

**Meals on Wheels and More, Inc.  
Dba Meals on Wheels Central Texas and  
Related Entities**

Combined Financial Statements  
September 30, 2022 and 2021

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## Independent Auditor's Report

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

### Report on the Audit of the Combined Financial Statements

#### Opinion

We have audited the 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, 2022 and 2021, 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.

In our opinion, the accompanying combined financial statements present fairly, in all material respects, the combined financial position of the Organizations as of September 30, 2022 and 2021, 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.

#### Basis for Opinion

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

#### Other Matter

The financial statements of Meals on Wheels and More Inc., dba Meals on Wheels Central Texas, and related entities as of and for the year ended September 30, 2021 were audited by another auditor who expressed an unmodified opinion on those statements on June 27, 2022.

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

Management is responsible for the preparation and fair presentation of the combined financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of combined financial statements that are free from material misstatement, whether due to fraud or error.

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

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

### ***Auditor's Responsibilities for the Audit of the Combined Financial Statements***

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the combined financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the combined financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organizations' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the combined financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organizations' ability to continue as a going concern for a reasonable period of time.

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

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

### **Other Information**

Our audit was conducted for the purpose of forming an opinion on the combined financial statements that collectively comprise the Organizations' financial statements as a whole. The accompanying combining statement of financial position as of September 30, 2022, and the combining statement of activities for the year then ended (the combining statements) are presented for the purpose of additional analysis and are not required parts of the combined financial statements. Additionally, the accompanying schedules of expenditures of federal and state awards are presented for purposes of additional analysis 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 Uniform Grant Management Standards (UGMS), and are 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. Such 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 combining statements and schedules of expenditures of federal and state awards are 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 June 26, 2023 on our consideration of the Organizations' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organizations' internal control over financial reporting and compliance.

*Weaver and Tidwell, L.L.P.*

WEAVER AND TIDWELL, L.L.P.

Austin, Texas  
June 26, 2023

**Meals on Wheels and More, Inc. dba  
Meals on Wheels Central Texas and Related Entities**

Combined Statements of Financial Position  
September 30, 2022 and 2021

	<b>2022</b>	<b>2021</b>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 3,283,961	\$ 8,465,167
Receivables		
Grants and contracts, net of allowance	3,051,188	1,653,981
Other	77,994	393,920
Prepaid items and other current assets	313,748	363,530
Total current assets	6,726,891	10,876,598
<b>NON-CURRENT ASSETS</b>		
Investments	13,121,911	9,306,299
Deferred compensation plan	-	75,000
Fixed assets, net	5,195,615	5,426,835
Total non-current assets	18,317,526	14,808,134
<b>TOTAL ASSETS</b>	<b>\$ 25,044,417</b>	<b>\$ 25,684,732</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 651,352	\$ 610,224
Accrued payroll liabilities	266,421	202,179
Liability for compensated absences	200,705	204,400
Deferred revenue	244,204	179,484
Current portion of long-term debt	69,759	68,057
Total current liabilities	1,432,441	1,264,344
<b>NON-CURRENT LIABILITIES</b>		
Deferred compensation plan obligation	-	75,000
Long-term debt	2,307,255	2,376,676
Total non-current liabilities	2,307,255	2,451,676
Total liabilities	3,739,696	3,716,020
<b>NET ASSETS</b>		
Without donor restrictions		
Undesignated	18,116,200	19,918,559
Total without donor restrictions	18,116,200	19,918,559
With donor restrictions		
Time or purpose	2,189,452	1,050,153
In perpetuity	999,069	1,000,000
Total net assets	21,304,721	21,968,712
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 25,044,417</b>	<b>\$ 25,684,732</b>

The Notes to Financial Statements  
are an integral part of these statements.

**Meals on Wheels and More, Inc. dba  
Meals on Wheels Central Texas and Related Entities**

Combined Statements of Activities  
Years Ended September 30, 2022 and 2021

	<b>2022</b>	<b>2021</b>
<b>NET ASSETS WITHOUT DONOR RESTRICTIONS</b>		
Support and revenue		
Grants and contracts	\$ 10,455,966	\$ 20,448,376
Public contributions	5,504,302	5,991,755
United Way	6,386	4,357
In-kind donations	187,018	166,506
Other revenue	(10,896)	227,772
Net assets released from restrictions	4,361,707	1,999,398
Total support and revenue	20,504,483	28,838,164
<b>EXPENSES</b>		
Program services	17,058,857	16,159,093
Management and general	2,856,216	2,370,588
Development fundraising	1,375,198	1,057,545
Total expenses	21,290,271	19,587,226
Revenues over (under) expenses	(785,788)	9,250,938
<b>OTHER REVENUE AND EXPENSES</b>		
Investment return, net	(1,016,570)	2,709
Total other revenues and expenses	(1,016,570)	2,709
Change in net assets without donor restrictions	(1,802,358)	9,253,647
<b>NET ASSETS WITH DONOR RESTRICTIONS</b>		
Time or purpose		
Support and revenue		
Grants and contracts	5,659,595	2,847,760
Investment return, net	(159,521)	145,225
Net assets released from restrictions	(4,361,707)	(1,999,398)
Increase (decrease) in net assets with donor restrictions - time or purpose	1,138,367	993,587
In perpetuity		
Support and revenue		
Public contributions	-	-
Increase (decrease) in net assets with donor restrictions - in perpetuity	-	-
Increase (decrease) in net assets	(663,991)	10,247,234
<b>NET ASSETS, beginning of year</b>	21,968,712	11,721,478
<b>NET ASSETS, end of year</b>	\$ 21,304,721	\$ 21,968,712

