

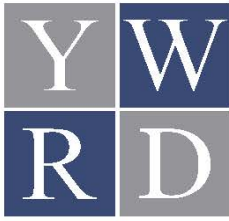
MEALS ON WHEELS NORTH CENTRAL TEXAS, INC.

FINANCIAL STATEMENTS

Years Ended September 30, 2024 and 2023

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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, 2024 and 2023, 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, 2024 and 2023, 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Governmental Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 29, 2025, 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
January 29, 2025

MEALS ON WHEELS NORTH CENTRAL TEXAS, INC.
STATEMENTS OF FINANCIAL POSITION
September 30, 2024 and 2023

	2024	2023
ASSETS		
Current Assets:		
Cash	\$ 585,286	\$ 1,176,760
Investments	101,333	-
Grants and contract receivables	222,349	176,721
Unconditional promises to give	102,534	428,631
Prepaid expenses	34,242	22,821
Total current assets	1,045,744	1,804,933
Property and Equipment:		
Land	116,300	116,300
Building	4,898,407	4,898,407
Furniture and equipment	786,134	620,590
	5,800,841	5,635,297
Less accumulated depreciation	(602,884)	(476,951)
Net property and equipment	5,197,957	5,158,346
Other Assets:		
Deposit	-	800
Total other assets	-	800
Total assets	\$ 6,243,701	\$ 6,964,079
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 301,035	\$ 175,667
Wages payable	19,993	17,459
Vacation payable	14,808	20,343
Line of credit	-	1,319,000
Total current liabilities	335,836	1,532,469
Total liabilities	335,836	1,532,469
Net Assets:		
With donor restrictions	126,237	83,934
Without donor restrictions	5,781,628	5,347,676
Total net assets	5,907,865	5,431,610
Total liabilities and net assets	\$ 6,243,701	\$ 6,964,079

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, 2024 and 2023

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND GAINS:						
Contributions of cash and other financial assets:						
General	\$ 1,465,217	\$ 98,998	\$ 1,564,215	\$ 2,113,826	\$ 32,131	\$ 2,145,957
Special events	251,953	-	251,953	250,972	-	250,972
Non cash contributions:						
Gifts-in-kind - rent	-	-	-	22,500	-	22,500
Gifts-in-kind - supplies	8,363	-	8,363	12,195	-	12,195
Grants and contracts:						
Governmental	1,433,154	-	1,433,154	1,118,603	-	1,118,603
Other	166,560	-	166,560	156,000	-	156,000
Program	22,121	-	22,121	25,081	-	25,081
Investment income, net	10,461	-	10,461	126,952	-	126,952
Gain on sale of assets	8,000	-	8,000	-	-	-
Net assets released from restrictions	56,695	(56,695)	-	40,298	(40,298)	-
Total revenues and gains	3,422,524	42,303	3,464,827	3,866,427	(8,167)	3,858,260
EXPENSES:						
Program services:						
Meals	2,433,616	-	2,433,616	2,101,688	-	2,101,688
Special services	21,062	-	21,062	18,395	-	18,395
Total program services	2,454,678	-	2,454,678	2,120,083	-	2,120,083
Supporting services:						
Management and general	232,676	-	232,676	129,162	-	129,162
Fundraising	301,218	-	301,218	381,948	-	381,948
Total supporting services	533,894	-	533,894	511,110	-	511,110
Total expenses	2,988,572	-	2,988,572	2,631,193	-	2,631,193
Change in net assets	433,952	42,303	476,255	1,235,234	(8,167)	1,227,067
Net assets, beginning of year	5,347,676	83,934	5,431,610	4,112,442	92,101	4,204,543
Net assets, end of year	\$ 5,781,628	\$ 126,237	\$ 5,907,865	\$ 5,347,676	\$ 83,934	\$ 5,431,610

