

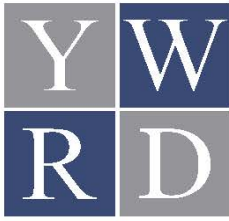
MEALS ON WHEELS NORTH CENTRAL TEXAS, INC.

FINANCIAL STATEMENTS

Years Ended September 30, 2023 and 2022

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YWRD, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

Greer Yeldell, CPA | Tracie Wood, CPA | Joyce Reeve, CPA | Bryan Thomas, CPA

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Meals on Wheels North Central Texas, Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Meals on Wheels North Central Texas, Inc. (a nonprofit corporation), which comprise the statements of financial position as of September 30, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Meals on Wheels North Central Texas, Inc. as of September 30, 2023 and 2022, and the changes in its net assets and its 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 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 Financial Statements section of our report. We are required to be independent of Meals on Wheels North Central Texas, Inc. and to meet our other ethical responsibilities, in accordance with the 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 audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Meals on Wheels North Central Texas, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 generally accepted auditing standards 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 financial statements.

In performing an audit in accordance with generally accepted auditing standards 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 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 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 Meals on Wheels North Central Texas, Inc.'s 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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Meals on Wheels North Central Texas, Inc.'s 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.

Board of Directors of
Meals on Wheels North Central Texas, Inc.
Page Three

Other Reporting Required by *Governmental Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2024, on our consideration of Meals on Wheels North Central Texas, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 Meals on Wheels North Central Texas, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Meals on Wheels North Central Texas, Inc.'s internal control over financial reporting and compliance.

YWRD, P.C.

YWRD, P.C.
Certified Public Accountants

Ennis, Texas
September 30, 2024

MEALS ON WHEELS NORTH CENTRAL TEXAS, INC.
STATEMENTS OF FINANCIAL POSITION
September 30, 2023 and 2022

	2023	2022
ASSETS		
Current Assets:		
Cash	\$ 1,176,760	\$ 1,461,503
Investments	-	1,703,038
Grants and contract receivables	176,721	210,380
Unconditional promises to give	428,631	8,333
Inventory	-	3,126
Prepaid expenses	22,821	45,890
Total current assets	1,804,933	3,432,270
Property and Equipment:		
Land	116,300	116,300
Construction in progress	-	990,521
Building	4,898,407	386,228
Furniture and equipment	620,590	479,106
	5,635,297	1,972,155
Less accumulated depreciation	(476,951)	(367,895)
Net property and equipment	5,158,346	1,604,260
Other Assets:		
Deposit	800	800
Total other assets	800	800
Total assets	\$ 6,964,079	\$ 5,037,330
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 175,667	\$ 799,094
Wages payable	17,459	18,687
Vacation payable	20,343	15,006
Line of credit	1,319,000	-
Total current liabilities	1,532,469	832,787
Total liabilities	1,532,469	832,787
Net Assets:		
With donor restrictions	83,934	92,101
Without donor restrictions	5,347,676	4,112,442
Total net assets	5,431,610	4,204,543
Total liabilities and net assets	\$ 6,964,079	\$ 5,037,330

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

MEALS ON WHEELS NORTH CENTRAL TEXAS, INC.
STATEMENTS OF ACTIVITIES
For the Fiscal Years Ended September 30, 2023 and 2022