The Notes to Financial Statements  
are an integral part of these 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, 2022

	Program Services			Total
	Meal Programs	Home Repair	Client Assistance and Other	
<b>EXPENSES</b>				
Salaries	\$ 2,845,220	\$ 455,413	\$ 507,410	\$ 3,808,043
Payroll taxes and benefits	582,798	80,698	86,591	750,087
Total personnel	3,428,018	536,111	594,001	4,558,130
Computer software	78,688	1,861	31,492	112,041
Conferences/training/travel	39,080	15,930	3,194	58,204
Dues and subscriptions	6,694	2,100	205	8,999
Equipment maintenance	45,514	15	1,479	47,008
Events	-	-	-	-
Grants to other agencies	-	10,000	-	10,000
Home repair construction costs	-	4,677,932	51,949	4,729,881
Insurance	798	-	-	798
Interest	72,523	-	-	72,523
Miscellaneous	237,891	3,853	265,017	506,761
Occupancy	30,614	1,250	7,843	39,707
Postage	18,478	-	2,232	20,710
Printing	30,942	981	130	32,053
Professional fees	866	13,795	77,510	92,171
Promotional	-	-	-	-
Recipient meal costs	2,141,896	-	-	2,141,896
Service delivery mileage	112,931	-	-	112,931
Supplies	45,633	216,511	303,369	565,513
Telephone	1,980	4,860	135	6,975
Utilities	112,710	-	-	112,710
Volunteer recognition/recruitment	29,130	382	2,511	32,023
Total expenses before depreciation	6,434,386	5,485,581	1,341,067	13,261,034
Depreciation	375,901	33,610	36,444	445,955
<b>TOTAL EXPENSES</b>	<b>\$ 6,810,287</b>	<b>\$ 5,519,191</b>	<b>\$ 1,377,511</b>	<b>\$ 13,706,989</b>

The Notes to Financial Statements are an integral part of these statements.

**Support Services**

<b>Management and General</b>	<b>Development Fundraising</b>	<b>Total</b>	<b>MOWCT Totals</b>
\$ 1,048,811	\$ 457,533	\$ 1,506,344	\$ 5,314,387
255,462	79,934	335,396	1,085,483
1,304,273	537,467	1,841,740	6,399,870
89,955	170,457	260,412	372,453
10,238	6,434	16,672	74,876
14,070	33,178	47,248	56,247
3,866	-	3,866	50,874
-	70,352	70,352	70,352
-	-	-	10,000
-	-	-	4,729,881
208,835	-	208,835	209,633
13,005	-	13,005	85,528
79,106	3,151	82,257	589,018
1,509	9	1,518	41,225
651	88,280	88,931	109,641
139	56,927	57,066	89,119
254,244	377,302	631,546	723,717
-	-	-	-
13,232	111	13,343	2,155,239
-	-	-	112,931
6,834	7,624	14,458	579,971
39,779	675	40,454	47,429
-	2,936	2,936	115,646
57,158	-	57,158	89,181
2,096,894	1,354,904	3,451,798	16,712,832
89,580	20,294	109,874	555,829
<u>\$ 2,186,474</u>	<u>\$ 1,375,198</u>	<u>\$ 3,561,672</u>	<u>\$ 17,268,661</u>

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**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, 2022

	<b>MOWCTX In-Home Care</b>			<b>In-Home Totals</b>
	<b>Program Services</b>	<b>Management and General</b>	<b>Development Fundraising</b>	
<b>EXPENSES</b>				
Salaries	\$ 2,830,576	\$ 384,140	\$ -	\$ 3,214,716
Payroll taxes and benefits	445,155	169,801	-	614,956
Total personnel	3,275,731	553,941	-	3,829,672
Computer software	16,503	4,091	-	20,594
Conferences/training/travel	17,761	4,972	-	22,733
Dues and subscriptions	750	7,368	-	8,118
Equipment maintenance	1,594	-	-	1,594
Events	-	-	-	-
Grants to other agencies	-	-	-	-
Home repair construction costs	-	-	-	-
Insurance	2,958	33,245	-	36,203
Interest	-	-	-	-
Miscellaneous	575	2,024	-	2,599
Occupancy	-	-	-	-
Postage	199	2,787	-	2,986
Printing	206	7,063	-	7,269
Professional fees	6,376	16,260	-	22,636
Promotional	4,727	12,145	-	16,872
Recipient meal costs	-	-	-	-
Service delivery mileage	-	-	-	-
Supplies	11,726	9,414	-	21,140
Telephone	7,760	8,707	-	16,467
Utilities	-	-	-	-
Volunteer recognition/recruitment	-	-	-	-
Total expenses before depreciation	3,346,866	662,017	-	4,008,883
Depreciation	5,002	7,725	-	12,727
<b>TOTAL EXPENSES</b>	<b>\$ 3,351,868</b>	<b>\$ 669,742</b>	<b>\$ -</b>	<b>\$ 4,021,610</b>

