

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

Combined Financial Statements
September 30, 2023

CONTENTS

	Page
Independent Auditor's Report	1
Financial Statements	
Combined Statements of Financial Position	4
Combined Statements of Activities	5
Combined Statements of Functional Expenses	6
Combined Statements of Cash Flows	13
Notes to Combined Financial Statements	15
Supplemental Information	
Combining Statement of Financial Position	28
Combining Statement of Activities	29
Schedule of Expenditures of Federal Awards	30
Schedule of Expenditures of State Awards	31
Notes to Schedules of Expenditures of Federal and State Awards	33
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>	35
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance in Accordance with Uniform Guidance and the State of Texas Grant Management Standards	37
Schedule of Findings and Questioned Costs	40



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, 2023 and 2022, 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, 2023 and 2022, 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.

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.

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.

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

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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the combined financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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, 2023, 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 Grant Management Standards (TxGMS), 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, 2024 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, 2024

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

Combined Statements of Financial Position
September 30, 2023 and 2022

	2023	2022
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,323,353	\$ 3,283,961
Receivables		
Grants and contracts, net of allowance	2,447,378	3,051,188
Other	109,640	77,994
Prepaid items and other current assets	224,761	313,748
Total current assets	4,105,132	6,726,891
NON-CURRENT ASSETS		
Investments	13,695,656	13,121,911
Fixed assets, net	4,929,965	5,195,615
Total non-current assets	18,625,621	18,317,526
TOTAL ASSETS	\$ 22,730,753	\$ 25,044,417
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 475,649	\$ 651,352
Accrued payroll liabilities	334,166	266,421
Liability for compensated absences	162,096	200,705
Deferred revenue	130,610	244,204
Current portion of long-term debt	71,883	69,759
Total current liabilities	1,174,404	1,432,441
NON-CURRENT LIABILITIES		
Long-term debt	2,235,166	2,307,255
Total non-current liabilities	2,235,166	2,307,255
Total liabilities	3,409,570	3,739,696
NET ASSETS		
Without donor restrictions		
Undesignated	17,338,128	18,116,200
Total without donor restrictions	17,338,128	18,116,200
With donor restrictions		
Time or purpose	983,055	2,189,452
In perpetuity	1,000,000	999,069
Total net assets	19,321,183	21,304,721
TOTAL LIABILITIES AND NET ASSETS	\$ 22,730,753	\$ 25,044,417

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, 2023 and 2022

	2023	2022
NET ASSETS WITHOUT DONOR RESTRICTIONS		
Support and revenue		
Grants and contracts	\$ 11,180,656	\$ 10,455,966
Public contributions	4,792,715	5,504,302
United Way	8,613	6,386
In-kind donations	137,580	187,018
Other revenue	87,936	(10,896)
Net assets released from restrictions	2,898,303	4,361,707
Total support and revenue	19,105,803	20,504,483
EXPENSES		
Program services	17,062,075	17,058,857
Management and general	2,967,624	2,856,216
Development fundraising	1,190,410	1,375,198
Total expenses	21,220,109	21,290,271
Revenues over (under) expenses	(2,114,306)	(785,788)
OTHER REVENUE AND EXPENSES		
Investment return, net	1,336,234	(1,016,570)
Total other revenues and expenses	1,336,234	(1,016,570)
Change in net assets without donor restrictions	(778,072)	(1,802,358)
NET ASSETS WITH DONOR RESTRICTIONS		
Time or purpose		
Support and revenue		
Grants and contracts	1,667,500	5,659,595
Investment return, net	25,337	(159,521)
Net assets released from restrictions	(2,898,303)	(4,361,707)
Increase (decrease) in net assets with donor restrictions - time or purpose	(1,205,466)	1,138,367
Increase (decrease) in net assets	(1,983,538)	(663,991)
NET ASSETS, beginning of year	21,304,721	21,968,712
NET ASSETS, end of year	\$ 19,321,183	\$ 21,304,721

