Donor Restrictions - In Perpetuity	<u>-</u>	<u>-</u>
Increase (Decrease) in Net Assets	<u>4,231,454</u>	<u>(278,342)</u>
Net Assets, Beginning of Year	<u>7,490,024</u>	<u>7,768,366</u>
NET ASSETS, END OF YEAR	<u>\$ 11,721,478</u>	<u>\$ 7,490,024</u>

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

MEALS ON WHEELS AND MORE, INC.
dba MEALS ON WHEELS CENTRAL TEXAS
AND RELATED ENTITIES
COMBINED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED SEPTEMBER 30, 2020

EXPENSES	Program Services			
	Meal Programs	Home Repair	Client	Total
			Assistance and Other	
Salaries	\$ 2,589,755	\$ 534,566	\$ 424,312	\$ 3,548,633
Payroll Taxes and Benefits	672,316	115,121	91,326	878,763
Total Personnel	3,262,071	649,687	515,638	4,427,396
Computer Software	109,100	535	4,707	114,342
Conferences/Training/Travel	3,869	1,635	333	5,837
Dues and Subscriptions	4,243	600	-	4,843
Equipment Maintenance	33,878	61	1,006	34,945
Grants to Other Agencies	-	-	-	-
Home Repair Construction Costs	4,981	3,559,683	52,985	3,617,649
Insurance	119,366	15,003	6,038	140,407
Interest	66,829	10,521	4,957	82,307
Miscellaneous	21,222	2,510	977	24,709
Occupancy	145,560	3,179	2,610	151,349
Postage	21,835	394	97	22,326
Printing	46,252	3,027	914	50,193
Professional Fees	55,555	62	330	55,947
Promotional	-	-	-	-
Recipient Meal Costs	2,603,948	613	8,306	2,612,867
Service Delivery and Mileage	79,768	23,266	1,967	105,001
Supplies	59,818	76,735	344,459	481,012
Telephone	45,377	5,312	882	51,571
Utilities	88,026	2,103	1,841	91,970
Volunteer Recognition/Recruitment	13,578	2,192	836	16,606
Total Expenses Before Depreciation	6,785,276	4,357,118	948,883	12,091,277
Depreciation	223,799	19,684	232,116	475,599
TOTAL EXPENSES	\$ 7,009,075	\$ 4,376,802	\$ 1,180,999	\$ 12,566,876

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

Support Services

Management and General	Development Fundraising	Total	MOWCT Totals
\$ 634,732	\$ 553,955	\$ 1,188,687	\$ 4,737,320
144,138	105,442	249,580	1,128,343
<u>778,870</u>	<u>659,397</u>	<u>1,438,267</u>	<u>5,865,663</u>
4,434	4,127	8,561	122,903
6,992	9,155	16,147	21,984
9,077	365	9,442	14,285
-	18,323	18,323	53,268
40,697	-	40,697	40,697
-	-	-	3,617,649
-	16,157	16,157	156,564
-	9,500	9,500	91,807
21,234	70,719	91,953	116,662
4,297	2,765	7,062	158,411
15,373	83,970	99,343	121,669
5,396	138,468	143,864	194,057
-	9,338	9,338	65,285
-	131,939	131,939	131,939
185	603	788	2,613,655
-	113	113	105,114
6,706	3,208	9,914	490,926
-	1,723	1,723	53,294
16,311	1,829	18,140	110,110
<u>-</u>	<u>219</u>	<u>219</u>	<u>16,825</u>
<u>909,572</u>	<u>1,161,918</u>	<u>2,071,490</u>	<u>14,162,767</u>
<u>8,614</u>	<u>8,614</u>	<u>17,228</u>	<u>492,827</u>
<u>\$ 918,186</u>	<u>\$ 1,170,532</u>	<u>\$ 2,088,718</u>	<u>\$ 14,655,594</u>

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

MEALS ON WHEELS AND MORE, INC.
dba MEALS ON WHEELS CENTRAL TEXAS
AND RELATED ENTITIES
COMBINED STATEMENT OF FUNCTIONAL EXPENSES - CONTINUED
YEAR ENDED SEPTEMBER 30, 2020

	MOWCTX In-Home Care			
	Program Services	Management and General	Development Fundraising	In-Home Totals
EXPENSES				
Salaries	\$ 3,117,685	\$ 71,762	-	\$ 3,189,447
Payroll Taxes and Benefits	480,253	11,055	-	491,308
Total Personnel	<u>3,597,938</u>	<u>82,817</u>	<u>-</u>	<u>3,680,755</u>
Computer Software	44,807	1,031	-	45,838
Conferences/Training/Travel	30,014	691	-	30,705
Dues and Subscriptions	3,580	82	-	3,662
Equipment Maintenance	6,291	145	-	6,436
Grants to Other Agencies	-	-	-	-
Home Repair Construction Costs	-	-	-	-
Insurance	71,699	1,650	-	73,349
Interest	-	-	-	-
Miscellaneous	9,392	216	-	9,608
Occupancy	-	-	-	-
Postage	3,671	84	-	3,755
Printing	13,136	302	-	13,438
Professional Fees	37,060	640	-	37,700
Promotional	-	-	-	-
Recipient Meal Costs	-	-	-	-
Service Delivery and Mileage	-	-	-	-
Supplies	17,287	398	-	17,685
Telephone	14,758	340	-	15,098
Utilities	-	-	-	-
Volunteer Recognition/Recruitment	-	-	-	-
Total Expenses Before Depreciation	<u>3,849,633</u>	<u>88,396</u>	<u>-</u>	<u>3,938,029</u>
Depreciation	<u>14,542</u>	<u>335</u>	<u>-</u>	<u>14,877</u>
TOTAL EXPENSES	<u><u>\$ 3,864,175</u></u>	<u><u>\$ 88,731</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 3,952,906</u></u>

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

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MEALS ON WHEELS AND MORE, INC.
dba MEALS ON WHEELS CENTRAL TEXAS
AND RELATED ENTITIES
COMBINED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED SEPTEMBER 30, 2019

