

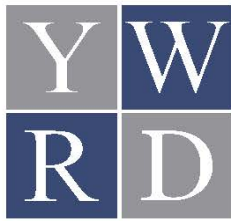
***MEALS ON WHEELS NORTH CENTRAL TEXAS, INC.***

FINANCIAL STATEMENTS

Years Ended September 30, 2022 and 2021

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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, 2022 and 2021, 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 referred to above present fairly, in all material respects, the financial position of Meals on Wheels North Central Texas, Inc. as of September 30, 2022 and 2021, 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; 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.

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 January 12, 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 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 12, 2024

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

**STATEMENTS OF FINANCIAL POSITION**

September 30, 2022 and 2021

	<b>2022</b>	<b>2021</b>
<b>ASSETS</b>		
Current Assets:		
Cash	\$ 1,461,503	\$ 993,960
Investments	1,703,038	2,049,853
Grants and contract receivables	210,380	424,736
Unconditional promises to give	8,333	48,513
Inventory	3,126	5,211
Prepaid expenses	45,890	62,283
Total current assets	<u>3,432,270</u>	<u>3,584,556</u>
Property and Equipment:		
Land	116,300	116,300
Construction in progress	990,521	11,061
Building	386,228	388,228
Furniture and equipment	479,106	473,221
	<u>1,972,155</u>	<u>988,810</u>
Less accumulated depreciation	<u>(367,895)</u>	<u>(299,068)</u>
Net property and equipment	<u>1,604,260</u>	<u>689,742</u>
Other Assets:		
Deposit	800	1,450
Total other assets	<u>800</u>	<u>1,450</u>
Total assets	<u><u>\$ 5,037,330</u></u>	<u><u>\$ 4,275,748</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 799,094	\$ 118,160
Wages payable	18,687	42,756
Vacation payable	15,006	15,336
Total current liabilities	<u>832,787</u>	<u>176,252</u>
Total liabilities	<u>832,787</u>	<u>176,252</u>
Net Assets:		
With donor restrictions	92,101	116,701
Without donor restrictions	4,112,442	3,982,795
Total net assets	<u>4,204,543</u>	<u>4,099,496</u>
Total liabilities and net assets	<u><u>\$ 5,037,330</u></u>	<u><u>\$ 4,275,748</u></u>

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, 2022 and 2021

	<b>2022</b>			<b>2021</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>REVENUES:</b>						
Contributions of cash and other financial assets:						
General	\$ 1,095,821	\$ 75,444	\$ 1,171,265	\$ 2,755,024	\$ 16,789	\$ 2,771,813
Special events	269,720	-	269,720	247,037	-	247,037
Non cash contributions:						
Gifts-in-kind - rent	30,000	-	30,000	30,000	-	30,000
Gifts-in-kind - supplies	8,021	-	8,021	15,090	-	15,090
Grants and contracts:						
Governmental	1,292,442	-	1,292,442	1,280,515	-	1,280,515
Other	138,000	-	138,000	118,000	-	118,000
Program	48,903	-	48,903	40,145	-	40,145
Investment income, net	(218,005)	-	(218,005)	98,905	-	98,905
Net assets released from restrictions	100,044	(100,044)	-	25,621	(25,621)	-
Total revenues	<u>2,764,946</u>	<u>(24,600)</u>	<u>2,740,346</u>	<u>4,610,337</u>	<u>(8,832)</u>	<u>4,601,505</u>
<b>EXPENSES AND LOSSES:</b>						
Program services:						
Meals	2,132,810	-	2,132,810	1,789,873	-	1,789,873
Special services	13,384	-	13,384	27,314	-	27,314
Total program services	<u>2,146,194</u>	<u>-</u>	<u>2,146,194</u>	<u>1,817,187</u>	<u>-</u>	<u>1,817,187</u>
Supporting services:						
Management and general	127,190	-	127,190	169,849	-	169,849
Fundraising	361,915	-	361,915	341,312	-	341,312
Total supporting services	<u>489,105</u>	<u>-</u>	<u>489,105</u>	<u>511,161</u>	<u>-</u>	<u>511,161</u>
Total expenses	<u>2,635,299</u>	<u>-</u>	<u>2,635,299</u>	<u>2,328,348</u>	<u>-</u>	<u>2,328,348</u>
Loss on sale of assets	-	-	-	1,738	-	1,738
Total expenses and losses	<u>2,635,299</u>	<u>-</u>	<u>2,635,299</u>	<u>2,330,086</u>	<u>-</u>	<u>2,330,086</u>
Change in net assets	129,647	(24,600)	105,047	2,280,251	(8,832)	2,271,419
Net assets, beginning of year, as restated	3,982,795	116,701	4,099,496	1,702,544	125,533	1,828,077
Net assets, end 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>

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

	<b>Program Services</b>			<b>Supporting Services</b>			
	<b>Meals</b>	<b>Special Services</b>	<b>Total</b>	<b>Management and General</b>	<b>Fundraising</b>	<b>Total</b>	<b>Total Expenses</b>
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>