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, 2023

	Program Services			Total
	Meal Programs	Home Repair	Client Assistance and Other	
EXPENSES				
Salaries	\$ 3,391,991	\$ 516,067	\$ 644,287	\$ 4,552,345
Payroll taxes and benefits	673,594	107,478	150,141	931,213
Total personnel	4,065,585	623,545	794,428	5,483,558
Computer software	195,960	6,092	8,292	210,344
Conferences/training/travel	47,252	16,601	13,558	77,411
Dues and subscriptions	4,008	663	1,835	6,506
Equipment maintenance	87,417	-	-	87,417
Events	-	-	-	-
Grants to other agencies	-	-	-	-
Home repair construction costs	19,086	3,419,449	52,363	3,490,898
Insurance	-	-	-	-
Interest	56,668	-	-	56,668
Miscellaneous	155,235	79,044	145,633	379,912
Occupancy	22,721	-	-	22,721
Postage	15,028	-	13,056	28,084
Printing	27,417	68	-	27,485
Professional fees	-	30,200	137,243	167,443
Promotional	-	-	-	-
Recipient meal costs	2,165,777	-	-	2,165,777
Service delivery mileage	173,808	-	-	173,808
Supplies	57,472	8,102	252,625	318,199
Telephone	11,661	5,745	10,446	27,852
Utilities	68,131	13,640	26,120	107,891
Volunteer recognition/recruitment	1,362	665	4,147	6,174
Total expenses before depreciation	7,174,588	4,203,814	1,459,746	12,838,148
Depreciation	376,884	30,655	49,306	456,845
TOTAL EXPENSES	\$ 7,551,472	\$ 4,234,469	\$ 1,509,052	\$ 13,294,993

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

Support Services

Management and General	Development Fundraising	Total	MOWCT Totals
\$ 978,393	\$ 426,833	\$ 1,405,226	\$ 5,957,571
270,813	84,717	355,530	1,286,743
1,249,206	511,550	1,760,756	7,244,314
115,106	109,413	224,519	434,863
14,067	14,110	28,177	105,588
14,126	19,028	33,154	39,660
5,745	-	5,745	93,162
-	1,258	1,258	1,258
-	-	-	-
-	-	-	3,490,898
220,020	-	220,020	220,020
14,199	-	14,199	70,867
145,849	9,394	155,243	535,155
2,101	45	2,146	24,867
1,444	25,835	27,279	55,363
141	19,760	19,901	47,386
291,377	449,553	740,930	908,373
-	-	-	-
-	-	-	2,165,777
-	-	-	173,808
8,182	4,802	12,984	331,183
32,886	540	33,426	61,278
21,196	7,311	28,507	136,398
83,002	509	83,511	89,685
2,218,647	1,173,108	3,391,755	16,229,903
67,938	17,302	85,240	542,085
<u>\$ 2,286,585</u>	<u>\$ 1,190,410</u>	<u>\$ 3,476,995</u>	<u>\$ 16,771,988</u>

This Page Intentionally Left Blank

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, 2023

	MOWCTX In-Home Care			
	Program Services	Management and General	Development Fundraising	In-Home Totals
EXPENSES				
Salaries	\$ 3,204,276	\$ 394,192	\$ -	\$ 3,598,468
Payroll taxes and benefits	487,377	182,347	-	669,724
Total personnel	3,691,653	576,539	-	4,268,192
Computer software	19,112	7,478	-	26,590
Conferences/training/travel	26,532	2,292	-	28,824
Dues and subscriptions	1,571	3,260	-	4,831
Equipment maintenance	1,104	2,409	-	3,513
Events	-	-	-	-
Grants to other agencies	-	-	-	-
Home repair construction costs	-	-	-	-
Insurance	-	43,767	-	43,767
Interest	-	-	-	-
Miscellaneous	260	2,920	-	3,180
Occupancy	-	-	-	-
Postage	-	2,565	-	2,565
Printing	-	7,876	-	7,876
Professional fees	4,833	1,191	-	6,024
Promotional	7,588	6,680	-	14,268
Recipient meal costs	-	-	-	-
Service delivery mileage	-	-	-	-
Supplies	4,488	12,370	-	16,858
Telephone	4,989	8,549	-	13,538
Utilities	-	-	-	-
Volunteer recognition/recruitment	-	-	-	-
Total expenses before depreciation	3,762,130	677,896	-	4,440,026
Depreciation	4,952	3,143	-	8,095
TOTAL EXPENSES	\$ 3,767,082	\$ 681,039	\$ -	\$ 4,448,121

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	
EXPENSES				
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
TOTAL EXPENSES	\$ 6,810,287	\$ 5,519,191	\$ 1,377,511	\$ 13,706,989