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, 2024

	Program Services			Supporting Services			Total Expenses
	Meals	Special Services	Total	Management and General	Fundraising	Total	
Expenses:							
Personnel	\$ 845,503	\$ 12,205	\$ 857,708	\$92,980	\$116,857	\$ 209,837	\$ 1,067,545
Professional development	1,506	20	1,526	748	11,032	11,780	13,306
Promotions and outreach	3,810	17	3,827	3,454	84,295	87,749	91,576
Food costs	936,171	-	936,171	-	-	-	936,171
Equipment maintenance	23,255	533	23,788	4,219	3,089	7,308	31,096
Vehicles and transportation	111,358	-	111,358	-	-	-	111,358
Contract services	36,032	429	36,461	4,149	11,778	15,927	52,388
Other	165,687	5,686	171,373	104,975	36,317	141,292	312,665
Occupancy costs	89,536	748	90,284	6,729	14,742	21,471	111,755
Depreciation	188,008	955	188,963	6,921	8,808	15,729	204,692
Interest	32,750	469	33,219	8,501	14,300	22,801	56,020
Total Expenses	<u>\$ 2,433,616</u>	<u>\$ 21,062</u>	<u>\$ 2,454,678</u>	<u>\$ 232,676</u>	<u>\$ 301,218</u>	<u>\$ 533,894</u>	<u>\$ 2,988,572</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.
STATEMENTS OF CASH FLOWS
For the Fiscal Years Ended September 30, 2024 and 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 476,255	\$ 1,227,067
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities:		
Depreciation	204,692	109,057
Gain on sale of assets	(8,000)	-
(Increase) decrease in operating assets:		
Grants and contract receivables	(45,628)	33,659
Unconditional promises to give	326,097	(420,298)
Inventory	-	3,126
Prepaid expenses	(11,421)	23,069
Deposit	800	-
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	125,368	49,229
Wages payable	2,534	(1,228)
Vacation payable	(5,535)	5,337
NET CASH PROVIDED BY OPERATING ACTIVITIES	1,065,162	1,029,018
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investments	(101,333)	(101,268)
Proceeds from sale of investments	-	1,804,305
Acquisition of property and equipment	(244,303)	(4,335,798)
Proceeds from sale of equipment	8,000	-
NET CASH PROVIDED BY (USED FOR) INVESTING ACTIVITIES	(337,636)	(2,632,761)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net proceeds from (payments on) line of credit	(1,319,000)	1,319,000
NET CASH PROVIDED BY (USED FOR) INVESTING ACTIVITIES	(1,319,000)	1,319,000
NET INCREASE (DECREASE) IN CASH	(591,474)	(284,743)
BEGINNING CASH	1,176,760	1,461,503
ENDING CASH	\$ 585,286	\$ 1,176,760
Supplemental disclosure of cash flow information:		
Interest paid	\$ 54,476	\$ 28,916

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, 2024 and 2023

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, 2024 and 2023

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, 2024 and 2023, 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, 2024 and 2023.

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 at September 30, 2024, consisted of certificates of deposit with a maturity greater than three months. There were no investments at September 30, 2023.

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

MEALS ON WHEELS NORTH CENTRAL TEXAS, INC.
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024 and 2023

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

Contributed Services

A number of volunteers have donated significant time and effort to the home-delivered meal program. For the years ended September 30, 2024 and 2023, volunteers donated 16,053 and 14,559 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 \$360,390 and \$326,850 for the years ended September 30, 2024 and 2023, 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, 2024, the Organization has \$1,011,502 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 \$585,286, investments of \$101,333, grant receivables of \$222,349, and unconditional promises to give of \$102,534. 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.

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, 2024 and 2023

NOTE 3 - INVESTMENTS

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

	2024		2023	
	Cost	Fair Value	Cost	Fair Value
Certificates of deposit	\$ 101,333	\$ 101,333	\$ -	\$ -

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:

	2024	2023
Interest and dividend income	\$ 1,333	\$ 15,788
Realized gains (losses)	-	89,855
Investment fees	-	(4,376)
	\$ 1,333	\$ 101,267

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.

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, 2024 and 2023, the Organization had an uninsured cash balance totaling \$334,058 and \$922,903, 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.

MEALS ON WHEELS NORTH CENTRAL TEXAS, INC.
NOTES TO THE FINANCIAL STATEMENTS
September 30, 2024 and 2023

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, 2025. The amounts outstanding as of September 30, 2024 and 2023 were \$0 and \$1,319,000, 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, 2024 and 2023, 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:

	2024	2023
Special services	\$ 1,564	\$ 17,307
Capital projects	-	34,702
Special projects	124,673	25,675
Special events	-	6,250
	\$ 126,237	\$ 83,934

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 6% of the employee's salary. The Organization's contributions to the plan were \$24,227 and \$25,779 for the years ended September 30, 2024 and 2023, respectively.

NOTE 11 – EVALUATION OF SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through January 29, 2025, the date which the financial statements were issued, and noted the Organization approved the renewal of the \$1,500,000 line of credit.