The Notes to Financial Statements are an integral part of these 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, 2021

	Program Services			Total
	Meal Programs	Home Repair	Client Assistance and Other	
<b>EXPENSES</b>				
Salaries	\$ 1,751,610	\$ 431,407	\$ 1,113,523	\$ 3,296,540
Payroll taxes and benefits	373,216	82,908	264,090	720,214
Total personnel	2,124,826	514,315	1,377,613	4,016,754
Computer software	8,577	3,629	15,210	27,416
Conferences/training/travel	14,071	17,694	8,021	39,786
Dues and subscriptions	8,715	600	286	9,601
Equipment maintenance	89,255	-	3,781	93,036
Events	500	-	-	500
Grants to other agencies	-	-	-	-
Home repair construction costs	93,174	3,907,966	42,721	4,043,861
Insurance	24,301	3,818	10,060	38,179
Interest	12,168	1,912	5,029	19,109
Miscellaneous	1,849	835	1,927	4,611
Occupancy	51,751	-	1,357	53,108
Postage	14,191	9	4,193	18,393
Printing	5,156	-	13,017	18,173
Professional fees	83,083	-	-	83,083
Promotional	1,037	-	556	1,593
Recipient meal costs	2,876,078	-	142,001	3,018,079
Service delivery mileage	21,712	12	313	22,037
Supplies	258,427	17,643	270,184	546,254
Telephone	9,059	4,950	7,570	21,579
Utilities	62,808	9,868	34,125	106,801
Volunteer recognition/recruitment	6,107	-	404	6,511
Total expenses before depreciation	5,766,845	4,483,251	1,938,368	12,188,464
Depreciation	331,885	31,795	83,780	447,460
<b>TOTAL EXPENSES</b>	<b>\$ 6,098,730</b>	<b>\$ 4,515,046</b>	<b>\$ 2,022,148</b>	<b>\$ 12,635,924</b>

The Notes to Financial Statements are an integral part of these statements.

**Support Services**

<b>Management and General</b>	<b>Development Fundraising</b>	<b>Total</b>	<b>MOWCT Totals</b>
\$ 911,522	\$ 475,698	\$ 1,387,220	\$ 4,683,760
229,475	86,049	315,524	1,035,738
1,140,997	561,747	1,702,744	5,719,498
139,975	130,279	270,254	297,670
26,509	4,231	30,740	70,526
16,416	11,776	28,192	37,793
1,063	-	1,063	94,099
-	72,024	72,024	72,524
-	-	-	-
1,885	-	1,885	4,045,746
139,452	-	139,452	177,631
60,224	-	60,224	79,333
46,085	1,696	47,781	52,392
560	11	571	53,679
19,643	76,537	96,180	114,573
-	20,484	20,484	38,657
196,484	140,159	336,643	419,726
-	34,461	34,461	36,054
-	78	78	3,018,157
-	-	-	22,037
13,227	267	13,494	559,748
26,885	3,284	30,169	51,748
-	-	-	106,801
40,537	511	41,048	47,559
1,869,942	1,057,545	2,927,487	15,115,951
32,880	-	32,880	480,340
<u>\$ 1,902,822</u>	<u>\$ 1,057,545</u>	<u>\$ 2,960,367</u>	<u>\$ 15,596,291</u>

**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, 2021

	<b>MOWCTX In-Home Care</b>			
	<b>Program Services</b>	<b>Management and General</b>	<b>Development Fundraising</b>	<b>In-Home Totals</b>
<b>EXPENSES</b>				
Salaries	\$ 2,992,018	\$ 212,343	\$ -	\$ 3,204,361
Payroll taxes and benefits	381,729	138,419	-	520,148
 Total personnel	 3,373,747	 350,762	 -	 3,724,509
Computer software	14,343	1,830	-	16,173
Conferences/training/travel	15,241	5,064	-	20,305
Dues and subscriptions	-	535	-	535
Equipment maintenance	3,438	1,292	-	4,730
Events	-	-	-	-
Grants to other agencies	-	-	-	-
Home repair construction costs	-	-	-	-
Insurance	47,747	25,931	-	73,678
Interest	-	-	-	-
Miscellaneous	252	5,295	-	5,547
Occupancy	-	25	-	25
Postage	-	2,976	-	2,976
Printing	164	8,962	-	9,126
Professional fees	30,235	24,289	-	54,524
Promotional	10,388	12,705	-	23,093
Recipient meal costs	-	-	-	-
Service delivery mileage	-	-	-	-
Supplies	11,500	11,950	-	23,450
Telephone	8,268	4,030	-	12,298
Utilities	-	-	-	-
Volunteer recognition/recruitment	-	-	-	-
 Total expenses before depreciation	 3,515,323	 455,646	 -	 3,970,969
Depreciation	7,846	12,120	-	19,966
<b>TOTAL EXPENSES</b>	<b><u>\$ 3,523,169</u></b>	<b><u>\$ 467,766</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 3,990,935</u></b>

The Notes to Financial Statements  
are an integral part of these statements.