	Program Services			Total
	Meal Programs	Home Repair	Client Assistance and Other	
EXPENSES				
Salaries	\$ 2,471,570	\$ 453,952	\$ 387,229	\$ 3,312,751
Payroll Taxes and Benefits	620,230	78,479	109,833	808,542
Total Personnel	3,091,800	532,431	497,062	4,121,293
Computer Software	55,044	5,721	7,400	68,165
Conferences/Training/Travel	17,915	6,888	2,739	27,542
Dues and Subscriptions	5,596	568	1,169	7,333
Equipment Maintenance	37,984	1,401	1,586	40,971
Grants to Other Agencies	-	-	-	-
Home Repair Construction Costs	-	4,195,206	-	4,195,206
Insurance	79,820	13,746	12,832	106,398
Interest	62,989	10,847	10,127	83,963
Miscellaneous	37,502	3,341	4,605	45,448
Occupancy	124,328	14,438	15,644	154,410
Postage	30,290	1,428	1,745	33,463
Printing	70,367	18,038	8,471	96,876
Professional Fees	47,441	3,066	31,117	81,624
Promotional	1,465	245	55	1,765
Recipient Meal Costs	1,825,363	-	6,895	1,832,258
Service Delivery and Mileage	147,630	17,198	5,891	170,719
Supplies	62,902	26,350	138,427	227,679
Telephone	35,015	6,030	5,629	46,674
Utilities	69,930	12,042	11,242	93,214
Volunteer Recognition/Recruitment	20,972	-	3,974	24,946
Total Expenses Before Depreciation	5,824,353	4,868,984	766,610	11,459,947
Depreciation	393,563	29,137	39,133	461,833
TOTAL EXPENSES	\$ 6,217,916	\$ 4,898,121	\$ 805,743	\$ 11,921,780

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

<u>Support Services</u>			
<u>Management and General</u>	<u>Development Fundraising</u>	<u>Total</u>	<u>MOWCT Totals</u>
\$ 783,110	\$ 536,089	\$ 1,319,199	\$ 4,631,950
163,471	99,498	262,969	1,071,511
<u>946,581</u>	<u>635,587</u>	<u>1,582,168</u>	<u>5,703,461</u>
4,061	10,545	14,606	82,771
-	42,419	42,419	69,961
240	561	801	8,134
-	14,297	14,297	55,268
-	-	-	-
-	-	-	4,195,206
19,839	20,521	40,360	146,758
15,514	16,194	31,708	115,671
379	27,103	27,482	72,930
-	14,280	14,280	168,690
-	86,570	86,570	120,033
268	103,503	103,771	200,647
7,024	77,456	84,480	166,104
1,244	64,862	66,106	67,871
-	-	-	1,832,258
-	1,218	1,218	171,937
564	3,993	4,557	232,236
8,624	9,002	17,626	64,300
17,046	17,978	35,024	128,238
-	-	-	24,946
<u>1,021,384</u>	<u>1,146,089</u>	<u>2,167,473</u>	<u>13,627,420</u>
<u>14,493</u>	<u>14,494</u>	<u>28,987</u>	<u>490,820</u>
<u>\$ 1,035,877</u>	<u>\$ 1,160,583</u>	<u>\$ 2,196,460</u>	<u>\$ 14,118,240</u>

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

MEALS ON WHEELS AND MORE, INC.
dba MEALS ON WHEELS CENTRAL TEXAS
AND RELATED ENTITIES
COMBINED STATEMENT OF FUNCTIONAL EXPENSES - CONTINUED
YEAR ENDED SEPTEMBER 30, 2019

	MOWCTX In-Home Care			
	Program Services	Management and General	Development Fundraising	In-Home Totals
EXPENSES				
Salaries	\$ 2,999,119	\$ 19,764	-	\$ 3,018,883
Payroll Taxes and Benefits	267,998	285,951	-	553,949
Total Personnel	3,267,117	305,715	-	3,572,832
Computer Software	18,681	952	-	19,633
Conferences/Training/Travel	29,117	7,834	-	36,951
Dues and Subscriptions	4,713	240	-	4,953
Equipment Maintenance	10,670	544	-	11,214
Grants to Other Agencies	-	-	-	-
Home Repair Construction Costs	-	-	-	-
Insurance	67,511	3,442	-	70,953
Interest	-	19	-	19
Miscellaneous	-	15,516	-	15,516
Occupancy	-	-	-	-
Postage	1,770	90	-	1,860
Printing	10,976	560	-	11,536
Professional Fees	31,977	1,630	-	33,607
Promotional	15,989	815	-	16,804
Recipient Meal Costs	-	-	-	-
Service Delivery and Mileage	-	-	-	-
Supplies	10,962	559	-	11,521
Telephone	12,815	653	-	13,468
Utilities	-	-	-	-
Volunteer Recognition/Recruitment	-	-	-	-
Total Expenses Before Depreciation	3,482,298	338,569	-	3,820,867
Depreciation	10,423	532	-	10,955
TOTAL EXPENSES	\$ 3,492,721	\$ 339,101	\$ -	\$ 3,831,822

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

MEALS ON WHEELS AND MORE, INC.
dba MEALS ON WHEELS CENTRAL TEXAS
AND RELATED ENTITIES
COMBINED STATEMENTS OF CASH FLOWS
YEARS ENDED SEPTEMBER 30, 2020 AND 2019

	2020	2019
Cash Flows From Operating Activities		
Change in Net Assets	\$ 4,231,454	\$ (278,342)
Adjustments to Reconcile Changes in Net Assets to Net Cash Provided (Used) by Operating Activities		
Depreciation	507,704	501,775
(Gain) Loss on Disposal of Fixed Assets	5,961	954
Unrealized Gain (Loss) on Investments	12,569	(24,409)
Change in Operating Assets and Liabilities		
Grants and Contracts Receivable	(60,523)	217,731
Other Receivable	2,981	217
Prepaid Items and Other Current Assets	53,671	123,193
Accounts Payable	(37,547)	78,809
Payroll and Compensated Absences Liabilities	(52,529)	69,041
Deferred Revenues	(439,849)	251,931
Net Cash Flows From Operating Activities	4,223,892	940,900
Cash Flows from Investing Activities		
Proceeds from Sale of Investments	38,676	-
Purchase of Investments	(30,310)	(18,535)
Acquisition of Fixed Assets	(168,332)	(395,834)
Net Cash Flows From Investing Activities	(159,966)	(414,369)
Cash Flows from Financing Activities		
Payments on Long-Term Debt	(132,188)	(119,382)
Net Cash Flows From Financing Activities	(132,188)	(119,382)
Net Change in Cash and Cash Equivalents	3,931,738	407,149
Cash and Cash Equivalents, Beginning of Year	3,375,774	2,968,625
Cash and Cash Equivalents, End of Year	\$ 7,307,512	\$ 3,375,774
Supplemental Disclosure of Cash Flow Information		
Cash Paid for Interest	\$ 91,807	\$ 115,690