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES:						
Contributions of cash and other financial assets:						
General	\$ 2,113,826	\$ 32,131	\$ 2,145,957	\$ 1,095,821	\$ 75,444	\$ 1,171,265
Special events	250,972	-	250,972	269,720	-	269,720
Non cash contributions:						
Gifts-in-kind - rent	22,500	-	22,500	30,000	-	30,000
Gifts-in-kind - supplies	12,195	-	12,195	8,021	-	8,021
Grants and contracts:						
Governmental	1,118,603	-	1,118,603	1,292,442	-	1,292,442
Other	156,000	-	156,000	138,000	-	138,000
Program	25,081	-	25,081	48,903	-	48,903
Investment income, net	126,952	-	126,952	(218,005)	-	(218,005)
Net assets released from restrictions	40,298	(40,298)	-	100,044	(100,044)	-
Total revenues	<u>3,866,427</u>	<u>(8,167)</u>	<u>3,858,260</u>	<u>2,764,946</u>	<u>(24,600)</u>	<u>2,740,346</u>
EXPENSES:						
Program services:						
Meals	2,101,688	-	2,101,688	2,132,810	-	2,132,810
Special services	18,395	-	18,395	13,384	-	13,384
Total program services	<u>2,120,083</u>	<u>-</u>	<u>2,120,083</u>	<u>2,146,194</u>	<u>-</u>	<u>2,146,194</u>
Supporting services:						
Management and general	129,162	-	129,162	127,190	-	127,190
Fundraising	381,948	-	381,948	361,915	-	361,915
Total supporting services	<u>511,110</u>	<u>-</u>	<u>511,110</u>	<u>489,105</u>	<u>-</u>	<u>489,105</u>
Total expenses	<u>2,631,193</u>	<u>-</u>	<u>2,631,193</u>	<u>2,635,299</u>	<u>-</u>	<u>2,635,299</u>
Change in net assets	1,235,234	(8,167)	1,227,067	129,647	(24,600)	105,047
Net assets, beginning of year	<u>4,112,442</u>	<u>92,101</u>	<u>4,204,543</u>	<u>3,982,795</u>	<u>116,701</u>	<u>4,099,496</u>
Net assets, end of year	<u>\$ 5,347,676</u>	<u>\$ 83,934</u>	<u>\$ 5,431,610</u>	<u>\$ 4,112,442</u>	<u>\$ 92,101</u>	<u>\$ 4,204,543</u>

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

MEALS ON WHEELS NORTH CENTRAL TEXAS, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the Fiscal Year Ended September 30, 2023

	Program Services			Supporting Services			Total Expenses
	Meals	Special Services	Total	Management and General	Fundraising	Total	
Expenses:							
Personnel	\$ 847,081	\$ 8,685	\$ 855,766	\$ 70,062	\$ 141,326	\$ 211,388	\$ 1,067,154
Professional development	4,269	45	4,314	166	3,258	3,424	7,738
Promotions and outreach	-	-	-	3,010	137,983	140,993	140,993
Food costs	787,773	-	787,773	-	-	-	787,773
Equipment maintenance	26,821	251	27,072	2,783	7,199	9,982	37,054
Vehicles and transportation	123,287	1,279	124,566	3,443	7,911	11,354	135,920
Contract services	36,412	384	36,796	3,621	10,808	14,429	51,225
Other	107,443	6,343	113,786	36,891	45,778	82,669	196,455
Occupancy costs	60,505	644	61,149	2,541	5,218	7,759	68,908
Depreciation	102,775	696	103,471	5,586	-	5,586	109,057
Interest	5,322	68	5,390	1,059	22,467	23,526	28,916
Total Expenses	<u>\$ 2,101,688</u>	<u>\$ 18,395</u>	<u>\$ 2,120,083</u>	<u>\$ 129,162</u>	<u>\$ 381,948</u>	<u>\$ 511,110</u>	<u>\$ 2,631,193</u>

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

MEALS ON WHEELS NORTH CENTRAL TEXAS, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the Fiscal Year Ended September 30, 2022