**Meals on Wheels and More, Inc.**  
**dba Meals on Wheels Central Texas and Related Entities**

Combined Statement of Cash Flows  
Year Ended September 30, 2022 and 2021

	<b>2022</b>	<b>2021</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (663,991)	\$ 10,247,234
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities		
Depreciation	568,555	500,306
Net (gain) loss in value of investments	1,272,985	(118,990)
Change in operating assets and liabilities		
Grants and contracts receivable	(1,397,207)	(176,486)
Other receivable	315,926	(391,617)
Prepaid items and other current assets	49,782	(277,347)
Deferred compensation plan	75,000	(75,000)
Accounts payable	41,128	(25,243)
Payroll and compensated absences liabilities	60,547	(14,625)
Deferred revenues	64,720	(19,389)
Deferred compensation plan obligation	(75,000)	75,000
	312,445	9,723,843
Net cash flows provided by operating activities	312,445	9,723,843
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of investments	468,947	375,323
Purchase of investments	(5,557,544)	(8,350,000)
Acquisition of fixed assets	(337,335)	(698,180)
	(5,425,932)	(8,672,857)
Net cash flows used in investing activities	(5,425,932)	(8,672,857)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from long-term debt	-	169,970
Payments from long-term debt	(67,719)	(63,301)
	(67,719)	106,669
Net cash flows provided by (used in) financing activities	(67,719)	106,669
Net change in cash and cash equivalents	(5,181,206)	1,157,655
<b>CASH AND CASH EQUIVALENTS, beginning of year</b>	8,465,167	7,307,512
<b>CASH AND CASH EQUIVALENTS, end of year</b>	\$ 3,283,961	\$ 8,465,167
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Cash paid for interest	\$ 85,528	\$ 79,333

The Notes to Financial Statements are an integral part of these statements.



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# **Meals on Wheels and More, Inc. dba Meals on Wheels Central Texas and Related Entities**

Notes to Combined Financial Statements  
September 30, 2022 and 2021

## **Note 1. Organization**

### **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).

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, 2022 and 2021, are included in these combined financial statements.

### **Principles of Combination**

The accompanying combined financial statements reflect the combined financial statements of MOWCT, 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.

### **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.

# **Meals on Wheels and More, Inc.**

## **dba Meals on Wheels Central Texas and Related Entities**

### Notes to Combined Financial Statements September 30, 2022 and 2021

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 10.

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 10.

#### **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. For government grants in which the restriction is met in the same period that the revenue is recognized, the Organizations have elected to recognize as a net asset without donor restrictions.

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.

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 2022 or 2021 that meet the criteria for recording in the financial statements. The Organizations received donated food in 2022 and 2021 in the amounts of \$187,018 and \$166,506, respectively.

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).

**Meals on Wheels and More, Inc.**  
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Notes to Combined Financial Statements  
September 30, 2022 and 2021

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.

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.

### **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.

**Meals on Wheels and More, Inc.**  
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Notes to Combined Financial Statements  
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**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, 2022 and 2021, the Organizations have \$49,395 as an allowance for uncollectible.

**Fixed Assets**

Generally, items with a cost or fair value over \$5,000 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.

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, 2018, 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.

**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.

**Meals on Wheels and More, Inc.**  
**dba Meals on Wheels Central Texas and Related Entities**

Notes to Combined Financial Statements  
September 30, 2022 and 2021

**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, 2022 and 2021:

	September 30, 2022				Reported at Net Asset Value
	Level 1	Level 2	Level 3	Total Fair Value	
Cash and money market accounts	\$ 1,925,739	\$ -	\$ -	\$ 1,925,739	\$ -
Mutual funds	3,829,530	-	-	3,829,530	-
Exchange traded products	2,030,036	-	-	2,030,036	-
U.S. equities	3,189,674	-	-	3,189,674	-
Fixed Income	1,333,911	-	-	1,333,911	-
Alternative Investments	-	-	-	-	813,021
	<u>\$12,308,890</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$12,308,890</u>	<u>\$ 813,021</u>
	September 30, 2021				Reported at Net Asset Value
	Level 1	Level 2	Level 3	Total Fair Value	
Cash and money market accounts	\$ 1,340,402	\$ -	\$ -	\$ 1,340,402	\$ -
Mutual funds	4,314,464	-	-	4,314,464	-
Exchange traded products	1,815,958	-	-	1,815,958	-
U.S. equities	1,835,475	-	-	1,835,475	-
	<u>\$ 9,306,299</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,306,299</u>	<u>\$ -</u>

Investment return (loss) totaled (\$1,176,091) and \$147,934 for the years ended September 30, 2022 and 2021, respectively, and is comprised of interest and dividends, unrealized/realized gains and losses, and investment fees. See donor restrictions set forth in Notes 10 and 11.

Investments using level 1 inputs consist of money market accounts, mutual funds, exchange traded products, fixed income, and common and preferred stock. Management uses a market approach to value these investments, which is a valuation technique that uses prices and other relevant information generated by market transactions involving identical assets, liabilities, or groups of assets and liabilities.