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

MEALS ON WHEELS AND MORE, INC.
dba MEALS ON WHEELS CENTRAL TEXAS
AND RELATED ENTITIES
NOTES TO COMBINED FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019

NOTE 1: ORGANIZATION BACKGROUND AND SIGNIFICANT ACCOUNTING POLICIES

Organizations - Meals on Wheels and More, Inc. (MOWAM), formerly known as United Austin for the Elderly, Inc., was founded in 1972 by a group of volunteers who created the Meals on Wheels program to help meet the nutritional needs of homebound elderly people in Austin and Travis County. MOWAM has grown to provide a variety of program services that are designed to enable the homebound elderly to remain independent and in their own homes. MOWAM depends significantly on third-party reimbursement arrangements to carry out its program services. Effective March 2, 2016, MOWAM obtained an assumed name certificate to begin conducting business as Meals on Wheels Central Texas (MOWCT).

Austin Meals on Wheels Endowment Fund (the Endowment) was established August 10, 1993, by the Board of Directors and designated for the purpose and intent of receiving, investing, and managing contributions received for the benefit of MOWCT. The Endowment may distribute up to 5% of the average of the previous 12 quarters' ending market value. The withdrawals should never be such as to take the corpus below the inception money value plus net additions. The Endowment contributed all assets, \$546,663, to MOWCT during the year ended September 30, 2018, and was formally dissolved in February 2019.

As of May 17, 2016, MOWCT became the sole member of Helping the Aging, Needy and Disabled, Inc. dba Meals on Wheels Central Texas In-Home Care (MOWCTX In-Home Care), another nonprofit organization located in Austin, Texas. MOWCTX In-Home Care promotes dignity and independence for the aged and disabled by providing household care, personal care, and other supportive services to those individuals. The activities of MOWCTX In-Home Care for the years ended September 30, 2020 and 2019, are included in these combined financial statements.

Principles of Combination - The accompanying combined financial statements reflect the combined financial statements of MOWCT, the Endowment, and MOWCTX In-Home Care (collectively, the Organizations). All significant intercompany accounts and transactions have been eliminated in the combination.

Method of Accounting - The Organizations use the accrual basis method of accounting. Such method of accounting recognizes support, revenue and the related receivables as earned, regardless of when the cash is collected. Expenses and related payables are recognized as incurred, regardless of when the obligation is paid.

MEALS ON WHEELS AND MORE, INC.
dba MEALS ON WHEELS CENTRAL TEXAS
AND RELATED ENTITIES
NOTES TO COMBINED FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019

NOTE 1: ORGANIZATION BACKGROUND AND SIGNIFICANT ACCOUNTING POLICIES,
CONTINUED

Financial Statement Presentation - The Organizations' financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). To ensure that grant funds with donor restrictions are used for the purpose to which they are intended, the Organizations maintain their accounts in accordance with the principles of fund accounting. Funds are established for each of the Organizations' activities, based on their nature and purpose. Separate accounts are maintained for each fund. For financial statement purposes, the Organizations follow the requirements of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, *Financial Statements of Not-for-Profit Organizations*.

The classification of the Organizations' net assets and their support, revenue and expenses are based on the existence or absence of donor-imposed restrictions. The Organizations report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions are free of donor-imposed restrictions; all revenues, expenses, gains and losses that are not changes in net assets with donor imposed restrictions are reported in this category. These net assets may include internally specially designated funds. See Note 8.

Net assets with donor restrictions include gifts with donor-imposed restrictions that permit the donee organization to use up or expend as specified and are satisfied either by the passage of time or by actions of the organization. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organizations or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity. See Note 8.

Estimates - The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

Revenue Recognition - Grants and contributions of cash and other assets are reported as net assets with donor restrictions support if they are received with donor stipulations that limit the use of the donated assets.

Annual campaign contributions are generally available for general use in the related campaign year unless specifically restricted by the donor. The majority of the contributions are from a broad base of contributions as a result of the annual campaign. Promises to give are typically neither received nor recorded by the Organizations.

MEALS ON WHEELS AND MORE, INC.
dba MEALS ON WHEELS CENTRAL TEXAS
AND RELATED ENTITIES
NOTES TO COMBINED FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019

NOTE 1: ORGANIZATION BACKGROUND AND SIGNIFICANT ACCOUNTING POLICIES,
CONTINUED

Contributions of donated non-cash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance non-financial assets or that require specialized skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received. The Organizations did not receive any contributions of donated services in 2020 and 2019 that meet the criteria for recording in the financial statements.

Program service fees are recognized as revenue when the fee is earned.

Fair Value Measurement - The Organizations follow FASB ASC 820, *Fair Value Measurements and Disclosures*, which establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organizations have the ability to access.

Level 2 - Inputs to the valuation methodology include:

Quoted prices for similar assets or liabilities in active markets;

Quoted prices for identical or similar assets or liabilities in inactive markets;

Inputs other than quoted prices that are observable for the asset or liability;

Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

MEALS ON WHEELS AND MORE, INC.
dba MEALS ON WHEELS CENTRAL TEXAS
AND RELATED ENTITIES
NOTES TO COMBINED FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019

NOTE 1: ORGANIZATION BACKGROUND AND SIGNIFICANT ACCOUNTING POLICIES,
CONTINUED

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organizations believe the valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Following is a description of the valuation methodologies used for assets measured at fair value.

Money market, mutual funds, and exchange traded products are valued at the net asset value (NAV) of shares held at year end.

Cash and Cash Equivalents - For the purposes of the combined statement of cash flows, cash is defined as cash held in checking and money market accounts and certificates of deposit with maturities of less than 90 days, other than those held for investment purposes.

Investments - The Organizations' investments in equity securities with readily determinable fair value and all debt securities are reported at their fair value. Unrealized gains and losses arising from changes in the fair value of investments are reported in the statement of activities as increases or decreases in net assets without donor restrictions unless their use is restricted by donors to a specified purpose or future period.

Receivables - Grants and contract receivables represent expenses incurred, which will be offset by funds to be received. Receivables considered a problem to collect are reflected as an allowance for uncollectible accounts. At September 30, 2020 and 2019, the Organizations have \$49,399 and \$0, respectively, as an allowance for uncollectible.

Fixed Assets - Generally, items with a cost or fair value over \$500 are capitalized as fixed assets and are stated at cost if purchased and fair value if donated. Depreciation is calculated by applying the straight-line method over the estimated useful lives of the assets of generally three to thirty years.

