



Meals on Wheels, Inc. of Tarrant County and Affiliates

**Consolidated Financial Statements
with Supplementary Information and Compliance Reports
September 30, 2022**

Meals on Wheels, Inc. of Tarrant County and Affiliates

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Independent Auditors' Report

To the Board of Directors
Meals on Wheels, Inc. of Tarrant County and Affiliates

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Meals on Wheels, Inc. of Tarrant County and Affiliates (nonprofit organizations), which comprise the consolidated statement of financial position as of September 30, 2022, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Meals on Wheels, Inc. of Tarrant County and Affiliates as of September 30, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America (GAAP).

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of Meals on Wheels, Inc. of Tarrant County and Affiliates 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 opinion. The financial statements of Meals on Wheels Client Assistance, Inc. and Meals on Wheels, Inc. of Tarrant County Endowment Fund, the affiliates, were not audited in accordance with *Government Auditing Standards*.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with GAAP, and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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 Inc. of Tarrant County and Affiliates' ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with (GAAS) and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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, Inc. of Tarrant County and Affiliates' 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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Meals on Wheels, Inc. of Tarrant County and Affiliates' 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 consolidated financial statements as a whole. The accompanying schedule of expenditures of federal and state 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 consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the schedule of expenditures of federal and state awards is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 9, 2023 on our consideration of Meals on Wheels, Inc. of Tarrant County and Affiliates' 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, Inc. of Tarrant County and Affiliates' 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, Inc. of Tarrant County and Affiliates' internal control over financial reporting and compliance.



A Limited Liability Partnership

Arlington, Texas
January 9, 2023

Meals on Wheels, Inc. of Tarrant County and Affiliates
Consolidated Statement of Financial Position
September 30, 2022

	Meals On Wheels, Inc. of Tarrant County	Meals On Wheels, Inc. Endowment	Meals On Wheels Client Assistance, Inc.	Eliminating	Consolidated Total
Assets					
Cash and cash equivalents	\$ 3,414,097	\$ 203,958	\$ -	\$ -	\$ 3,618,055
Certificate of deposit	118,616	-	-	-	118,616
Accounts receivable	1,065,642	-	-	-	1,065,642
Pledges receivable	-	179,247	-	-	179,247
Prepaid expenses and other assets	78,911	-	11,204	-	90,115
Investments	-	1,696,724	-	-	1,696,724
Property and equipment, net	12,888,925	-	-	-	12,888,925
Investments to be held in perpetuity	-	1,415,895	-	-	1,415,895
Total assets	\$ 17,566,191	\$ 3,495,824	\$ 11,204	\$ -	\$ 21,073,219
Liabilities and Net Assets					
Liabilities:					
Accounts payable	\$ 363,366	\$ -	\$ -	\$ -	\$ 363,366
Accrued liabilities	319,347	-	-	-	319,347
Refundable advance	593,693	-	-	-	593,693
Deferred revenue	61,969	-	-	-	61,969
Deposits	4,900	-	-	-	4,900
Total liabilities	1,343,275	-	-	-	1,343,275
Net assets:					
Net assets without donor restrictions	15,146,154	1,144,935	11,204	-	16,302,293
Net assets with donor restrictions	1,076,762	2,350,889	-	-	3,427,651
Total net assets	16,222,916	3,495,824	11,204	-	19,729,944
Total liabilities and net assets	\$ 17,566,191	\$ 3,495,824	\$ 11,204	\$ -	\$ 21,073,219

See notes to consolidated financial statements.

Meals on Wheels, Inc. of Tarrant County and Affiliates
Consolidated Statement of Activities
Year Ended September 30, 2022