Investments reported at net asset value (NAV) consist of real estate funds, private equity funds and other alternative investments for which fair value is determined using the net asset value per share of the underlying investments, as provided by the fund manager, and are not classified within the fair value hierarchy. Such funds reported as alternative investments and reported at NAV include the following:

Blackstone Real Estate Income fund provides exposure to the real estate sector, focusing on income-generating properties. The fund seeks to generate regular income by investing in a diversified portfolio of real estate assets, including commercial properties, residential properties, and real estate-related securities.

**Meals on Wheels and More, Inc.**  
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Greenbacker Renewable Energy Class fund focuses on investing in renewable energy projects, such as solar, wind, and hydroelectric power. It aims to provide investors with attractive returns while supporting the transition to clean and sustainable energy sources. The fund's investments are primarily in operating renewable energy projects across different regions.

Hilltop Growth Fund Blocker V LP investment is a private equity fund that targets high-growth companies across various sectors. The fund seeks capital appreciation by making strategic investments in companies with significant growth potential. It aims to provide long-term value to its investors through active management and strategic decision-making.

**Note 3. Fixed Assets**

Fixed assets as of September 30, 2022 and 2021, and activity in fixed assets for the year ended September 30, 2022, consists of the following:

	<u>Balance 2021</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance 2022</u>
MOWCT				
Cost				
Land	\$ 169,032	\$ -	\$ -	\$ 169,032
Buildings	6,871,713	210,669	-	7,082,382
Automobiles	1,394,666	118,570	(28,371)	1,484,865
Furniture & equipment	1,448,243	-	(236,681)	1,211,562
Kitchen equipment	978,792	8,097	-	986,889
Total cost	10,862,446	337,336	(265,052)	10,934,730
Accumulated depreciation	<u>(5,469,960)</u>	<u>(555,830)</u>	<u>265,052</u>	<u>(5,760,738)</u>
	5,392,486	(218,494)	-	5,173,992
MOWCT In-Home Care				
Cost				
Furniture, fixtures, & equipment	61,495	-	-	61,495
Vehicles	24,760	-	-	24,760
Software	32,463	-	-	32,463
Total cost	118,718	-	-	118,718
Accumulated depreciation	<u>(84,369)</u>	<u>(12,726)</u>	<u>-</u>	<u>(97,095)</u>
	34,349	(12,726)	-	21,623
Total net fixed assets	<u>\$ 5,426,835</u>	<u>\$ (231,220)</u>	<u>\$ -</u>	<u>\$ 5,195,615</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, 2022 and 2021

**Note 4. Long-Term Debt**

MOWCT maintained a line of credit in the amount of \$200,000 that expired on July 24, 2021. This line of credit had a variable interest rate (currently 5.5%). No borrowings were made on this line of credit during the years ended September 30, 2022 and 2021 and has not been renewed.

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. Proceeds from the loan were used in prior years for the expansion of facilities located on East 5th Street. The promissory note had a balance of \$2,444,733 as of September 30, 2021, and balance of \$2,377,014 as of September 30, 2022, and is secured by real property.

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

2023	\$	69,759
2024		71,883
2025		74,497
2026		76,989
2027		79,565
Thereafter		<u>2,004,321</u>
	\$	<u><u>2,377,014</u></u>

**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, 2022 and 2021, MOWCT contributed 4% of eligible salaries to the plan amounting to \$144,599 and \$158,148, respectively.

During 2016, MOWCTX In-Home Care adopted the MOWCT 401(k) Profit Sharing Plan. Service with MOWCTX In-Home Care will be counted toward the minimum service requirement for eligibility after May 20, 2016. Employees previously eligible as MOWCT employees who transferred to MOWCTX In-Home Care continued eligibility with no break in service. Employer contributions are based on compensation for eligible participants, regardless of employee deferrals. During the fiscal years ended September 30, 2022 and 2021, MOWCTX In-Home Care contributed 4% of eligible salaries to the plan amounting to \$87,962 and \$79,824, respectively.



**Meals on Wheels and More, Inc.**  
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Notes to Combined Financial Statements  
September 30, 2022 and 2021

**Note 6. Deferred Compensation Plan**

MOWCT has one deferred compensation plan for a member of management, whereby the employer may defer base compensation and bonuses. The plan allows for non-elective employer deferrals only. The deferred compensation plan is unfunded; therefore, benefits are paid from the general assets of MOWCT. The total of employer deferrals, which is reflected in long-term liabilities, was \$0 and \$75,000 at September 30, 2022 and 2021, respectively.

The following table sets forth by level, within the fair value hierarchy, MOWCT's assets measured at fair value as of September 30, 2021:

	<u>(Level 1) 2021</u>
U.S. Equities	\$ 48,750
Foreign Equities	11,250
Bonds	<u>15,000</u>
	<u>\$ 75,000</u>

**Note 7. Grants and Contracts**

Grants and contracts reported in the accompanying combined financial statements represent 74% and 71% of total support and revenue for the years ended September 30, 2022 and 2021, respectively.

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 8. Concentration of Funding Source and Receivables**

Two donors accounted for approximately 10% and 15% of the total revenues received by the Organizations for the year ended September 30, 2022. The Organization received approximately 27% of their total revenues from a single donor for the year ended September 30, 2021.

Two customers accounted for approximately 31% and 28% of the Organizations' total accounts receivable balance as of September 30, 2022. Four customers also accounted for approximately 32%, 16%, 15%, and 14% of the Organizations' total accounts receivable balance as of September 30, 2021.