Income Taxes - The Organizations are exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code for any income related to the Organizations' exempt purposes. The Internal Revenue Service classifies the Organizations as other than private foundations.

MEALS ON WHEELS AND MORE, INC.
 dba MEALS ON WHEELS CENTRAL TEXAS
 AND RELATED ENTITIES
 NOTES TO COMBINED FINANCIAL STATEMENTS
 SEPTEMBER 30, 2020 AND 2019

NOTE 1: ORGANIZATION BACKGROUND AND SIGNIFICANT ACCOUNTING POLICIES,
 CONTINUED

The Organizations have adopted ASC 740, *Accounting for Uncertainty in Income Taxes*. That standard prescribes a minimum recognition threshold and measurement methodology that a tax position taken or expected to be taken in a tax return is required to meet before being recognized in financial statements. It also provides guidance for de-recognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition. The Organizations' federal exempt organization returns for the years ended September 30, 2017, and after are subject to examination by the Internal Revenue Service.

Functional Expense Allocations - The Organizations allocate common costs between program services, management and general, and fundraising based on the use of office space for depreciation, equipment leases and maintenance, and office rent and activities of related personnel (time and effort) for all other allocable expenses. The resulting allocations are reviewed periodically by management and the allocation of costs is revised, if necessary, to reflect changes in the activities of the Organizations. The allocations reported in the financial statements are considered accounting estimates. These estimates may be adjusted as more current information becomes available and any adjustment could be significant.

Recently Issued Accounting Pronouncements - The Organizations adopted FASB Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers (Topic 606)* and additional ASUs issued to clarify the guidance in ASU 2014-09, which amend the existing accounting standards for revenue recognition. The Organizations adopted the new revenue standard utilizing the full retrospective method. The Organizations did not restate information reported in prior periods as the adoption of the new revenue standard did not have a material impact on previously reported amounts.

Subsequent Events - Management of the Organizations has evaluated subsequent events for disclosure through the date of the Independent Auditors' Report, the date the combined financial statements were available to be issued. See Note 13.

NOTE 2: INVESTMENTS

The following table sets forth by level, within the fair value hierarchy, the Organizations' assets measured at fair value as of September 30, 2020 and 2019:

	(Level 1) 2020	(Level 1) 2019
	<u> </u>	<u> </u>
Mutual Funds	\$ 770,287	\$ 781,902
Exchange Traded Products	347,551	409,832
Cash and Money Market Accounts	94,794	41,833
	<u>\$ 1,212,632</u>	<u>\$ 1,233,567</u>

MEALS ON WHEELS AND MORE, INC.
dba MEALS ON WHEELS CENTRAL TEXAS
AND RELATED ENTITIES
NOTES TO COMBINED FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019

NOTE 2: INVESTMENTS, CONTINUED

Investment return totaled \$21,639 and \$49,305 for the years ended September 30, 2020 and 2019, respectively, and is comprised of interest and dividends, unrealized/realized gains and losses, and investment fees. See board designations and donor restrictions set forth in Notes 8 and 9.

NOTE 3: FIXED ASSETS

Fixed assets as of September 30, 2020 and 2019, and activity in fixed assets for the year ended September 30, 2020, consists of the following:

	Balance 2019	Additions	Retirements	Balance 2020
MOWCT				
Cost				
Land	\$ 169,032	\$ -	\$ -	\$ 169,032
Buildings	6,599,510	31,985	-	6,631,495
Automobiles	959,853	8,250	(19,977)	948,126
Furniture & Equipment	1,480,424	40,151	(72,332)	1,448,243
Kitchen Equipment	923,459	67,407	(17,171)	973,695
Total Cost	<u>10,132,278</u>	<u>147,793</u>	<u>(109,480)</u>	<u>10,170,591</u>
Accumulated Depreciation	<u>(4,597,493)</u>	<u>(492,827)</u>	<u>100,700</u>	<u>(4,989,620)</u>
	<u>\$ 5,534,785</u>	<u>\$ (345,034)</u>	<u>\$ (8,780)</u>	<u>\$ 5,180,971</u>
MOWCTX In-Home Care				
Cost				
Furniture, Fixtures, and Equipment	\$ 56,572	\$ 4,923	\$ -	\$ 61,495
Vehicles	-	18,435	-	18,435
Software	32,463	-	-	32,463
Total Cost	<u>89,035</u>	<u>23,358</u>	<u>-</u>	<u>112,393</u>
Accumulated Depreciation	<u>(49,526)</u>	<u>(14,877)</u>	<u>-</u>	<u>(64,403)</u>
	<u>39,509</u>	<u>8,481</u>	<u>-</u>	<u>47,990</u>
Total Net Fixed Assets	<u>\$ 5,574,294</u>	<u>\$ (336,553)</u>	<u>\$ (8,780)</u>	<u>\$ 5,228,961</u>

Certain real property owned by MOWCT is used to secure a loan payable to a bank. See Note 4.

MEALS ON WHEELS AND MORE, INC.
 dba MEALS ON WHEELS CENTRAL TEXAS
 AND RELATED ENTITIES
 NOTES TO COMBINED FINANCIAL STATEMENTS
 SEPTEMBER 30, 2020 AND 2019

NOTE 4: LONG-TERM DEBT

MOWCT maintains a line of credit in the amount of \$200,000 that expires on July 24, 2021. This line of credit has a variable interest rate (currently 5.5%). No borrowings were made on this line of credit during the years ended September 30, 2020 and 2019.

MOWCT has a loan payable to a bank with a balance of \$2,338,064 and \$2,470,252 at September 30, 2020 and 2019, respectively. Proceeds from the loan were used in prior years for the expansion of facilities located on East 5th Street. The promissory note had an initial amount of \$3,146,661 and is secured by real property and capital campaign receipts. The note has a ten-year term, maturing on December 15, 2023, and a variable interest rate adjusted monthly to the lender's Prime Rate, which is calculated based on an indexed rate less 0.25%, but shall not be greater than 4.50% per year (Rate is 3.0% at September 30, 2020). Under the terms of the agreement, MOWCT is required to maintain the Organizations' primary depository account with the lender.