FEDERAL AWARDS SECTION AS SUPPLEMENTARY INFORMATION

MEALS ON WHEELS NORTH CENTRAL TEXAS, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Fiscal Year Ended September 30, 2024

Federal Grantor/Pass-through Grantor/ Program or Cluster Title	Federal CFDA Number	Agency or Pass-through Number	Federal Disbursements/ Expenditures
U.S. Department of Health and Human Services:			
Pass-through Area Agency on Aging of North Central Texas:			
<u>Aging Cluster:</u>			
Nutrition Services Under Title III-B	93.044	NCTCOG	\$ 5,670
Nutrition Services Under Title III-C	93.045	NCTCOG	947,183
Nutrition Services Incentive Program	93.053	NCTCOG	<u>92,621</u>
Total Aging Cluster			<u>1,045,474</u>
Health Insurance Counseling Advocacy Program	93.324	NCTCOG	2,436
Pass-through Texas Health and Human Services Commission:			
Social Services Block Grant	93.667	000155000	<u>201,035</u>
Total U.S. Department of Health and Human Services			<u>1,248,945</u>
Total expenditures of federal awards			<u>\$ 1,248,945</u>

MEALS ON WHEELS NORTH CENTRAL TEXAS, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
September 30, 2024

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Meals on Wheels North Central Texas, Inc. under programs of the federal government for the year ended September 30, 2024. The information in this Schedule is presented in accordance with the 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). Because the Schedule presents only a selected portion of the operations of Meals on Wheels North Central Texas, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of Meals on Wheels North Central Texas, Inc.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

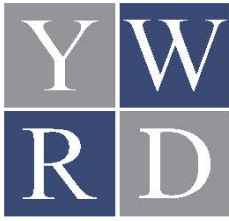
Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 - INDIRECT COST RATE

Meals on Wheels North Central Texas, Inc. has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

MEALS ON WHEELS NORTH CENTRAL TEXAS, INC.
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Fiscal Year Ended September 30, 2024

There are no prior audit findings.



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, 2024 and 2023, 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 January 29, 2025.

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.
Page Two

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* .

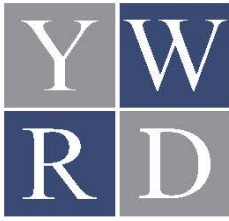
Purpose of this Report

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
January 29, 2025



YWRD, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

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

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Meals on Wheels North Central Texas, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Meals on Wheels North Central Texas, Inc.'s major federal programs for the year ended September 30, 2024. Meals on Wheels North Central Texas, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Meals on Wheels North Central Texas, Inc., complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance 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 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 program. Our audit does not provide a legal determination of Meals on Wheels North Central Texas, Inc.'s 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 Meals on Wheels North Central Texas, Inc.'s federal 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 Meals on Wheels North Central Texas, Inc.'s 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 generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance 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 Meals on Wheels North Central Texas, Inc.'s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, 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 Meals on Wheels North Central Texas, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Meals on Wheels North Central Texas, Inc.'s 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, but not for the purpose of expressing an opinion on the effectiveness of Meals on Wheels North Central Texas, Inc.'s 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 program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal 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 program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the 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 may exist that have not been 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. Accordingly, this report is not suitable for any other purpose.

YWRD, P.C.

YWRD, P.C.
Certified Public Accountants

Ennis, TX
January 29, 2025

MEALS ON WHEELS NORTH CENTRAL TEXAS, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Fiscal Year Ended September 30, 2024

SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unmodified opinion on whether the financial statements of Meals on Wheels North Central Texas, Inc. were prepared in accordance with GAAP.
2. No significant deficiencies relating to the audit of the financial statements are reported in the 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*. No material weaknesses are reported.
3. No instances of noncompliance material to the financial statements of Meals on Wheels North Central Texas, Inc., which would be required to be reported in accordance with Government Auditing Standards, were disclosed during the audit.
4. No significant deficiencies related to the audit of the major federal award programs are reported in the Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance.
5. The auditor's report on compliance for the major federal award programs for Meals on Wheels North Central Texas, Inc. expresses an unmodified opinion on all major federal programs.
6. Audit findings that are required to be reported in accordance with 2 CFR section 200.516(a) are reported in this Schedule.
7. The programs tested as a major program were:

Aging Cluster:

- 93.044 Nutrition Services Under Title III-B
- 93.045 Nutrition Services Under Title III-C
- 93.053 Nutrition Services Incentive Program

8. The threshold used to distinguish between Type A and Type B programs was \$750,000.
9. Meals on Wheels North Central Texas, Inc. did not qualify as a low-risk auditee.

FINDINGS - FINANCIAL STATEMENTS AUDIT

None

FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL PROGRAMS AUDIT

None