	Meals on Wheels, Inc. of Tarrant County			Meals on Wheels, Inc. Endowment			Meals on Wheels Client Assistance, Inc.			Consolidated	
	Without Donor	With Donor	Total	Without Donor	With Donor	Total	Without Donor	With Donor	Total	Eliminating	Total
	Restrictions	Restrictions		Restrictions	Restrictions		Restrictions	Restrictions			
Revenue and support:											
Contributions	\$ 3,520,126	\$ 506,895	\$ 4,027,021	\$ 189,247	\$ 168,071	\$ 357,318	\$ 22,939	\$ -	\$ 22,939	\$ -	\$ 4,407,278
Government grants	7,539,335	-	7,539,335	-	-	-	-	-	-	-	7,539,335
United Way	140,120	-	140,120	-	-	-	-	-	-	-	140,120
Special events (net of direct costs of \$83,135)	265,613	-	265,613	-	-	-	-	-	-	-	265,613
Net investment income (loss)	59,644	-	59,644	(198,714)	(506,855)	(705,569)	-	-	-	-	(645,925)
Rental income	49,800	-	49,800	-	-	-	119,700	-	119,700	(75,000)	94,500
Contributions and transfers from affiliate	60,855	410,371	471,226	-	-	-	(290,838)	65,100	(225,738)	(245,488)	-
Other	118,436	-	118,436	-	-	-	-	-	-	-	118,436
Net assets released from restrictions:											
Satisfaction of time restrictions	133,860	(133,860)	-	-	-	-	-	-	-	-	-
Satisfaction of program restrictions	180,425	(180,425)	-	221,500	(221,500)	-	249,208	(249,208)	-	-	-
Total revenue and support	12,068,214	602,981	12,671,195	212,033	(560,284)	(348,251)	101,009	(184,108)	(83,099)	(320,488)	11,919,357
Expenses:											
Program services	10,091,311	-	10,091,311	221,500	-	221,500	237,657	-	237,657	(300,333)	10,250,135
Supporting services:											
General and administrative	1,064,410	-	1,064,410	5,898	-	5,898	236,210	-	236,210	(16,404)	1,290,114
Fundraising	832,760	-	832,760	5,500	-	5,500	-	-	-	(3,751)	834,509
Total expenses	11,988,481	-	11,988,481	232,898	-	232,898	473,867	-	473,867	(320,488)	12,374,758
Change in net assets from operations	79,733	602,981	682,714	(20,865)	(560,284)	(581,149)	(372,858)	(184,108)	(556,966)	-	(455,401)
Non-operating income and expense:											
Gain on forgiveness of NMTC debt	1,070,880	-	1,070,880	-	-	-	3,281,119	-	3,281,119	-	4,351,999
Change in net assets	1,150,613	602,981	1,753,594	(20,865)	(560,284)	(581,149)	2,908,261	(184,108)	2,724,153	-	3,896,598
Net assets (deficit) at beginning of year	13,995,541	473,781	14,469,322	1,165,800	2,911,173	4,076,973	(2,897,057)	184,108	(2,712,949)	-	15,833,346
Net assets at end of year	\$ 15,146,154	\$ 1,076,762	\$ 16,222,916	\$ 1,144,935	\$ 2,350,889	\$ 3,495,824	\$ 11,204	\$ -	\$ 11,204	\$ -	\$ 19,729,944

See notes to consolidated financial statements.

Meals on Wheels, Inc. of Tarrant County and Affiliates
Consolidated Statement of Functional Expenses
Year Ended September 30, 2022

	Program Services	General and Administrative	Fundraising	Total
Meal service	\$ 4,993,154	\$ -	\$ -	\$ 4,993,154
Personnel costs	3,430,366	588,655	473,643	4,492,664
Professional fees	101,582	138,424	99,773	339,779
Supplies	111,595	9,588	8,660	129,843
Printing, postage and direct mailers	66,868	31,538	181,959	280,365
Occupancy	138,483	12,172	11,719	162,374
Volunteer	5,941	-	-	5,941
Transportation	389,974	2,014	1,740	393,728
Repairs, maintenance and rentals	118,521	8,945	6,879	134,345
Other	3,872	175,127	8,377	187,376
Client services	326,741	-	-	326,741
Insurance	159,497	16,693	6,680	182,870
Events	1,320	2,376	118,214	121,910
Interest and taxes	13,468	86,891	-	100,359
Depreciation and amortization	388,753	217,691	-	606,444
Total expenses by function	10,250,135	1,290,114	917,644	12,457,893
Less costs not included in expenses on the consolidated statement of activities				
Direct costs of special events	-	-	(83,135)	(83,135)
Total expenses included in the expense section on the consolidated statement of activities	\$ 10,250,135	\$ 1,290,114	\$ 834,509	\$ 12,374,758

See notes to consolidated financial statements.