Maturities required on long-term debt in future years are as follows:

2021		\$ 130,890
2022		136,989
2023		143,371
2024		1,926,814
		\$ 2,338,064

NOTE 5: POST EMPLOYMENT BENEFIT PLAN

MOWCT maintains a 401(k) profit sharing plan, a defined contribution plan, for all eligible employees. Eligible employees may voluntarily contribute a portion of their salary to the plan as well. All eligible employees are fully vested in voluntary contributions and are fully vested in MOWCT's contributions after 5 years of service. During the fiscal years ended September 30, 2020 and 2019, MOWCT contributed 4% of eligible salaries to the plan. Total contributions in 2020 amounted to \$403,293; \$253,721 by employees, and \$149,572 by MOWCT. Total contributions in 2019 amounted to \$340,538; \$185,551 by employees, and \$154,987 by MOWCT.

NOTE 6: GRANTS AND CONTRACTS

Grants and contracts reported in the accompanying combined financial statements represent 67% and 75% of total support and revenue for the years ended September 30, 2020 and 2019, respectively. Details of grants and contracts are as follows:

MEALS ON WHEELS AND MORE, INC.
 dba MEALS ON WHEELS CENTRAL TEXAS
 AND RELATED ENTITIES
 NOTES TO COMBINED FINANCIAL STATEMENTS
 SEPTEMBER 30, 2020 AND 2019

NOTE 6: GRANTS AND CONTRACTS, CONTINUED

Meals on Wheels Central Texas

	2020	2019
<u>Cost Reimbursement Contracts</u>		
City of Austin Meals	\$ 558,918	\$ 539,058
St. David's Foundation	1,445,369	375,000
Travis County, Texas Meals	167,473	167,376
City of Austin Home Repair Program	31,199	1,028,889
Texas Veterans Commission Housing Program	30,306	624,684
Texas Veterans Commission Food Program	430,219	-
State of Texas Barrier Removal Program	642,935	605,127
Federal Emergency Management Assistance	11,688	43,219
Travis County Home Repair Program	31,773	767,417
Travis County Congregate Meals	141,556	143,059
Home Depot Foundation Home Repair Program	1,294,049	586,109
Home Depot Home Repair Programs	1,541,506	1,017,906
<u>Grants</u>		
Texas Department of Agriculture - 1st Meals	457,914	364,831
Texas Department of Agriculture - 2nd Meals	13,336	36,684
	471,250	401,515
<u>Unit Cost Reimbursement Contracts</u>		
Texas Department of Human Services:		
Title XX Meals on Wheels	731,126	647,358
Community Based Alternatives - Evercare	212,280	256,354
Community Based Alternatives - Amerigroup	209,311	219,391
Texas Department on Aging:		
Title III C-1 - Congregate Meals	889,147	573,994
Title III C-2 - HDM	889,600	523,520
Title III C-2 - Rural Delivery	114,236	137,675
Title III B - Home Repair	98,070	110,675
City of Austin - Congregate Meals	18,605	18,560
Paycheck Protection Program	1,150,000	-
Various Grants	1,293,188	1,287,550
Total Meals on Wheels	12,403,804	10,074,436

MEALS ON WHEELS AND MORE, INC.
 dba MEALS ON WHEELS CENTRAL TEXAS
 AND RELATED ENTITIES
 NOTES TO COMBINED FINANCIAL STATEMENTS
 SEPTEMBER 30, 2020 AND 2019

NOTE 6: GRANTS AND CONTRACTS, CONTINUED

MOWCTX In-Home Care

	2020	2019
<u>Unit Cost Reimbursement Contracts</u>		
Other Texas Medicaid Providers	\$ 53,667	\$ -
United Healthcare	557,013	553,278
Amerigroup	1,181,699	1,249,286
Texas Department of Aging and Disability Services	1,178,840	1,128,295
	2,971,219	2,930,859
<u>Grants</u>		
St. David's Foundation	645,000	773,448
Paycheck Protection Program	590,500	-
Various Grants and Program Fees	193,107	190,851
Total MOWCTX In-Home Care	4,399,826	3,895,158
Total Grants and Contracts	\$ 16,803,630	\$ 13,969,594

MOWCT also receives grants and contracts from others as follows:

	2020	2019
Round Rock United Way	\$ 7,834	\$ 12,901

MOWCT operates under various grant agreements with government agencies which generally cover a one-year period, subject to annual renewals. The terms of these grants allow the grantors the right to audit the costs incurred there under. Any costs disallowed by the grantor would be absorbed by MOWCT. Management believes any adjustments by the grantors, if any, would be immaterial and would not have a material adverse effect on the financial position of MOWCT.

NOTE 7: CONCENTRATION OF CREDIT RISK FOR CASH HELD IN BANK

The Organizations maintain cash accounts at financial institutions that are insured by the Federal Deposit Insurance Corporation (FDIC). At September 30, 2020, there was \$5,020,299 that exceeded the amount of FDIC coverage.

MEALS ON WHEELS AND MORE, INC.
 dba MEALS ON WHEELS CENTRAL TEXAS
 AND RELATED ENTITIES
 NOTES TO COMBINED FINANCIAL STATEMENTS
 SEPTEMBER 30, 2020 AND 2019

NOTE 8: NET ASSETS

The Organizations have designated that certain net assets with internal board designations to be used for specific purposes. The amounts and specific purposes are as follows:

	2020	2019
MOWCT - Designated for Debt	\$ 28,889	\$ 28,889

Net assets with donor restrictions for time or purpose as of September 30, 2020 and 2019, and their stipulated purposes were as follows:

	2020	2019
MOWCTX In-Home Care - Program service grants	\$ -	\$ 38,019
MOWCT - The Myrtle Agnew Walker Endowment for in-home care activities within MOWCTX In-Home Care	56,566	80,120
	\$ 56,566	\$ 118,139

Net assets were released from restrictions by incurring expenses satisfying the purpose restrictions specified.

Net assets with donor restrictions in perpetuity as of September 30, 2020 and 2019, and their stipulated purposes were as follows:

	2020	2019
MOWCT - The Myrtle Agnew Walker Endowment for in-home care activities within MOWCTX In-Home Care	\$ 1,000,000	\$ 1,000,000

NOTE 9: THE MYRTLE AGNEW WALKER ENDOWMENT

On July 7, 2017, MOWCT established The Myrtle Agnew Walker Endowment (The MAW Endowment) with the purpose of creating a permanent endowment to support MOWCT's in-home care activities within MOWCTX In-Home Care.

