

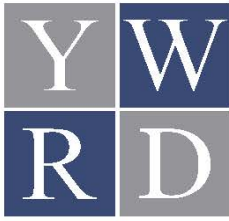
***MEALS ON WHEELS NORTH CENTRAL TEXAS, INC.***

FINANCIAL STATEMENTS

Years Ended September 30, 2021 and 2020

**MEALS ON WHEELS NORTH CENTRAL TEXAS, INC.**  
TABLE OF CONTENTS  
For the Fiscal Years Ended September 30, 2021 and 2020

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1-2
<b>FINANCIAL STATEMENTS</b>	
Statements of Financial Position	3
Statements of Activities	4
Statements of Functional Expenses	5-6
Statements of Cash Flows	7
Notes to the Financial Statements	8-12
<b>OTHER REPORT</b>	
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 <i>Government Auditing Standards</i>	14-15



# 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 Financial Statements**

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, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

### ***Management's Responsibility 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; this includes 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.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Meals on Wheels North Central Texas, Inc. as of September 30, 2021 and 2020, 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.

***Other Reporting Required by Governmental Auditing Standards***

In accordance with Government Auditing Standards, we have also issued our report dated January 27, 2023, 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Meals on Wheels North Central Texas, Inc.'s internal control over financial reporting and compliance.

*YWRD, P.C.*

YWRD, P.C.

*Certified Public Accountants*

Ennis, Texas

January 27, 2023

**MEALS ON WHEELS NORTH CENTRAL TEXAS, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
September 30, 2021 and 2020

	<b>2021</b>	<b>2020</b>
<b>ASSETS</b>		
Current Assets:		
Cash	\$ 993,960	\$ 1,111,645
Investments	2,049,853	-
Grants and contract receivables	424,736	234,982
Unconditional promises to give	48,513	49,352
Inventory	5,211	9,983
Prepaid expenses	62,283	37,065
Total current assets	3,584,556	1,443,027
Property and Equipment:		
Land	116,300	116,300
Construction in progress	11,061	-
Building	388,228	386,228
Furniture and equipment	473,221	371,352
	988,810	873,880
Less accumulated depreciation	(299,068)	(268,729)
Net property and equipment	689,742	605,151
Other Assets:		
Deposit	1,450	1,450
Total other assets	1,450	1,450
Total assets	\$ 4,275,748	\$ 2,049,628
<b>LIABILITIES AND NET ASSETS</b>		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 32,452	\$ 56,618
Wages payable	42,756	40,993
Vacation payable	15,336	31,760
Total current liabilities	90,544	129,371
Total liabilities	90,544	129,371
Net Assets:		
With donor restrictions	116,701	125,533
Without donor restrictions	4,068,503	1,794,724
Total net assets	4,185,204	1,920,257
Total liabilities and net assets	\$ 4,275,748	\$ 2,049,628

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, 2021 and 2020

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUES:</b>						
Contributions	\$ 2,797,414	\$ 16,789	\$ 2,814,203	\$ 1,645,229	\$ 270,412	\$ 1,915,641
Grants and contracts:						
Governmental	1,280,515	-	1,280,515	977,396	-	977,396
Other	118,000	-	118,000	106,000	-	106,000
Special events	243,265	-	243,265	189,801	-	189,801
Program	40,145	-	40,145	62,481	-	62,481
Investment income, net	98,905	-	98,905	42,432	-	42,432
Net assets released from restrictions	25,621	(25,621)	-	176,650	(176,650)	-
Total revenues	<u>4,603,865</u>	<u>(8,832)</u>	<u>4,595,033</u>	<u>3,199,989</u>	<u>93,762</u>	<u>3,293,751</u>
<b>EXPENSES AND LOSSES:</b>						
Program services:						
Meals	1,789,873	-	1,789,873	1,719,341	-	1,719,341
Special services	27,314	-	27,314	24,401	-	24,401
Total program services	<u>1,817,187</u>	<u>-</u>	<u>1,817,187</u>	<u>1,743,742</u>	<u>-</u>	<u>1,743,742</u>
Supporting services:						
Management and general	169,849	-	169,849	188,456	-	188,456
Fundraising	341,312	-	341,312	431,307	-	431,307
Total supporting services	<u>511,161</u>	<u>-</u>	<u>511,161</u>	<u>619,763</u>	<u>-</u>	<u>619,763</u>
Total expenses	<u>2,328,348</u>	<u>-</u>	<u>2,328,348</u>	<u>2,363,505</u>	<u>-</u>	<u>2,363,505</u>
Loss on sale of assets	1,738	-	1,738	-	-	-
Total expenses and losses	<u>2,330,086</u>	<u>-</u>	<u>2,330,086</u>	<u>2,363,505</u>	<u>-</u>	<u>2,363,505</u>
Change in net assets	2,273,779	(8,832)	2,264,947	836,484	93,762	930,246
Net assets, beginning of year	<u>1,794,724</u>	<u>125,533</u>	<u>1,920,257</u>	<u>958,240</u>	<u>31,771</u>	<u>990,011</u>
Net assets, end of year	<u>\$ 4,068,503</u>	<u>\$ 116,701</u>	<u>\$ 4,185,204</u>	<u>\$ 1,794,724</u>	<u>\$ 125,533</u>	<u>\$ 1,920,257</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, 2021