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

Support Services

Management and General	Development Fundraising	Total	MOWCT Totals
\$ 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	1,354,903	3,451,797	16,712,831
89,580	20,294	109,874	555,829
<u>\$ 2,186,474</u>	<u>\$ 1,375,197</u>	<u>\$ 3,561,671</u>	<u>\$ 17,268,660</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, 2022

	MOWCTX In-Home Care			In-Home Totals
	Program Services	Management and General	Development Fundraising	
EXPENSES				
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
TOTAL EXPENSES	\$ 3,351,868	\$ 669,742	\$ -	\$ 4,021,610

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, 2023 and 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (1,983,538)	\$ (663,991)
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities		
Depreciation	550,179	568,555
Net (gain) loss in value of investments	(166,410)	1,272,985
Change in operating assets and liabilities		
Grants and contracts receivable	603,810	(1,397,207)
Other receivable	(31,646)	315,926
Prepaid items and other current assets	88,987	49,782
Deferred compensation plan	-	75,000
Accounts payable	(175,703)	41,128
Payroll and compensated absences liabilities	29,136	60,547
Deferred revenues	(113,594)	64,720
Deferred compensation plan obligation	-	(75,000)
	(1,198,779)	312,445
Net cash flows provided by (used in) operating activities	(1,198,779)	312,445
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	4,879,724	468,947
Purchase of investments	(5,287,059)	(5,557,544)
Acquisition of fixed assets	(284,529)	(337,335)
	(691,864)	(5,425,932)
Net cash flows used in investing activities	(691,864)	(5,425,932)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments from long-term debt	(69,965)	(67,719)
	(69,965)	(67,719)
Net cash flows used in financing activities	(69,965)	(67,719)
Net change in cash and cash equivalents	(1,960,608)	(5,181,206)
CASH AND CASH EQUIVALENTS, beginning of year	3,283,961	8,465,167
CASH AND CASH EQUIVALENTS, end of year	\$ 1,323,353	\$ 3,283,961
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid for interest	\$ 70,867	\$ 85,528

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

This Page Intentionally Left Blank

Meals on Wheels and More, Inc.
dba Meals on Wheels Central Texas and Related Entities
Notes to Combined Financial Statements

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, 2023 and 2022, 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

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 9.

Net assets with donor restrictions include gifts with donor-imposed restrictions that permit the done 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 9.

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 2023 or 2022 that meet the criteria for recording in the financial statements. The Organizations received donated food in 2023 and 2022 in the amounts of \$137,580 and \$187,018, respectively.

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

Meals on Wheels and More, Inc.

dba Meals on Wheels Central Texas and Related Entities

Notes to Combined Financial Statements

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.

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.
dba Meals on Wheels Central Texas and Related Entities
Notes to Combined Financial Statements

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. As of September 30, 2023 the Organization had no balance for the allowance for uncollectible accounts. As of September 30, 2022, the Organizations had \$49,395 as an allowance for uncollectible accounts.

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. At the time of issuance, the Organizations has a \$1,000,000 line of credit with Plains Capital Bank with an amount drawn of approximately \$500,000 to manage cash flow related mostly to home repair projects. Additionally, as of March 2024, the \$1,000,000 endowment discussed in Note 10 is no longer restricted in perpetuity, but rather purpose restricted for MOWCTX-In-Home Care.

Meals on Wheels and More, Inc.
dba Meals on Wheels Central Texas and Related Entities
Notes to Combined Financial Statements

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, 2023 and 2022:

September 30, 2023					
	Level 1	Level 2	Level 3	Total Fair Value	Reported at Net Asset Value
Cash and money market accounts	\$ 1,032,038	\$ -	\$ -	\$ 1,032,038	\$ -
Mutual funds	2,608,536	-	-	2,608,536	-
Exchange traded products	2,242,789	-	-	2,242,789	-
U.S. equities	3,442,525	-	-	3,442,525	-
Fixed Income	3,561,883	-	-	3,561,883	-
Alternative Investments	-	-	-	-	807,885
	<u>\$ 12,887,771</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,887,771</u>	<u>\$ 807,885</u>
September 30, 2022					
	Level 1	Level 2	Level 3	Total Fair Value	Reported at Net Asset 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>

Investment return (loss) totaled \$1,361,571 and (\$1,176,091) for the years ended September 30, 2023 and 2022, respectively, and is comprised of interest and dividends, unrealized/realized gains and losses, and investment fees. See donor restrictions set forth in Notes 9 and 10.