	Program Services			Supporting Services			Total Expenses
	Meals	Special Services	Total	Management and General	Fundraising	Total	
Expenses:							
Personnel	\$ 750,984	\$ 7,341	\$ 758,325	\$ 90,861	\$ 161,309	\$ 252,170	\$ 1,010,495
Promotions and outreach	985	12	997	3,651	109,404	113,055	114,052
Food costs	1,023,010	20	1,023,030	-	-	-	1,023,030
Equipment maintenance	20,117	207	20,324	2,716	6,250	8,966	29,290
Vehicles and transportation	104,631	1,123	105,754	2,125	5,164	7,289	113,043
Contract services	34,171	338	34,509	3,032	14,455	17,487	51,996
Other	63,100	3,002	66,102	22,609	61,790	84,399	150,501
Occupancy costs	67,566	762	68,328	2,196	3,543	5,739	74,067
Depreciation	68,246	579	68,825	-	-	-	68,825
Total Expenses	<u>\$ 2,132,810</u>	<u>\$ 13,384</u>	<u>\$ 2,146,194</u>	<u>\$ 127,190</u>	<u>\$ 361,915</u>	<u>\$ 489,105</u>	<u>\$ 2,635,299</u>

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

MEALS ON WHEELS NORTH CENTRAL TEXAS, INC.
STATEMENTS OF CASH FLOWS
For the Fiscal Years Ended September 30, 2023 and 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 1,227,067	\$ 105,047
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities:		
Depreciation	109,057	68,825
Unrealized (gain) loss on investment	-	249,762
(Increase) decrease in operating assets:		
Grants and contract receivables	33,659	214,356
Unconditional promises to give	(420,298)	40,180
Inventory	3,126	2,085
Prepaid expenses	23,069	16,393
Deposit	-	650
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	49,229	8,278
Wages payable	(1,228)	(24,069)
Vacation payable	5,337	(330)
NET CASH PROVIDED BY OPERATING ACTIVITIES	1,029,018	681,177
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investments	(101,268)	(42,616)
Proceeds from sale of investments	1,804,305	139,670
Acquisition of property and equipment	(4,335,798)	(310,688)
NET CASH PROVIDED BY (USED FOR) INVESTING ACTIVITIES	(2,632,761)	(213,634)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net proceeds from (payments on) line of credit	1,319,000	-
NET CASH PROVIDED BY (USED FOR) INVESTING ACTIVITIES	1,319,000	-
NET INCREASE (DECREASE) IN CASH	(284,743)	467,543
BEGINNING CASH	1,461,503	993,960
ENDING CASH	\$ 1,176,760	\$ 1,461,503
Supplemental disclosure of cash flow information:		
Interest paid	\$ 28,916	\$ -
NONCASH INVESTING ACTIVITIES:		
Property acquired through accounts payable	\$ -	\$ 672,656

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

MEALS ON WHEELS NORTH CENTRAL TEXAS, INC.
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2023 and 2022

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Meals on Wheels North Central Texas, Inc.'s (the "Organization"), a Texas nonprofit corporation, provides home-delivered meals and various caregiver services to needy senior citizens and disabled persons throughout North Central Texas. Founded in 1976, the Organization also provides information and assistance support to families with elderly and disabled family members. The Organization works closely with home health agencies, local physicians and hospitals, and other community service groups to coordinate the delivery of these services to those senior citizens in need. A large portion of the Organization's revenue is derived from government grants.

Description of Programs

1. *Meals* - Provide meals to qualified senior citizens and disabled persons via home delivery.
2. *Special Services* - Provide information and assistance support to families with elderly and disabled family members.

Tax Exempt Status

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been reflected in the Organization's financial statements.

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and the statement of functional expenses. Certain categories of expenses are attributable to more than one program or supporting function and are allocated on a reasonable basis that is consistently applied. The expenses that are allocated are on the basis of estimates of time and effort devoted to each function.

Government Contracts and Grants

Support funded by grants is recognized as the Organization performs the contracted services or incurs outlays eligible for reimbursement under the grant agreements. The Organization submits requests for reimbursement to grantors and pass-through agencies for grant funds. The Organization recognizes revenues on grants and contracts as the awards for such programs are expended. Grants and contracts receivable represents grant funds which the Organization has earned and/or requested, but not received. Receivables are deemed by management to be fully collectible, therefore, no provision for bad debt expense or valuation allowances has been recorded. Grant activities and outlays are subject to audit and acceptance by the granting agency and, as a result of such audit, adjustments could be required.