Meals on Wheels, Inc. of Tarrant County and Affiliates
Consolidated Statement of Cash Flows
Year Ended September 30, 2022

	Meals on Wheels, Inc. of Tarrant County	Meals on Wheels, Inc. Endowment	Meals on Wheels Client Assistance, Inc.	Consolidated Total
Cash flows from operating activities:				
Change in net assets	\$ 1,753,594	\$ (581,149)	\$ 2,724,153	\$ 3,896,598
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:				
Depreciation	417,563	-	183,058	600,621
Amortization of debt issuance costs	-	-	5,823	5,823
Net unrealized and realized (gains) and losses	(591)	753,537	-	752,946
Debt forgiveness in NMTC	(1,070,880)	-	(3,281,119)	(4,351,999)
Changes in operating assets and liabilities:				
Accounts receivable	573,944	(179,247)	-	394,697
Pledges receivable	182,770	-	-	182,770
Prepaid expenses and other assets	(29,686)	-	14,803	(14,883)
Accounts payable	154,134	-	-	154,134
Accrued liabilities	42,965	-	-	42,965
Refundable advance	238,786	-	-	238,786
Deferred revenue	(31,623)	-	-	(31,623)
Due (to)/from affiliate	(5,074)	186	4,888	-
Net cash provided (used) by operating activities	2,225,902	(6,673)	(348,394)	1,870,835
Cash flows from investing activities:				
Proceeds from sales of investments	-	240,478	-	240,478
Purchases of investments	-	(66,949)	-	(66,949)
Purchases of property and equipment	(471,662)	-	-	(471,662)
Net cash provided (used) by investing activities	(471,662)	173,529	-	(298,133)
Net change in cash and cash equivalents	1,754,240	166,856	(348,394)	1,572,702
Cash and cash equivalents at beginning of year	1,659,857	37,102	348,394	2,045,353
Cash and cash equivalents at end of year	\$ 3,414,097	\$ 203,958	\$ -	\$ 3,618,055
Supplemental cash flow information:				
Interest paid	\$ -	\$ -	\$ 81,055	\$ 81,055
Taxes paid	\$ -	\$ -	\$ 18,414	\$ 18,414

See notes to consolidated financial statements.

Meals on Wheels, Inc. of Tarrant County and Affiliates

Notes to Consolidated Financial Statements

1. Organization

Meals On Wheels, Inc. of Tarrant County (Agency) is a 501(c)(3) not-for-profit charitable organization formed in 1973. The Agency's mission is to promote the dignity and independence of older adults, persons with disabilities and other homebound persons by delivering nutritious meals and providing or coordinating needed services. By providing home-delivered meals, professional case management, and other needed items or services to our homebound, elderly and disabled clients, we enable them to remain living independently in their own homes. We serve all of Tarrant County, providing approximately 1 million meals each year to some of Tarrant County's most frail citizens.

Meals on Wheels, Inc. of Tarrant County Endowment Fund (Endowment Fund) was incorporated in 1995 to perform charitable activities including receiving, investing and managing contributions for the exclusive benefit of the Agency. The Agency elects or appoints the board of trustees of the Endowment Fund.

Meals on Wheels Client Assistance, Inc. (MOWCA), is a separate not-for-profit entity incorporated in 2015 to facilitate client assistance activities and build and hold the operations building for the Agency. The Agency appoints a majority of the board of directors of MOWCA.

2. Summary of Significant Accounting Policies

Consolidated Financial Statements

The accompanying consolidated financial statements include the accounts of the Agency, Endowment Fund and MOWCA (collectively, the Organization). Inter-organizational transactions and balances have been eliminated.