	Program Services			Supporting Services			Total Expenses
	Meals	Special Services	Total	Management and General	Fundraising	Total	
Expenses:							
Personnel	\$ 574,723	\$ 8,963	\$ 583,686	\$ 116,358	\$ 156,386	\$ 272,744	\$ 856,430
Professional development	60	-	60	340	4,170	4,510	4,570
Promotions and outreach	3,567	45	3,612	327	110,617	110,944	114,556
Food costs	839,563	9,841	849,404	-	18	18	849,422
Equipment leasing and maintenance	41,215	297	41,512	8,235	4,218	12,453	53,965
Vehicles and transportation	69,393	1,130	70,523	472	896	1,368	71,891
Contract services	33,189	570	33,759	2,956	12,652	15,608	49,367
Other	93,938	4,353	98,291	36,802	47,942	84,744	183,035
Occupancy costs	75,502	1,484	76,986	4,156	4,081	8,237	85,223
Depreciation	58,723	631	59,354	203	332	535	59,889
Ⓞ Total Expenses	<u>\$ 1,789,873</u>	<u>\$ 27,314</u>	<u>\$ 1,817,187</u>	<u>\$ 169,849</u>	<u>\$ 341,312</u>	<u>\$ 511,161</u>	<u>\$ 2,328,348</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, 2020

	<b>Program Services</b>			<b>Supporting Services</b>			<b>Total Expenses</b>
	<b>Meals</b>	<b>Special Services</b>	<b>Total</b>	<b>Management and General</b>	<b>Fundraising</b>	<b>Total</b>	
Expenses:							
Personnel	\$636,977	\$14,633	\$ 651,610	\$143,634	\$214,520	\$ 358,154	\$ 1,009,764
Professional development	-	-	-	-	4,086	4,086	4,086
Promotions and outreach	5,181	129	5,310	393	86,720	87,113	92,423
Food costs	775,231	3,795	779,026	-	65,668	65,668	844,694
Equipment leasing and maintenance	25,762	394	26,156	2,857	6,993	9,850	36,006
Vehicles and transportation	53,659	1,149	54,808	875	3,358	4,233	59,041
Contract services	31,146	696	31,842	4,284	16,170	20,454	52,296
Other	65,311	1,219	66,530	33,002	30,352	63,354	129,884
Occupancy costs	70,374	1,638	72,012	3,304	3,278	6,582	78,594
Depreciation	55,413	740	56,153	107	162	269	56,422
Interest	287	8	295	-	-	-	295
Total Expenses	<u>\$ 1,719,341</u>	<u>\$ 24,401</u>	<u>\$ 1,743,742</u>	<u>\$ 188,456</u>	<u>\$ 431,307</u>	<u>\$ 619,763</u>	<u>\$ 2,363,505</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, 2021 and 2020