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.
dba Meals on Wheels Central Texas and Related Entities
Notes to Combined Financial Statements

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, 2023 and 2022, and activity in fixed assets for the year ended September 30, 2023, consists of the following:

	<u>Balance 2022</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance 2023</u>
MOWCT				
Cost				
Land	\$ 169,032	\$ -	\$ -	\$ 169,032
Buildings	7,082,382	112,580	-	7,194,962
Automobiles	1,484,865	81,500	(110,338)	1,456,027
Furniture & equipment	1,211,562	-	(76,355)	1,135,207
Kitchen equipment	986,889	94,570	(25,464)	1,055,995
	<u>10,934,730</u>	<u>288,650</u>	<u>(212,157)</u>	<u>11,011,223</u>
Total cost				
Accumulated depreciation	(5,760,738)	(546,205)	212,157	(6,094,786)
	<u>5,173,992</u>	<u>(257,555)</u>	<u>-</u>	<u>4,916,437</u>
MOWCT In-Home Care				
Cost				
Furniture, fixtures, & equipment	61,495	-	-	61,495
Vehicles	24,760	-	-	24,760
Software	32,463	-	-	32,463
Total cost	<u>118,718</u>	<u>-</u>	<u>-</u>	<u>118,718</u>
Accumulated depreciation	(97,095)	(8,095)	-	(105,190)
	<u>21,623</u>	<u>(8,095)</u>	<u>-</u>	<u>13,528</u>
Total net fixed assets	<u>\$ 5,195,615</u>	<u>\$ (265,650)</u>	<u>\$ -</u>	<u>\$ 4,929,965</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

Note 4. Long-Term Debt

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 \$2,307,049 as of September 30, 2023, 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:

2024	\$	71,883
2025		74,497
2026		76,989
2027		79,565
2028		82,046
Thereafter		<u>1,922,069</u>
	<u>\$</u>	<u>2,307,049</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 2 years of service. During the fiscal years ended September 30, 2023 and 2022, MOWCT contributed 4% of eligible salaries to the plan amounting to \$171,877 and \$144,599, 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, 2023 and 2022, MOWCTX In-Home Care contributed 4% of eligible salaries to the plan amounting to \$99,052 and \$87,962, respectively.

Meals on Wheels and More, Inc.
dba Meals on Wheels Central Texas and Related Entities
Notes to Combined Financial Statements

Note 6. Grants and Contracts

Grants and contracts reported in the accompanying combined financial statements represent 72% and 74% of total support and revenue for the years ended September 30, 2023 and 2022, 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 7. Concentration of Funding Source and Receivables

Two donors accounted for approximately 14% and 11% of the total revenues received by the Organizations for the year ended September 30, 2023. The Organization received approximately 15% and 10% of their total revenues from two donors for the year ended September 30, 2022.

One customer accounted for approximately 56% of the Organizations' total accounts receivable balance as of September 30, 2023. Two customers accounted for approximately 31% and 28% of the Organizations' total accounts receivable balance as of September 30, 2022.

Note 8. 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, 2023 and 2022, there was \$502,135 and \$1,992,328 respectively, that exceeded the amount of FDIC coverage.

Note 9. Net Assets

The Organizations have designated that certain net assets with internal board designations to be used for specific purposes.

Net assets with donor restrictions for time or purpose were \$983,055 and \$2,189,452 as of September 30, 2023 and 2022 respectively. 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, 2023 and 2022, and their stipulated purposes were as follows:

	2023	2022
MOWCT - The Myrtle Agnew Walker Endowment for In-Home Care activities within MOWCTX In-Home care	<u>\$ 1,000,000</u>	<u>\$ 999,069</u>

Meals on Wheels and More, Inc.
dba Meals on Wheels Central Texas and Related Entities
Notes to Combined Financial Statements

Note 10. 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.