Basis of Accounting

The Organization's consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

Consolidated Financial Statement Presentation

Net assets, revenues, gains and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Meals on Wheels, Inc. of Tarrant County and Affiliates

Notes to Consolidated Financial Statements

Net assets without donor restrictions - Net assets available for use in general operations and not subject to donor or grantor restrictions. Net assets without donor restrictions may be designated for specific purposes by action of the board of directors. As of September 30, 2022, the Organization's governing board has designated, from net assets without donor restrictions, \$1,144,934 for a board-designated endowment.

Net assets with donor restrictions - Net assets subject to donor or grantor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity while permitting the Organization to expend the income generated by the assets in accordance with the provisions of additional donor-imposed stipulations or a board approved spending policy. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Gains or losses on investments and other assets are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law.

Net assets with donor restrictions whose restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished), in the same year as the revenue is recognized are classified as net assets without donor restrictions in the consolidated statement of activities.

Concentrations of Credit Risk

Concentrations of credit risk consist of cash and cash equivalents, certificates of deposit, pledges and accounts receivable and investments in marketable securities. Cash, cash equivalents and certificates of deposit are placed with high credit quality financial institutions to minimize risk. Accounts at these institutions are insured by the Federal Deposit Insurance Corporation up to \$250,000. At September 30, 2022, the Organization's uninsured balances totaled \$218,972. Management has placed these funds with high credit quality financial institutions to minimize risk. The Organization has not experienced any losses on such assets.

Unconditional promises to give (pledges receivable) are unsecured and are due from various donors. Accounts receivable are unsecured and represent amounts due from various government grant contracts. The Organization continually evaluates the collectability of pledges receivable and accounts receivable and maintains allowances for potential losses, if considered necessary. At September 30, 2022, approximately 74% of accounts receivable was due from one grantor.

Marketable securities are subject to various risks, such as interest rate, credit and overall market volatility risks.

Meals on Wheels, Inc. of Tarrant County and Affiliates

Notes to Consolidated Financial Statements

Cash and Cash Equivalents

Cash and cash equivalents consist of cash and highly liquid investments with a maturity of three months or less when purchased.

Certificates of Deposit

Certificates of deposit are recorded based on their carrying value which approximates fair value. At September 30, 2022 the Organization has one certificate of deposit with an interest rate of 1.5%. The certificate of deposit matures on December 19, 2022.

Pledges Receivable

Pledges receivable represents unconditional promises to give from various donors. These amounts are expected to be collected within the next year. No allowance for doubtful pledges receivable is considered necessary at September 30, 2022. The entirety of pledges receivable at September 30, 2022 is due from one donor.

Accounts Receivable

Accounts receivable represent government grant receivables. No allowance for doubtful accounts was considered necessary at September 30, 2022, based upon past experience and analysis of current receivable collectability. Accounts receivable are expected to be collected within the next year.

Investments

Investments in equity securities having a readily determinable fair value and all debt securities are carried at fair value. Investment return includes dividend, interest and other investment income; realized and unrealized gains and losses on investments carried at fair value; and realized gains and losses on other investments.

Investment return that is initially restricted by donor stipulation and for which the restriction will be satisfied in the same year is included in net assets without donor restrictions. Other investment return is reported in the consolidated statement of activities as net assets without donor restrictions or net assets with donor restrictions based upon the existence and nature of any donor or legally imposed restrictions.

Meals on Wheels, Inc. of Tarrant County and Affiliates

Notes to Consolidated Financial Statements

Property and Equipment

Property and equipment purchased by the Organization are recorded at cost or if acquired by gift, fair market value at the date of the gift. The Organization follows the practice of capitalizing all expenditures for property and equipment in excess of \$5,000; the fair value of donated fixed assets is similarly capitalized. Depreciation is calculated using the straight-line method based upon the estimated useful lives of 40 years for buildings and improvements, 5 to 10 years for furniture and equipment, and 5 years for vehicles.

Impairment of Long-Lived Assets

The Organization evaluates the recoverability of the carrying value of its long-lived assets whenever events or circumstances indicate that the carrying value may not be recoverable. An impairment loss is recognized to the extent fair value of a long-lived asset is less than the carrying amount. Fair value is determined based on the estimated future cash inflows attributable to the asset less estimated future cash outflows. No asset impairment was recognized during the year ended September 30, 2022.