**Note 9. 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, 2022 and 2021, there was \$1,992,328 and \$6,265,846 respectively, 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, 2022 and 2021

**Note 10. 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:

Net assets with donor restrictions for time or purpose as of September 30, 2022 and 2021, and their stipulated purposes were as follows:

	2022	2021
MOWCT - The Myrtle Agnew Walker Endowment for In-Home Care activities within MOWCTW In-Home Care	\$ -	\$ 158,590
Various grants for program-related activities	2,189,452	891,563
	\$ 2,189,452	\$ 1,050,153

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, 2022 and 2021, and their stipulated purposes were as follows:

	2022	2021
MOWCT - The Myrtle Agnew Walker Endowment for In-Home Care activities within MOWCTX In-Home care	\$ 999,069	\$ 1,000,000
	\$ 999,069	\$ 1,000,000

**Note 11. 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.

MOWCT's has an informal spending policy set by provisions of its governing documents. Over the long term, MOWCT expects the current spending policy to allow its endowment fund to retain both principal value as well as purchasing power.

**Meals on Wheels and More, Inc.**  
**dba Meals on Wheels Central Texas and Related Entities**

Notes to Combined Financial Statements  
September 30, 2022 and 2021

To achieve those objectives, MOWCT has adopted an investment policy that attempts to maintain total return consistent with an acceptable level of risk by balancing investment concentrations in a well diversified asset mix. MOWCT expects endowment fund assets to produce average annual rates of return equal to or greater than 4 percent over the Consumer Price Index. However, actual returns in any given year may exceed or fall below these benchmarks. Investment risk is measured in terms of the total fund, and investment assets and allocations between asset classes and strategies are managed so as not to expose MOWCT to unacceptable levels of risk.

Changes in The MAW Endowment fund were as follows for the year ended September 30, 2022:

	Without Donor Restrictions	With Donor Restrictions		Total
		Time or Purpose	In Perpetuity	
Beginning of year	\$ -	\$ 158,590	\$ 1,000,000	\$ 1,158,590
Contributions	-	-	-	-
Releases	-	-	-	-
Investment return, net	-	(158,590)	(931)	(159,521)
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 999,069</u>	<u>\$ 999,069</u>

Changes in The MAW Endowment fund were as follows for the year ended September 30, 2021:

	Without Donor Restrictions	With Donor Restrictions		Total
		Time or Purpose	In Perpetuity	
Beginning of year	\$ -	\$ 56,566	\$ 1,000,000	\$ 1,056,566
Contributions	-	-	-	-
Releases	-	(43,201)	-	(43,201)
Investment return, net	-	145,225	-	145,225
	<u>\$ -</u>	<u>\$ 158,590</u>	<u>\$ 1,000,000</u>	<u>\$ 1,158,590</u>

**Meals on Wheels and More, Inc.**  
**dba Meals on Wheels Central Texas and Related Entities**

Notes to Combined Financial Statements  
September 30, 2022 and 2021

**Note 12. Available Resources and Liquidity**

The following represents the Organizations' financial assets at September 30, 2022 and 2021:

	2022	2021
Financial assets at year end		
Cash and cash equivalents	\$ 3,283,961	\$ 8,465,167
Investments	13,121,911	9,306,299
Receivables		
Grants and contracts, net of allowance	3,051,188	1,653,981
Other	77,994	393,920
Total financial assets at year end	19,535,054	19,819,367
Less amounts unavailable for general expenditure		
Required to satisfy donor restrictions	999,069	1,158,590
Financial assets available to meet cash needs for general expenditures within one year	\$ 18,535,985	\$ 18,660,777

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.

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## **Supplemental Information**

**Meals on Wheels and More, Inc.**  
**dba Meals on Wheels Central Texas and Related Entities**  
Combining Statement of Financial Position  
September 30, 2022

	Meals on Wheels Central Texas	MOWCTX In- Home Care	Eliminations	Total
<b>ASSETS</b>				
Current assets				
Cash and cash equivalents	\$ 2,329,615	\$ 954,346	\$ -	\$ 3,283,961
Receivables				
Grants and contracts, net of allowance	2,814,811	236,377	-	3,051,188
Other	60,308	17,686	-	77,994
Prepaid items and other current assets	285,558	28,190	-	313,748
Total current assets	5,490,292	1,236,599	-	6,726,891
<b>NON-CURRENT ASSETS</b>				
Investments	13,121,911	-	-	13,121,911
Fixed assets				
Construction in progress	112,573	-	-	112,573
Land and building	7,115,162	-	-	7,115,162
Office furniture and equipment	1,211,562	93,958	-	1,305,520
Kitchen equipment	986,889	-	-	986,889
Vehicles	1,484,865	24,760	-	1,509,625
Leasehold improvements	23,679	-	-	23,679
Accumulated depreciation	(5,760,738)	(97,095)	-	(5,857,833)
Total non-current assets	18,295,903	21,623	-	18,317,526
<b>TOTAL ASSETS</b>	<b>\$ 23,786,195</b>	<b>\$ 1,258,222</b>	<b>\$ -</b>	<b>\$ 25,044,417</b>
<b>LIABILITIES AND NET ASSETS</b>				
Current liabilities				
Accounts payable	\$ 630,423	\$ 20,929	\$ -	\$ 651,352
Accrued payroll liabilities	183,055	83,366	-	266,421
Liability for compensated absences	152,357	48,348	-	200,705
Deferred revenue	244,204	-	-	244,204
Current portion of long-term debt	69,759	-	-	69,759
Total current liabilities	1,279,798	152,643	-	1,432,441
Non-current liabilities				
Long-term debt	2,307,255	-	-	2,307,255
Total non-current liabilities	2,307,255	-	-	2,307,255
Total liabilities	3,587,053	152,643	-	3,739,696
<b>NET ASSETS</b>				
Without donor restrictions				
Undesignated	19,200,073	1,105,579	-	20,305,652
Designated for debt	-	-	-	-
Total without donor restrictions	19,200,073	1,105,579	-	20,305,652
With donor restrictions				
Time or purpose	-	-	-	-
In perpetuity	999,069	-	-	999,069
Total with donor restrictions	999,069	-	-	999,069
Total net assets	20,199,142	1,105,579	-	21,304,721
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 23,786,195</b>	<b>\$ 1,258,222</b>	<b>\$ -</b>	<b>\$ 25,044,417</b>