MEALS ON WHEELS NORTH CENTRAL TEXAS, INC.
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2023 and 2022

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributions

Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires because the contributed resources are spent in accordance with the donor's instructions or because of passage of time, net assets with donor restrictions are reclassified to net assets without donor restrictions.

The unconditional promises to give consist primarily of donations from United Way and Ellis County. At September 30, 2023 and 2022, all unconditional promises to give are expected to be collected during the next year. Management has determined that the unconditional promises to give are fully collectible; therefore, no allowance for uncollectible accounts is considered necessary at September 30, 2023 and 2022.

Cash and Cash Equivalents

For purposes of preparing the statement of cash flows, the Organization considers short-term, highly liquid investments which are readily convertible to cash with a maturity of three months or less to be cash equivalents.

Investments

Investments are reported at fair value based on quoted prices in active markets (all Level 1 measurements) in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in net assets without donor restrictions if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized. Investments in 2022 consisted of money market, fixed income, and equity. There were no investments at September 30, 2023.

Inventory

Inventory is stated at the lower of cost or net realizable value determined by the first-in, first-out (FIFO) method and primarily consists of food or food related items. Donated inventory is valued at the estimated fair value on the last day of the year. There was no inventory at September 30, 2023.

MEALS ON WHEELS NORTH CENTRAL TEXAS, INC.
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2023 and 2022

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and Equipment

Property and equipment is valued at cost if purchased or estimated fair value if contributed at the time of receipt. The Organization follows the practice of capitalizing equipment in excess of \$1,000 with an estimated life in excess of one year. Depreciation is provided over their estimated useful lives using the straight-line method. Estimated useful lives are as follows:

Property	5-40 years
Furniture and equipment	3-5 years

Contributed Facilities and Services

A number of volunteers have donated significant time and effort to the home-delivered meal program. For the years ended September 30, 2023 and 2022, volunteers donated 14,559 and 13,609 hours, respectively, delivering meals. These contributions in-kind are not reflected in the financial statements since these services do not meet the criteria for recognition; however, management estimates the fair value of these services at \$326,850 and \$287,422 for the years ended September 30, 2023 and 2022, respectively.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Classes of Net Assets

Net assets without donor restrictions are currently available for operating purposes under the direction of the board or invested in property and equipment.

Net assets with donor restrictions are stipulated by donors for specific operating purposes or for the acquisition of property and equipment or are time restricted. These include donor restrictions requiring the net assets to be held in perpetuity or for a specified term with investment return available for operations.

NOTE 2 - ASSET LIQUIDITY AND AVAILABILITY

As of September 30, 2023, the Organization has \$1,782,112 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures consisting of cash of \$1,176,760, grant receivables of \$176,721, and unconditional promises to give of \$428,631. As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

MEALS ON WHEELS NORTH CENTRAL TEXAS, INC.
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2023 and 2022

NOTE 2 - ASSET LIQUIDITY AND AVAILABILITY (continued)

As of September 30, 2022, the Organization has \$3,383,254 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures consisting of cash of \$1,461,503, investments of \$1,703,038, grant receivables of \$210,380, and unconditional promises to give of \$8,333. As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

NOTE 3 - INVESTMENTS

Investments at fair value and cost at September 30 were as follows:

	2023		2022	
	Cost	Fair Value	Cost	Fair Value
Money market funds	\$ -	\$ -	\$ 62,485	\$ 62,485
Fixed income	-	-	895,228	759,917
Equity	-	-	911,579	880,636
Total investments	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,869,292</u>	<u>\$ 1,703,038</u>

Investment return related to these investments is included with investment income on the statements of activities at September 30, and was comprised of the following:

	2023	2022
Interest and dividend income	\$ 15,788	\$ 48,611
Realized gains (losses)	89,855	-
Unrealized gains (losses)	-	(249,762)
Investment fees	(4,376)	(19,701)
	<u>\$ 101,267</u>	<u>\$ (220,852)</u>

NOTE 4 - CONCENTRATION OF REVENUE SOURCES

The Organization receives a significant portion of its revenues from funds provided through federal and state grants. The grant amounts are appropriated each year at the federal and/or state level. If significant budget cuts are made at the federal and/or state level, the amount of funds the Organization receives could be reduced significantly and have an adverse impact on its operations.