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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
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	93,998	4,353	98,351	37,142	52,112	89,254	187,605
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.**  
**STATEMENTS OF CASH FLOWS**  
For the Fiscal Years Ended September 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ 105,047	\$ 2,271,419
Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities:		
Depreciation	68,825	59,889
Unrealized (gain) loss on investment	249,762	(66,908)
Loss on disposal of assets	-	1,738
(Increase) decrease in operating assets:		
Grants and contract receivables	214,356	(189,754)
Unconditional promises to give	40,180	839
Inventory	2,085	4,772
Prepaid expenses	16,393	(25,218)
Deposit	650	-
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	8,278	(30,638)
Wages payable	(24,069)	1,763
Vacation payable	(330)	(16,424)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>681,177</u>	<u>2,011,478</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of investments	(42,616)	(1,982,945)
Proceeds from sale of investments	139,670	-
Acquisition of property and equipment	(310,688)	(176,073)
Proceeds from sale of equipment	-	29,855
<b>NET CASH PROVIDED BY (USED FOR) INVESTING ACTIVITIES</b>	<u>(213,634)</u>	<u>(2,129,163)</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	467,543	(117,685)
<b>BEGINNING CASH</b>	<u>993,960</u>	<u>1,111,645</u>
<b>ENDING CASH</b>	<u>\$ 1,461,503</u>	<u>\$ 993,960</u>
<b>NONCASH INVESTING ACTIVITIES:</b>		
Property acquired through accounts payable	<u>\$ 672,656</u>	<u>\$ -</u>

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, 2022 and 2021

**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, 2022 and 2021

**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, 2022 and 2021, 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, 2022 and 2021.

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 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 market value on the last day of the year.

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, fixtures and equipment	3-5 years

**MEALS ON WHEELS NORTH CENTRAL TEXAS, INC.**  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2022 and 2021

**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, 2022 and 2021, volunteers donated 13,609 and 12,466 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 \$287,422 and \$237,851 for the years ended September 30, 2022 and 2021, 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 31, 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.

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.

**MEALS ON WHEELS NORTH CENTRAL TEXAS, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
September 30, 2022 and 2021

**NOTE 3 - INVESTMENTS**

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

	<b>2022</b>		<b>2021</b>	
	<b>Cost</b>	<b>Fair Value</b>	<b>Cost</b>	<b>Fair Value</b>
Money market funds	\$ 62,485	\$ 62,485	\$ 126,221	\$ 126,221
Fixed income	895,228	759,917	918,885	913,557
Equity	911,579	880,636	937,839	1,010,075
Total investments	<u>\$ 1,869,292</u>	<u>\$ 1,703,038</u>	<u>\$ 1,982,945</u>	<u>\$ 2,049,853</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:

	<b>2022</b>	<b>2021</b>
Interest and dividend income	\$ 48,611	\$ 22,815
Unrealized gains (losses)	(249,762)	71,647
Investment fees	(19,701)	(11,840)
	<u>\$ (220,852)</u>	<u>\$ 82,622</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.

**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, 2022 and 2021, the Organization had an uninsured cash balance at one financial institution totaling \$1,421,701 and \$698,317, 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, 2022 and 2021

**NOTE 7 - 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 market 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, 2022 and 2021, and were utilized in the normal course of business.

**NOTE 8 - NET ASSETS WITH DONOR RESTRICTIONS**

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

	<b>2022</b>	<b>2021</b>
Special services	\$ 17,101	\$ 16,658
Capital projects	75,000	79,493
Secondary meals	-	20,550
	<u>\$ 92,101</u>	<u>\$ 116,701</u>

**NOTE 9 - 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 \$25,138 and \$21,421 for the years ended September 30, 2022 and 2021, respectively.

**NOTE 10 – EVALUATION OF SUBSEQUENT EVENTS**

The Organization has evaluated subsequent events through January 12, 2024, the date which the financial statements were issued, and noted the following event:

- Approval of a line of credit for \$1,500,000.

**NOTE 11 - RECLASSIFICATION**

Certain balances from the 2021 financial statements have been reclassified to conform to the 2022 financial statement presentation. Such reclassifications had no effect on the previously reported change in net assets for the year ended September 30, 2021.

**MEALS ON WHEELS NORTH CENTRAL TEXAS, INC.**  
NOTES TO THE FINANCIAL STATEMENTS  
September 30, 2022 and 2021

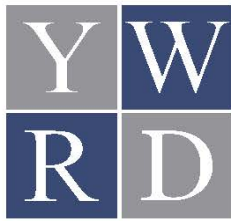
**NOTE 12 - PRIOR PERIOD ADJUSTMENT**

The Organization identified the following adjustments to be made in the prior year financial statements to reflect additional liabilities accrued:

	<b>September 30, 2021</b>	
	<b>As Reported</b>	<b>Restated</b>
Accounts payable and accrued expenses	\$ 32,452	\$ 118,160
Net assets without donor restrictions	1,794,724	1,702,544
Change in net assets	2,264,947	2,271,419



## OTHER REPORT



# YWRD, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

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## INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors 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, 2022 and 2021, 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 12, 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) 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.

### **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 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.*

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*Certified Public Accountants*

Ennis, Texas  
January 12, 2024