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, 2023:

	Without Donor Restrictions	With Donor Restrictions		Total
		Time or Purpose	In Perpetuity	
Beginning of year	\$ -	\$ -	\$ 999,069	\$ 999,069
Contributions	-	-	-	-
Releases	-	-	-	-
Investment return, net	-	24,406	931	25,337
	<u>\$ -</u>	<u>\$ 24,406</u>	<u>\$ 1,000,000</u>	<u>\$ 1,024,406</u>

Meals on Wheels and More, Inc.
dba Meals on Wheels Central Texas and Related Entities
Notes to Combined Financial Statements

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>

Note 11. Available Resources and Liquidity

The following represents the Organizations' financial assets at September 30, 2023 and 2022:

	2023	2022
Financial assets at year end		
Cash and cash equivalents	\$ 1,323,353	\$ 3,283,961
Investments	13,695,656	13,121,911
Receivables		
Grants and contracts, net of allowance	2,447,378	3,051,188
Other	109,640	77,994
Total financial assets at year end	<u>17,576,027</u>	<u>19,535,054</u>
Less amounts unavailable for general expenditure		
Required to satisfy donor restrictions	<u>1,000,000</u>	<u>999,069</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 16,576,027</u>	<u>\$ 18,535,985</u>

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.

Meals on Wheels and More, Inc.
dba Meals on Wheels Central Texas and Related Entities
Notes to Combined Financial Statements

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.

This Page Intentionally Left Blank

Supplemental Information

Meals on Wheels and More, Inc.
dba Meals on Wheels Central Texas and Related Entities
Combining Statement of Financial Position
September 30, 2023

	Meals on Wheels Central Texas	MOWCTX In- Home Care	Eliminations	Total
ASSETS				
Current assets				
Cash and cash equivalents	\$ 571,864	\$ 751,489	\$ -	\$ 1,323,353
Receivables				
Grants and contracts, net of allowance	930,483	1,516,895	-	2,447,378
Other	36,306	73,334	-	109,640
Prepaid items and other current assets	211,780	12,981	-	224,761
Total current assets	1,750,433	2,354,699	-	4,105,132
NON-CURRENT ASSETS				
Investments	13,695,656	-	-	13,695,656
Fixed assets				
Land and building	7,363,994	-	-	7,363,994
Office furniture and equipment	1,135,207	93,958	-	1,229,165
Kitchen equipment	1,055,995	-	-	1,055,995
Vehicles	1,456,027	24,760	-	1,480,787
Accumulated depreciation	(6,094,786)	(105,190)	-	(6,199,976)
Total non-current assets	18,612,093	13,528	-	18,625,621
TOTAL ASSETS	\$ 20,362,526	\$ 2,368,227	\$ -	\$ 22,730,753
LIABILITIES AND NET ASSETS				
Current liabilities				
Accounts payable	\$ 463,481	\$ 12,168	\$ -	\$ 475,649
Accrued payroll liabilities	222,465	111,701	-	334,166
Liability for compensated absences	107,703	54,393	-	162,096
Deferred revenue	130,610	-	-	130,610
Current portion of long-term debt	71,883	-	-	71,883
Total current liabilities	996,142	178,262	-	1,174,404
Non-current liabilities				
Long-term debt	2,235,166	-	-	2,235,166
Total non-current liabilities	2,235,166	-	-	2,235,166
Total liabilities	3,231,308	178,262	-	3,409,570
NET ASSETS				
Without donor restrictions				
Undesignated	15,148,163	2,189,965	-	17,338,128
Total without donor restrictions	15,148,163	2,189,965	-	17,338,128
With donor restrictions				
Time or purpose	983,055	-	-	983,055
In perpetuity	1,000,000	-	-	1,000,000
Total with donor restrictions	1,983,055	-	-	1,983,055
Total net assets	17,131,218	2,189,965	-	19,321,183
TOTAL LIABILITIES AND NET ASSETS	\$ 20,362,526	\$ 2,368,227	\$ -	\$ 22,730,753

Meals on Wheels and More, Inc.
dba Meals on Wheels Central Texas and Related Entities
Combining Statement of Activities
Year Ended September 30, 2023