MOWCT has interpreted the Uniform Prudent Management of Institutional Funds Acts (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. Net assets with donor restrictions in perpetuity are classified at the original value of gifts donated to the permanent endowment, plus the original value of subsequent gifts to the permanent endowment. Certain gifts do require a portion of earnings to be added to the net assets with donor restrictions in perpetuity. The earnings portion of the donor restricted endowment fund is classified as net assets with donor restrictions for time or purpose until those funds are appropriated for expenditure by the MOWCT in a manner consistent with the standard of prudence prescribed by UPMIFA.

MEALS ON WHEELS AND MORE, INC.
dba MEALS ON WHEELS CENTRAL TEXAS
AND RELATED ENTITIES
NOTES TO COMBINED FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019

NOTE 9: THE MYRTLE AGNEW WALKER ENDOWMENT, CONTINUED

Changes in The MAW Endowment fund were as follows for the year ended September 30, 2020:

	Without Donor	With Donor Restrictions		Total
	Restrictions	Time or Purpose	In Perpetuity	
Beginning of year	\$ -	\$ 80,120	\$ 1,000,000	\$ 1,080,120
Contributions	-	-	-	-
Releases	-	(38,676)	-	(38,676)
Investment return, net	-	15,122	-	15,122
	<u>\$ -</u>	<u>\$ 56,566</u>	<u>\$ 1,000,000</u>	<u>\$ 1,056,566</u>

Changes in The MAW Endowment fund were as follows for the year ended September 30, 2019:

	Without Donor	With Donor Restrictions		Total
	Restrictions	Time or Purpose	In Perpetuity	
Beginning of year	\$ -	\$ 46,745	\$ 1,000,000	\$ 1,046,745
Contributions	-	-	-	-
Releases	-	-	-	-
Investment return, net	-	33,375	-	33,375
	<u>\$ -</u>	<u>\$ 80,120</u>	<u>\$ 1,000,000</u>	<u>\$ 1,080,120</u>

NOTE 10: AVAILABLE RESOURCES AND LIQUIDITY

The following represents the Organizations' financial assets at September 30, 2020 and 2019:

Financial assets at year end:	2020	2019
Cash and Cash Equivalents	\$ 7,307,512	\$ 3,375,774
Investments	1,212,632	1,233,567
Receivables		
Grants and Contracts, net of allowance	1,477,495	1,416,972
Other	2,303	5,284
Total financial assets at year end	<u>9,999,942</u>	<u>6,031,597</u>
Less amounts unavailable for general expenditure:		
Required to satisfy donor restrictions	1,056,566	1,080,120
Required to satisfy management designations	28,889	28,889
	<u>1,085,455</u>	<u>1,109,009</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 8,914,487</u>	<u>\$ 4,922,588</u>

MEALS ON WHEELS AND MORE, INC.
dba MEALS ON WHEELS CENTRAL TEXAS
AND RELATED ENTITIES
NOTES TO COMBINED FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019

NOTE 10: AVAILABLE RESOURCES AND LIQUIDITY, CONTINUED

MOWCT receives contributions with donor restrictions to be used in accordance with the associated purpose. Contributions may include gifts to establish endowments that will exist in perpetuity; the income generated from such endowments is used to fund programs or support operations. In addition, MOWCT receives contributions without donor restrictions; such support has historically represented 75% of annual operations, with the remainder coming from other revenue streams, such as grants in accordance with the applicable donor restrictions.

MOWCT considers investment income without donor restrictions, appropriated earnings from donor-restricted endowments, contributions without donor restriction, and contributions with donor restriction for use in programs that are ongoing, major, and central to its annual operations as available to meet cash needs for general expenditure. General expenditures include general and administrative expense, fundraising expense, and grant commitments expected to be paid in the subsequent year. Annual operations are defined as total expense related to both program services and supporting services activities.

MOWCT manages its cash available to meet general expenditures through the following guiding principles: Operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets, and maintaining sufficient reserves to provide reasonable assurance that long-term agreements or other commitments and obligations under donor restricted liquid assets and endowments will continue to be met, thereby ensuring the sustainability of MOWCT.

MOWCT operates on an annual budget cycle, which is approved by the Board of Directors. The Board of Directors meets several times each year and reviews both the financial statements and unbudgeted expenses.

NOTE 11: PAYCHECK PROTECTION PROGRAM

On March 27, 2020, President Trump signed into law the Coronavirus Aid, Relief, and Economic Security (CARES) Act. On May 6, 2020, MOWCT entered into unsecured loan agreement in the amount of \$1,150,000 with a bank pursuant to the Paycheck Protection Program (PPP), which is sponsored by the Small Business Administration, and is part of the CARES Act. MOWCT anticipates the loan will be forgiven. MOWCT has elected to account for the PPP loan as a conditional grant in accordance with FASB ASC Topic 958. As such, management believes they have spent the funds in accordance with the CARES Act and have recognized the entire amount as revenue in the combined statement of activities under Grant and Contract Revenue. The balance at September 30, 2020, due on the PPP loan for MOWCT is \$1,150,000. (see Note 13)

MEALS ON WHEELS AND MORE, INC.
dba MEALS ON WHEELS CENTRAL TEXAS
AND RELATED ENTITIES
NOTES TO COMBINED FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019

NOTE 11: PAYCHECK PROTECTION PROGRAM, CONTINUED

On May 6, 2020, MOWCTX In-Home Care entered into unsecured loan agreement in the amount of \$590,500 with a bank pursuant to the PPP, which is sponsored by the Small Business Administration, and is part of the CARES Act. MOWCTX In-Home Care anticipates the loan will be forgiven. MOWCTX In-Home Care has elected to account for the PPP loan as a conditional grant in accordance with FASB ASC Topic 958. As such, management believes they have spent the funds in accordance with the CARES Act and have recognized the entire amount as revenue in the combined statement of activities under Grant and Contract Revenue. The balance at September 30, 2020, due on the PPP loan for MOWCTX In-Home Care is \$590,500. (see Note 13)

NOTE 12: CHANGE IN ACCOUNTING ESTIMATE

Effective October 1, 2019, the estimated useful service lives of MOWCT's fixed assets were changed and MOWCT discontinued the use of salvage values, in recognition of MOWCT's decision to review and follow Health and Human Services Commission's depreciation guide.

NOTE 13: SUBSEQUENT EVENT

On November 2, 2020, MOWCT received notification that the full balance of the PPP loan was forgiven.

On November 6, 2020, MOWCT refinanced their note payable in the amount of \$2,500,000 with an interest rate of 3.25%. Payments on the note are \$12,252 with the first payment being due on December 5, 2020, and the note matures on November 5, 2030, with the remaining principal due at that time.