Revenue Recognition

Contributions are generally recorded only upon receipt, unless evidence of an unconditional promise to give has been received. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of the amounts expected to be collected.

The Organization recognizes contributions when cash, securities or other assets; or an unconditional promise to give is received. Conditional promises to give, that is, those with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met. Amounts received in advance of conditions being met are shown as refundable advances in the consolidated statement of financial position.

Event sponsorship revenue is recognized at the date the event occurs. Advanced payments for the event sponsorships are reported as deferred until the date of the event.

Revenue from government grants and contracts consist of cost reimbursable federal and state contracts and grants, which are generally conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Revenue is recognized when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances. The Organization was awarded cost reimbursable grants of \$19,318 that have not been recognized as revenue at September 30, 2022, because qualifying expenditures have not yet been incurred.

Meals on Wheels, Inc. of Tarrant County and Affiliates

Notes to Consolidated Financial Statements

Rental revenue is recognized over the life of the lease.

Contributed Services

Contributions of services are recognized as revenue at their estimated fair value only when services received create or enhance nonfinancial assets or require specialized skills possessed by the individuals providing the service and the service would typically need to be purchased if not donated. No such services were received during the year ended September 30, 2022.

Numerous volunteers have donated significant time to the Organization's home delivered meal program. No amounts have been recognized in the accompanying consolidated statement of activities because the criteria for recognition under GAAP have not been satisfied. Although no amounts have been reflected in the consolidated financial statements, management estimates that approximately 65,250 volunteer hours with an estimated value of \$1,096,853 were provided to the Organization to deliver meals to those in need during the year ended September 30, 2022.

Allocation of Functional Expenses

The costs of program and supporting services have been summarized on a functional basis in the consolidated statement of activities. The consolidated statement of functional expenses presents the natural classification of expenses by function. Accordingly, certain costs have been allocated among the program and supporting services benefited based on a reasonable basis that is consistently applied. The expenses that are allocated include insurance, depreciation, utilities, interest and depreciation, which are allocated on a square footage basis, as well as personnel costs which are allocated on the basis of estimates of time and effort.

Federal Income Taxes

The Agency, Endowment Fund and MOWCA are recognized by the Internal Revenue Service as exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code (IRC) and are not private foundations as defined in the IRC. However, the Organization is subject to federal income on any unrelated business taxable income. The Organization did not have a material unrelated business income tax liability as of September 30, 2022. Therefore, no tax provision or liability has been reported in the accompanying consolidated financial statements. The Organization had no significant uncertain tax positions for the year ended September 30, 2022.

Use of Estimates

The preparation of consolidated financial statements in conformity with GAAP requires the use of estimates and assumptions regarding certain assets, liabilities, revenue and expenses. Actual results could differ from estimated amounts.

Meals on Wheels, Inc. of Tarrant County and Affiliates

Notes to Consolidated Financial Statements

New Accounting Pronouncements

Changes to GAAP are established by the Financial Accounting Standards Board (FASB) in the form of accounting standards updates (ASUs) to the FASB's Accounting Standards Codification.

The Organization considers the applicability and impact of all ASUs. ASUs not listed below were assessed and determined to be either not applicable or are expected to have minimal impact on the Organization's consolidated financial position and changes in net assets.

In 2016, the FASB issued its leasing standard in ASU 2016-02, *Leases*, for both lessees and lessors. Under its core principle, a lessee will recognize right-of-use assets and related lease liabilities on the statement of financial position for all lease arrangements with terms longer than 12 months. The pattern of expense recognition in the statement of activities will depend on a lease's classification. The standard takes effect for fiscal years beginning after December 15, 2021.

The Organization is currently assessing the impact that adopting this new guidance will have on the consolidated financial statements.

3. Investments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

Level 1	Quoted prices in active markets for identical assets or liabilities
Level 2	Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities
Level 3	Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities

Following is a description of the valuation methodologies and inputs used for assets and liabilities measured at fair value, on a recurring basis and recognized in the accompanying consolidated statement of financial position, as well as the general classification of such assets and liabilities pursuant to the valuation hierarchy:

Money Market Funds - These funds are valued using \$1 for the net asset value (NAV) which is classified within level 1 of the hierarchy.