**Meals on Wheels and More, Inc.**  
**dba Meals on Wheels Central Texas and Related Entities**  
Combining Statement of Activities  
Year Ended September 30, 2022

	Meals on Wheels Central Texas	MOWCTX In- Home Care	Eliminations	Total
<b>NET ASSETS WITHOUT DONOR RESTRICTIONS</b>				
Support and revenue				
Grants and contracts	\$ 6,485,144	\$ 3,970,822	\$ -	\$ 10,455,966
Public contributions	5,280,299	224,003	-	5,504,302
United way	6,386	-	-	6,386
In-kind donations	187,018	-	-	187,018
Other revenue	70,012	3,092	(84,000)	(10,896)
Net assets released from restrictions	4,361,707	-	-	4,361,707
Total support and revenue	16,390,566	4,197,917	(84,000)	20,504,483
Expenses				
Program services	13,706,989	3,351,868	-	17,058,857
Management and general	2,186,474	753,742	(84,000)	2,856,216
Development fundraising	1,375,198	-	-	1,375,198
Total expenses	17,268,661	4,105,610	(84,000)	21,290,271
Revenues over (under) expenses	(878,095)	92,307	-	(785,788)
Other revenues and expenses				
Investment return, net	(1,016,570)	-	-	(1,016,570)
Total other revenues and expenses	(1,016,570)	-	-	(1,016,570)
Increase (decrease) in net assets without donor restrictions	(1,894,665)	92,307	-	(1,802,358)
<b>NET ASSETS WITH DONOR RESTRICTIONS</b>				
Time or purpose				
Support and revenue				
Grants and contracts	5,659,595	-	-	5,659,595
Investment return Gain(Loss), net	(159,521)	-	-	(159,521)
Net assets released from restrictions	(4,361,707)	-	-	(4,361,707)
Increase (decrease) in net assets with donor restrictions -time or purpose	1,138,367	-	-	1,138,367
In perpetuity				
Support and revenue				
Public contributions	-	-	-	-
Increase (decrease) in net assets with donor restrictions - in perpetuity	-	-	-	-
Increase (decrease) in net assets	(756,298)	92,307	-	(663,991)
<b>NET ASSETS, beginning of year</b>	20,955,440	1,013,272	-	21,968,712
<b>NET ASSETS, end of year</b>	<u>\$ 20,199,142</u>	<u>\$ 1,105,579</u>	<u>\$ -</u>	<u>\$ 21,304,721</u>



**Meals on Wheels and More, Inc.**  
**dba Meals on Wheels Central Texas and Related Entities**  
 Schedule of Expenditures of Federal Awards  
 Year Ended September 30, 2022

Grantor/Pass-Through Grantor Program Title	Federal Assistance Listing Number	Agency Pass-Through Number	Expenditures
<b>FEDERAL ASSISTANCE</b>			
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	AAA13-06	\$ 412,890
Title III C-2 Congregate	93.045	AAA13-06	114,199
Title III C-2 Home delivered meals	93.045	AAA13-06	663,070
Title III C-2 Rural delivery	93.045	AAA13-06	<u>51,141</u>
Subtotal			1,241,300
Title III B Home repair revenue	93.044	AAA13-06	<u>27,400</u>
Total Aging Cluster			1,268,700
Passed Through the University of Texas at Austin			
Minority Health and Health Disparities Research	93.307	R01MD009675	<u>3,420</u>
Total U.S. Department of Health and Human Services			1,272,120
U.S. Department of Homeland Security, Federal			
Emergency Management Agency			
Passed Through Austin/Travis and Williamson Counties Local			
Boards Emergency Food and Shelter National	97.024	LRO-016	<u>55,219</u>
Total U.S. Department of Homeland Security, Federal			
Emergency Management Agency			55,219
U.S. Department of Treasury			
Passed through Texas Department of Agriculture			
COVID-19 State & Local Fiscal Recovery Funds (SLFRF)	21.027	HDM2022003	<u>168,339</u>
Total U.S. Department of Treasury			<u>168,339</u>
<b>TOTAL FEDERAL ASSISTANCE</b>			<u><u>\$ 1,495,678</u></u>