On December 8, 2020, MOWCTX In-Home Care received notification that the full balance of the PPP loan was forgiven.

SUPPLEMENTAL INFORMATION

MEALS ON WHEELS AND MORE, INC.
dba MEALS ON WHEELS CENTRAL TEXAS
AND RELATED ENTITIES
COMBINING STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2020

	Meals on Wheels Central Texas	MOWCTX In- Home Care	Eliminations	Total
ASSETS				
Current Assets				
Cash and Cash Equivalents	\$ 6,341,073	\$ 966,439	\$ -	\$ 7,307,512
Investments	1,212,632	-	-	1,212,632
Receivables				
Grants and Contracts, net of allowance	1,273,232	204,263	-	1,477,495
Other	2,303	-	-	2,303
Prepaid Items and Other Current Assets	80,749	5,434	-	86,183
Total Current Assets	<u>8,909,989</u>	<u>1,176,136</u>	<u>-</u>	<u>10,086,125</u>
Non-Current Assets				
Fixed Assets				
Land and Building	6,800,527	-	-	6,800,527
Office Furniture and Equipment	1,448,243	93,958	-	1,542,201
Kitchen Equipment	973,695	-	-	973,695
Vehicles	948,126	18,435	-	966,561
Accumulated Depreciation	<u>(4,989,620)</u>	<u>(64,403)</u>	<u>-</u>	<u>(5,054,023)</u>
Total Non-Current Assets	<u>5,180,971</u>	<u>47,990</u>	<u>-</u>	<u>5,228,961</u>
TOTAL ASSETS	<u>\$ 14,090,960</u>	<u>\$ 1,224,126</u>	<u>\$ -</u>	<u>\$ 15,315,086</u>
LIABILITIES AND NET ASSETS				
Current Liabilities				
Accounts Payable	\$ 497,443	\$ 138,024	-	\$ 635,467
Accrued Payroll Liabilities	137,687	47,396	-	185,083
Liability for Compensated Absences	186,549	49,572	-	236,121
Deferred Revenue	198,873	-	-	198,873
Current Portion of Long-Term Debt	130,890	-	-	130,890
Total Current Liabilities	<u>1,151,442</u>	<u>234,992</u>	<u>-</u>	<u>1,386,434</u>
Non-Current Liabilities				
Long-Term Debt	2,207,174	-	-	2,207,174
Total Non-Current Liabilities	<u>2,207,174</u>	<u>-</u>	<u>-</u>	<u>2,207,174</u>
Total Liabilities	<u>3,358,616</u>	<u>234,992</u>	<u>-</u>	<u>3,593,608</u>
Net Assets				
Without Donor Restrictions				
Undesignated	9,646,889	989,134	-	10,636,023
Designated for Debt	28,889	-	-	28,889
Total Without Donor Restrictions	<u>9,675,778</u>	<u>989,134</u>	<u>-</u>	<u>10,664,912</u>
Net Assets With Donor Restrictions				
Time or Purpose	56,566	-	-	56,566
In Perpetuity	1,000,000	-	-	1,000,000
Total Net Assets	<u>10,732,344</u>	<u>989,134</u>	<u>-</u>	<u>11,721,478</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 14,090,960</u>	<u>\$ 1,224,126</u>	<u>\$ -</u>	<u>\$ 15,315,086</u>

MEALS ON WHEELS AND MORE, INC.
 dba MEALS ON WHEELS CENTRAL TEXAS
 AND RELATED ENTITIES
 COMBINING STATEMENT OF ACTIVITIES
 YEAR ENDED SEPTEMBER 30, 2020

	Meals on Wheels Central Texas
NET ASSETS WITHOUT DONOR RESTRICTIONS	
Support and Revenue	
Grants and Contracts	\$ 12,354,405
Public Contributions	5,676,676
United Way	7,834
In-Kind Donations	29,174
Other Revenue	111,782
Net Assets Released from Restrictions	38,676
Total Support and Revenue	18,218,547
Expenses	
Program Services	12,566,876
Management and General	956,555
Development Fundraising	1,170,532
Total Expenses	14,693,963
Revenues Over (Under) Expenses	3,524,584
Other Revenues and Expenses	
Investment Return, Net	6,517
Gain (Loss) on Disposal of Fixed Assets	(5,961)
Total Other Revenues and Expenses	556
Increase (Decrease) in Net Assets Without Donor Restrictions	3,525,140
NET ASSETS WITH DONOR RESTRICTIONS	
Time or Purpose	
Support and Revenue	
Grants and Contracts	-
Investment Return, Net	15,122
Net Assets Released from Restrictions	(38,676)
Increase (Decrease) in Net Assets With Donor Restrictions - Time or Purpose	(23,554)
In Perpetuity	
Support and Revenue	
Public Contributions	-
Increase (Decrease) in Net Assets With Donor Restrictions - In Perpetuity	-
Increase (Decrease) in Net Assets	3,501,586
Net Assets, Beginning of Year	7,230,758
NET ASSETS, END OF YEAR	\$ 10,732,344

MOWCTX In- Home Care	Eliminations	Total
\$ 3,090,826	\$ -	\$ 15,445,231
171,559	-	5,848,235
-	-	7,834
-	-	29,174
195,389	(122,369)	184,802
1,347,019	-	1,385,695
<u>4,804,793</u>	<u>(122,369)</u>	<u>22,900,971</u>
3,864,175	-	16,431,051
172,731	(122,369)	1,006,917
-	-	1,170,532
<u>4,036,906</u>	<u>(122,369)</u>	<u>18,608,500</u>
767,887	-	4,292,471
-	-	6,517
-	-	(5,961)
-	-	556
<u>767,887</u>	-	<u>4,293,027</u>
1,309,000	-	1,309,000
-	-	15,122
<u>(1,347,019)</u>	-	<u>(1,385,695)</u>
<u>(38,019)</u>	-	<u>(61,573)</u>
-	-	-
-	-	-
729,868	-	4,231,454
259,266	-	7,490,024
<u>\$ 989,134</u>	<u>\$ -</u>	<u>\$ 11,721,478</u>

MEALS ON WHEELS AND MORE, INC.
dba MEALS ON WHEELS CENTRAL TEXAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED SEPTEMBER 30, 2020

Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Agency Pass-Through Number	Expenditures	Passthrough to Subrecipients
Federal Assistance				
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed Through Texas Department on Aging:				
Capital Area Planning Council:				
Title III C-1 - Congregate Meals	93.045	AAA09-06	\$ 761,289	\$ -
Title III C-2 - Home Delivered Meals	93.045	AAA09-06	889,600	-
Title III C-2 - Rural Delivery	93.045	AAA09-06	114,235	-
Subtotal	93.045	AAA09-06	<u>1,765,124</u>	<u>-</u>
Title III B - Home Repair Revenue	93.044	AAA09-06	<u>98,070</u>	<u>-</u>
Total U.S. Department of Health and Human Services			<u>1,863,194</u>	<u>-</u>
U.S. DEPARTMENT OF HOMELAND SECURITY, FEDERAL EMERGENCY MANAGEMENT AGENCY				
Passed Through Travis and Williamson County Local Boards				
Emergency Food and Shelter National	97.024	LRO-016	<u>11,688</u>	<u>-</u>
Total U.S. Department of Homeland Security, Federal Emergency Management Agency			<u>11,688</u>	<u>-</u>
TOTAL FEDERAL ASSISTANCE			<u><u>\$ 1,874,882</u></u>	<u><u>\$ -</u></u>

MEALS ON WHEELS AND MORE, INC.
 dba MEALS ON WHEELS CENTRAL TEXAS
 SCHEDULE OF EXPENDITURES OF STATE AWARDS
 YEAR ENDED SEPTEMBER 30, 2020

Grantor/Pass-Through Grantor Program Title	Agency Pass-Through Number	Expenditures	Passthrough to Subrecipients
State Assistance			
Texas Department of Agriculture Home Delivered Meal Program	N/A	\$ 471,251	\$ -
Texas Department of Housing and Community Affairs Amy Young Barrier Removal Program	1001524	624,376	-
Texas Veterans Commission Home Repair Program	VHA-12-0085	460,525	-
TOTAL STATE ASSISTANCE		\$ 1,556,152	\$ -

MEALS ON WHEELS AND MORE, INC.
dba MEALS ON WHEELS CENTRAL TEXAS
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
YEAR ENDED SEPTEMBER 30, 2020

NOTE 1: BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards includes the federal and state grant activity of MOWCT and are presented on the accrual basis of accounting. The information in these schedules are presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the *State of Texas Single Audit Circular*.

NOTE 2: CONTINGENT LIABILITIES

MOWCT participates in federal and state assisted programs. These programs are audited in accordance with *Government Auditing Standards*, Uniform Guidance, and the *State of Texas Single Audit Circular*, if applicable, in accordance with the required levels of Federal and State Financial Assistance. Audits of prior years have not resulted in any disallowed costs; however, grantor agencies may provide for further examinations. Based on prior experience, management believes that further examinations would not result in any significant disallowed costs.

NOTE 3: RELATIONSHIP TO FEDERAL FINANCIAL REPORTS

Amounts reported in the accompanying schedules may not agree with the amounts reported in the related Federal or State financial reports filed with the grantor agencies because of accruals made in the schedules which will be included in future reports filed with agencies.

NOTE 4: INDIRECT COST RATE

MOWCT has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

COMPLIANCE AND INTERNAL CONTROLS



INDEPENDENT AUDITORS' 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*

To the Board of Directors
Meals on Wheels and More, Inc.
dba Meals on Wheels Central Texas
Austin, Texas

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 Meals on Wheels and More, Inc. dba Meals on Wheels Central Texas (MOWCT), which comprise the statement of financial position as of September 30, 2020, 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 May 17, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered MOWCT'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of MOWCT's internal control. Accordingly, we do not express an opinion on the effectiveness of MOWCT'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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether MOWCT'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 matter that is 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 results 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.

Atchley & Associates, LLP

Austin, Texas

May 17, 2021



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM
AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH
UNIFORM GUIDANCE AND THE *STATE OF TEXAS SINGLE AUDIT CIRCULAR*

To the Board of Directors
Meals on Wheels and More, Inc.
dba Meals on Wheels Central Texas
Austin, Texas

Report on Compliance for Each Major Federal and State Program

We have audited Meals on Wheels and More, Inc. dba Meals on Wheels Central Texas' (MOWCT), a non-profit organization, compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of MOWCT's major federal and state programs for the year ended September 30, 2020. MOWCT's major federal and state programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

Auditors' Responsibility

Our responsibility is to express an opinion on the compliance for each of MOWCT's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the *State of Texas Single Audit Circular*. Those standards, Uniform Guidance and the *State of Texas Single Audit Circular*, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about MOWCT's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination on MOWCT's compliance.

Opinion on Each Major Federal and State Program

In our opinion MOWCT complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended September 30, 2020.

Report on Internal Control Over Compliance

Management of MOWCT is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered MOWCT's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance and *the State of Texas Single Audit Circular*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of MOWCT's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance 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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance and *the State of Texas Single Audit Circular*. Accordingly, this report is not suitable for any other purpose.

Atchley & Associates, LLP
Austin, Texas
May 17, 2021

MEALS ON WHEELS AND MORE, INC.
 dba MEALS ON WHEELS CENTRAL TEXAS
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 YEAR ENDED SEPTEMBER 30, 2020

I. Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:

Unmodified

Internal control over financial reporting

- Material weakness(es) identified?

_____ Yes X No

- Significant deficiency(ies) identified that are not considered to be material weakness(es)?

_____ Yes X None Reported

Noncompliance material to financial statements noted?

_____ Yes X No

Federal/State Awards

Internal control over major programs:

- Material weakness(es) identified?

_____ Yes X No

- Significant deficiency(ies) identified that are not considered to be material weakness(es)?

_____ Yes X None Reported

Type of auditors' report issued on compliance for major programs:

Unmodified

- Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

_____ Yes X No

Identification of major programs:

CFDA No.	Name of Federal/State Program
Federal	
93.045	Capital Area Planning Council: Title III
State	
N/A	Amy Young Barrier Removal Program

Dollar threshold used to distinguish between Type A and Type B programs

Federal	\$ 750,000
State	\$ 750,000

Auditee qualified as low-risk auditee?

 X Yes _____ No

II. Financial Statement Findings

No matters were reported

III. Findings and Questioned Costs for Federal/State Awards

No matters were reported

MEALS ON WHEELS AND MORE, INC.
dba MEALS ON WHEELS CENTRAL TEXAS
STATUS OF PRIOR YEAR AUDIT FINDINGS
SEPTEMBER 30, 2020

None reported.