	<b>2021</b>	<b>2020</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ 2,264,947	\$ 930,246
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities:		
Depreciation	59,889	56,423
Gain on investment	(66,908)	-
Loss on disposal of assets	1,738	-
(Increase) decrease in operating assets:		
Grants and contract receivables	(189,754)	(77,211)
Unconditional promises to give	839	(11,348)
Inventory	4,772	(9,316)
Prepaid expenses	(25,218)	(5,326)
Deposit	-	21,385
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	(24,166)	(466)
Wages payable	1,763	5,964
Vacation payable	(16,424)	368
NET CASH PROVIDED BY OPERATING ACTIVITIES	2,011,478	910,719
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of investments	(1,982,945)	-
Acquisition of furniture and equipment	(176,073)	(80,841)
Proceeds from sale of equipment	29,855	-
NET CASH PROVIDED BY (USED FOR) INVESTING ACTIVITIES	(2,129,163)	(80,841)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Payments on notes payable	-	(12,460)
NET CASH PROVIDED BY (USED FOR) INVESTING ACTIVITIES	-	(12,460)
<b>NET INCREASE (DECREASE) IN CASH</b>	(117,685)	817,418
<b>BEGINNING CASH</b>	1,111,645	294,227
<b>ENDING CASH</b>	<b>\$ 993,960</b>	<b>\$ 1,111,645</b>

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, 2021 and 2020

**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, 2021 and 2020

**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. At September 30, 2021 and 2020, all unconditional promises to give are expected to be collected during the next year. Management has determined that the unconditional promises to give is fully collectible; therefore, no allowance for uncollectible accounts is considered necessary at September 30, 2021 and 2020.

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 consist of money market, fixed income, and equity.

Inventory

Inventory consists of food or food related items and is stated at the lower of cost or market determined by the first-in, first-out (FIFO) method.

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 on equipment is provided over their estimated useful lives using the straight-line method. Estimated useful lives are as follows:

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

**MEALS ON WHEELS NORTH CENTRAL TEXAS, INC.**  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2021 and 2020

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

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, 2021 and 2020, volunteers donated 5,693 and 4,269 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 \$110,157 and \$78,026 for the year ended September 30, 2021 and 2020, 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.

Asset Liquidity and Availability

As of September 31, 2021, the Organization has \$3,517,062 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 \$993,960, investments of \$2,049,853, grant receivables of \$424,736, and unconditional promises to give of \$48,513. 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 2 - RECLASSIFICATION**

Certain balances from the 2020 financial statements have been reclassified to conform to the 2021 financial statement presentation. Such reclassifications had no effect on the previously reported change in net assets for the year ended September 30, 2020.

**MEALS ON WHEELS NORTH CENTRAL TEXAS, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
September 30, 2021 and 2020

**NOTE 3 - INVESTMENTS**

Investments are stated at fair value based on quoted prices in active markets (all Level 1 measurements) at September 30, 2021.

	<b>2021</b>
	<b>Without Donor Restrictions</b>
	<b>Fair Value</b>
Money market funds	\$ 126,221
Fixed income	913,557
Equity	1,010,075
Total investments	\$ 2,049,853

**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 several financial institutions which is subject to credit risk by the amount such balances exceed the Federal Deposit Insurance Corporation limits. At September 30, 2021 and 2020, the Organization had an uninsured cash balance at one financial institution totaling \$698,317 and \$822,417, 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, 2021 and 2020

**NOTE 7 - NET ASSETS WITH DONOR RESTRICTIONS**

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

	<b>2021</b>	<b>2020</b>
Special services	\$ 16,658	\$ 25,599
Capital projects	79,493	65,341
Secondary meals	20,550	34,593
	\$ 116,701	\$ 125,533

**NOTE 8 - 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 \$21,421 and \$24,322 for the years ended September 30, 2021 and 2020, respectively.

**NOTE 9 - LEASE COMMITMENTS**

At September 30, 2021, the Organization was obligated under an office lease agreement for its Ellis County location, which expires March 31, 2022. The lease is classified as an operating lease. The future minimum annual lease payments under this operating lease at September 30, 2021 are as follows:

<u>Years Ending</u>	<u>Annual</u>
<u>September 30</u>	<u>Payment</u>
2022	\$ 9,300

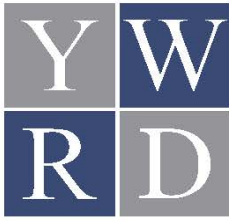
Rental expenses under operating leases for the years ended September 30, 2021 and 2020 were \$18,600 and \$18,600, respectively.

**NOTE 10 – EVALUATION OF SUBSEQUENT EVENTS**

The Organization has evaluated subsequent events through January 27, 2023, the date which the financial statements were issued, and noted the following events:

- Approval of a line of credit for \$1,500,000.
- Receipt of grant proceeds for \$67,500.

## 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.

### **Report on the Financial Statements**

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, 2021 and 2020, 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 27, 2023.

### **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) to determine the 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 may exist that have not been identified.



### **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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other 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 27, 2023