MEALS ON WHEELS NORTH CENTRAL TEXAS, INC.
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2023 and 2022

NOTE 5 - CONCENTRATION OF CREDIT RISK

The Organization maintains its cash accounts at one institution which is subject to credit risk by the amount such balances exceed the Federal Deposit Insurance Corporation limits. At September 30, 2023 and 2022, the Organization had an uninsured cash balance totaling \$922,903 and \$1,421,701, respectively.

NOTE 6 - CONTINGENT LIABILITIES

Financial awards from federal and state governmental entities in the form of grants are subject to special audit. Such audits could result in claims against the Organization for disallowed costs or noncompliance with grantor restrictions. No provision has been made for any liabilities that may arise from such audits since the amounts, if any, cannot be determined at this date.

NOTE 7 - LINE OF CREDIT

The Organization has available a \$1,500,000 revolving line of credit with an interest rate of WSJ Prime. Under the terms of the notes, the Organization is required to pay all accrued and unpaid interest monthly and the full principal balance is due February 14, 2024. The amounts outstanding as of September 30, 2023 and 2022 were \$1,319,000 and \$0, respectively.

NOTE 8 - GIFTS-IN-KIND

The Organization's policy related to gifts-in-kind is to utilize the assets given to carry out the mission of the Organization. If an asset is provided that does not allow the Organization to utilize it in its normal course of business, the asset will be sold at its fair value as determined by appraisal or specialist depending on the type of asset. The Organization reported gifts-in-kind on the statements of activities for the years ended September 30, 2023 and 2022, and were utilized in the normal course of business.

NOTE 9 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes or periods at September 30:

	2023	2022
Special services	\$ 17,307	\$ 17,101
Capital projects	34,702	75,000
Special projects	25,675	-
Special events	6,250	-
	\$ 83,934	\$ 92,101

MEALS ON WHEELS NORTH CENTRAL TEXAS, INC.
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2023 and 2022

NOTE 10 - RETIREMENT PLAN

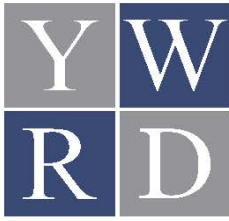
The Organization has a defined contribution retirement plan under section 401(k) of the Internal Revenue Code. Under the provisions of the plan, eligible employees may defer up to 15% of their compensation. The Organization currently makes matching contributions to the plan of 100% of an employee's contributions up to a maximum of 5% of the employee's salary. The Organization's contributions to the plan were \$25,779 and \$25,138 for the years ended September 30, 2023 and 2022, respectively.

NOTE 11 – EVALUATION OF SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through September 30, 2024, the date which the financial statements were issued, and noted the following events:

- Signed a renewal on the Line of Credit.
- Receipt of donation for \$70,000 from donor.

OTHER REPORT



YWRD, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

Greer Yeldell, CPA | Tracie Wood, CPA | Joyce Reeve, CPA | Bryan Thomas, CPA

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 of
Meals on Wheels North Central Texas, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Meals on Wheels North Central Texas, Inc. (a nonprofit organization), which comprise the statements of financial position as of September 30, 2023 and 2022, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated September 30, 2024.

Report on Internal Control over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Board of Directors of
Meals on Wheels North Central Texas, Inc.
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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Meals on Wheels North Central Texas, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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* .

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 organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

YWRD, P.C.

YWRD, P.C.
Certified Public Accountants

Ennis, Texas
September 30, 2024