	Meals on Wheels Central Texas	MOWCTX In- Home Care	Eliminations	Total
NET ASSETS WITHOUT DONOR RESTRICTIONS				
Support and revenue				
Grants and contracts	\$ 5,771,554	\$ 5,486,871	\$ (77,769)	\$ 11,180,656
Public contributions	4,755,214	45,501	(8,000)	4,792,715
United way	8,613	-	-	8,613
In-kind donations	137,580	-	-	137,580
Other revenue	87,801	40,935	(40,800)	87,936
Net assets released from restrictions	2,898,303	-	-	2,898,303
Total support and revenue	13,659,065	5,573,307	(126,569)	19,105,803
Expenses				
Program services	13,294,993	3,767,082	-	17,062,075
Management and general	2,372,354	721,839	(126,569)	2,967,624
Development fundraising	1,190,410	-	-	1,190,410
Total expenses	16,857,757	4,488,921	(126,569)	21,220,109
Revenues over (under) expenses	(3,198,692)	1,084,386	-	(2,114,306)
Other revenues and expenses				
Investment return, net	1,336,234	-	-	1,336,234
Total other revenues and expenses	1,336,234	-	-	1,336,234
Increase (decrease) in net assets without donor restrictions	(1,862,458)	1,084,386	-	(778,072)
NET ASSETS WITH DONOR RESTRICTIONS				
Time or purpose				
Support and revenue				
Grants and contracts	1,667,500	-	-	1,667,500
Investment return Gain, net	25,337	-	-	25,337
Net assets released from restrictions	(2,898,303)	-	-	(2,898,303)
Increase (decrease) in net assets with donor restrictions -time or purpose	(1,205,466)	-	-	(1,205,466)
Increase (decrease) in net assets	(3,067,924)	1,084,386	-	(1,983,538)
NET ASSETS, beginning of year	20,199,142	1,105,579	-	21,304,721
NET ASSETS, end of year	\$ 17,131,218	\$ 2,189,965	\$ -	\$ 19,321,183

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, 2023

<u>Grantor/Pass-Through Grantor Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>Agency Pass-Through Number</u>	<u>Expenditures</u>
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	AAA13-06	\$ 524,238
Title III C-2 Congregate	93.045	AAA13-06	-
Title III C-2 Home delivered meals	93.045	AAA13-06	735,276
Title III C-2 Rural delivery	93.045	AAA13-06	16,479
			<hr/>
Subtotal			1,275,993
			<hr/>
Title III B Home repair revenue	93.044	AAA13-06	98,150
			<hr/>
Total Aging Cluster			1,374,143
			<hr/>
Passed Through the University of Texas at Austin			
Minority Health and Health Disparities Research	93.307	R01MD009675	720
			<hr/>
Total U.S. Department of Health and Human Services			1,374,863
			<hr/>
U.S. Department of Homeland Security, Federal Emergency Management Agency			
Passed Through Austin/Travis and Williamson Counties Local Boards Emergency Food and Shelter National			
Federal Emergency Management Assistance (EFSP)	97.024	Phase 40	10,000
			<hr/>
Total U.S. Department of Homeland Security, Federal Emergency Management Agency			10,000
			<hr/>
TOTAL FEDERAL ASSISTANCE			\$ 1,384,863
			<hr/> <hr/>

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, 2023

<u>Grantor/Pass-Through Grantor Program Title</u>	<u>Agency Pass-Through Number</u>	<u>Expenditures</u>
STATE ASSISTANCE		
Texas Department of Agriculture Texans Feeding Texas - Home Delivered Meal Program	HDM216180 & HDM2023187	\$ 505,424
Texas Department of Housing and Community Affairs Amy Young Barrier Removal Program	1002956	194,038
Texas Veterans Commission Texas Veterans Home Repair Program	HTX23-016	374,501
Texas Veterans Home Repair Program	HTX22-015	38,500
Total Texas Veterans Commission		<u>413,001</u>
TOTAL STATE ASSISTANCE		<u>\$ 1,112,463</u>

This Page Intentionally Left Blank

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

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 Grant Management Standards (TxGMS).

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

This Page Intentionally Left Blank



**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, 2023, 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, 2024.

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*.

Weaver and Tidwell, L.L.P.
1601 South MoPac Expressway, Suite D250 | Austin, Texas 78746
Main: 512.609.1900

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, 2024



**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
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 Grant Management Standards (TxGMS) that could have a direct and material effect on each of the Organizations' major federal and state programs for the year ended September 30, 2023. 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, 2023.

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 TxGMS. Our responsibilities under those standards, Uniform Guidance and TxGMS 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 TxGMS 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 TxGMS, 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 TxGMS. 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, 2024

Meals on Wheels and More, Inc.
dba Meals on Wheels Central Texas and Related Entities
 Schedule of Findings and Questioned Costs
 September 30, 2023

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

93.045 and 93.044

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

HDM2023187, HDM2022003

Name of State Program

Texas Department of Agriculture
 Texans Feeding Texans- Home
 Delivered Meal Program

Dollar threshold used to distinguish Type A programs	\$750,000
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, 2023

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