**Meals on Wheels and More, Inc.**  
**dba Meals on Wheels Central Texas and Related Entities**

Schedules of Expenditures on State Awards  
Year Ended September 30, 2022

Grantor/Pass-Through Grantor Program Title	Agency Pass-Through Number	Expenditures
<b>STATE ASSISTANCE</b>		
Texas Department of Agriculture Texans Feeding Texas - Home Delivered Meal Program	HDM216180, 2022003	\$ 499,554
Texas Department of Housing and Community Affairs Amy Young Barrier Removal Program	1002956	133,039
Texas Veterans Commission Texas Veterans Home Repair Program	HTX21-014	441,756
Texas Veterans Home Repair Program	HTX22-015	<u>116,660</u>
Total Texas Veterans Commission		<u>558,416</u>
<b>TOTAL STATE ASSISTANCE</b>		<u>\$ 1,191,009</u>

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**Meals on Wheels and More, Inc.**  
**dba Meals on Wheels Central Texas and Related Entities**

Notes of Schedules of Expenditures of Federal and State Awards  
September 30, 2022 and 2021

**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 Uniform Grant Management Standards (UGMS).

**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 Uniform Grant Management Standards, 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.

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**Independent Auditor's 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 and Related Entities  
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 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 statement of financial position as of September 30, 2022, and the related statements activities, functional expenses, and cash flows for the year then ended, and the related notes to the combined financial statements, and have issued our report thereon dated June 26, 2023.

**Report on Internal Control over Financial Reporting**

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

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Organizations' combined 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 combined financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The Board of Directors  
Meals on Wheels Central Texas and Related Entities

**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.

*Weaver and Tidwell, L.L.P.*

WEAVER AND TIDWELL, L.L.P.

Austin, Texas  
June 26, 2023



**Independent Auditor's Report on Compliance for Each  
Major Program and on Internal Control Over Compliance In  
Accordance with Uniform Guidance and the State of Texas  
Uniform Grant Management Standards**

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

**Report on Compliance for Each Major Federal and State Program**

***Opinion on Each Major Federal and State Program***

We have audited Meals on Wheels and More, Inc. dba Meals on Wheels Central Texas and Related Entities (the Organizations) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement and the State of Texas Uniform Grant Management Standards (UGMS) that could have a direct and material effect on each of the Organizations' major federal and state programs for the year ended September 30, 2022. The Organizations' major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organizations complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of the major federal and state programs for the year ended September 30, 2022.

***Basis for Opinion on Each Major Federal and State Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (Government Auditing Standards); the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and UGMS. Our responsibilities under those standards, Uniform Guidance and UGMS are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organizations and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of the Organizations' compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Organizations' federal and state programs.



### **Auditor's Responsibilities for the Audit of Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organizations' compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, Government Auditing Standards, Uniform Guidance and UGMS will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organizations' compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with GAAS, Government Auditing Standards, Uniform Guidance and UGMS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Organizations' compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organizations' internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and UGMS, but not for the purpose of expressing an opinion on the effectiveness of the Organizations' internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on 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 a 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.

The Board of Directors  
Meals on Wheels Central Texas and Related Entities

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 the Uniform Guidance and UGMS. Accordingly, this report is not suitable for any other purpose.

*Weaver and Tidwell, L.L.P.*

WEAVER AND TIDWELL, L.L.P.

Austin, Texas  
June 26, 2023

**Meals on Wheels and More, Inc.**  
**dba Meals on Wheels Central Texas and Related Entities**  
 Schedule of Findings and Questioned Costs  
 September 30, 2022 and 2021

**Section 1. Summary of Auditors' Results**

**Financial Statements**

Type of auditors' report issued	Unmodified
Internal control over financial reporting:	
Material weakness identified?	No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	None reported
Noncompliance material to financial statements noted?	No

**Federal Awards**

Internal control over compliance:	
Material weakness identified?	No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	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 Section 200.516(a) of Uniform Guidance?	No
Identification of major federal program:	

**Federal Assistance Listing Number**

93.044, 93.045

**Name of Federal Program or Cluster**

Aging Cluster

Dollar threshold used to distinguish programs	\$750,000
Auditee qualified as low-risk auditee	Yes

**State Awards**

Internal control over major state programs:	
Material weakness identified?	No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	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 Section 510(a) of the State of Texas Single Audit Circular?	No

Identification of major state program:

**Grant Number**

HTX21-014, HTX21-015

**Name of State Program**

Texas Veterans Home Repair Program

Dollar threshold used to distinguish Type A programs	\$300,000
Auditee qualified as low-risk auditee	Yes

**Meals on Wheels and More, Inc.**  
**dba Meals on Wheels Central Texas and Related Entities**

Schedule of Findings and Questioned Costs  
September 30, 2022 and 2021

**Section 2. Financial Statement Findings**

None reported

**Section 3. Federal and State Award Findings and Questioned Costs**

None reported

**Section 4. Schedule of Prior Audit Findings and Questioned Costs**

None reported