Meals on Wheels, Inc. of Tarrant County and Affiliates

Notes to Consolidated Financial Statements

Mutual Funds - These investments are public investment vehicles valued using the NAV provided by the administrator of the fund. The NAV is based on the value of the underlying assets owned by the fund, minus its liabilities, and then divided by the number of shares outstanding. The NAV is a quoted price in an active market and classified within level 1 of the valuation hierarchy.

The Organization's investments at fair value are as follows as of September 30, 2022:

Money market funds	\$ 254,188
Mutual funds:	
Equity	1,977,189
Fixed income	<u>881,242</u>
	<u><u>\$ 3,112,619</u></u>

Reconciliation to the consolidated statement of financial position:

Investments	\$ 1,696,724
Investments to be held in perpetuity	<u>1,415,895</u>
	<u><u>\$ 3,112,619</u></u>

Net investment loss consists of the following for the year ended September 30, 2022:

Interest and dividends	\$ 126,594
Realized gains	110,406
Unrealized losses	(863,943)
Investment fees	<u>(18,982)</u>
Net investment loss	<u><u>\$ (645,925)</u></u>

4. Note Receivable - New Market Tax Credit

The Agency entered into an agreement in January 2015 to lend \$10,776,000 to Chase NMTC MOWI Investment Fund, LLC (Chase NMTC Fund). The note was secured by Chase NMTC Fund's membership interest in four community development entities: CNMC Sub-CDE 76 LLC (CNMC), CHHS Subsidiary CDE 19, LLC (CHHS), Impact CDE 50 LLC (Impact) and UACD Sub CDE XXI LLC (UACD), (collectively, the CDEs) and property held by a secured party. The interest rate on the note was fixed at .05%. Interest was due quarterly beginning March 2015 until January 2022. During the year ended September 30, 2022, the Agency exercised its option to purchase the interest in the Chase NMTC Fund (as described in Note 6), at which time the Note was forgiven in full.

Meals on Wheels, Inc. of Tarrant County and Affiliates
Notes to Consolidated Financial Statements

5. Property and Equipment

Property and equipment consist of the following at September 30, 2022:

Land	\$ 545,666
Building and improvements	11,151,040
Furniture and equipment	1,253,072
Vehicles	806,136
Software	<u>219,983</u>
	13,975,897
Less accumulated depreciation	<u>(1,086,972)</u>
Property and equipment, net	<u>\$ 12,888,925</u>

Depreciation expense totaled \$600,621 for the year ended September 30, 2022.

6. Notes Payable - New Market Tax Credit

The Organization had notes payable totaling \$15,680,000 as of September 30, 2021 due to four Community Development Entities (CDEs). The loans financed the construction of the Agency's headquarters and food processing facility and are intended to be treated as a "qualified low-income community investment" for purposes of generating New Market Tax Credits (NMTC) under Section 45D of the Internal Revenue Code of 1986, as amended. The notes payable had an interest rate of .99% and originally matured on November 30, 2054. Interest only payments were due quarterly until February 28, 2022, after that date, quarterly payments of interest and principal were due until the maturity date. The loans were collateralized by all property of MOWCA and guaranteed by the Agency. The loans contained certain financial and non-financial covenants.

MOWCA was not permitted to prepay any portion of the loans until the seventh anniversary of the loan. Within 90 days after the seventh anniversary of the note receivable (Note 4), JPMorgan could exercise its put option to sell its interest in the Chase NMTC Fund to the Agency for \$1,000. If JPMorgan did not exercise the put option, the Agency could exercise its call option within 90 days after the put option period ends to purchase the interest in the Chase NMTC Fund at fair market value. After exercising its option to purchase the interest in the Chase NMTC Fund, the Agency opted to unwind the NMTC during the year ended September 30, 2022.

The Agency reported amortization of loan costs of \$5,823 for the year ended September 30, 2022. The amortization expense is included in interest expense in the accompanying consolidated statement of functional expenses.

Meals on Wheels, Inc. of Tarrant County and Affiliates

Notes to Consolidated Financial Statements

As a result of the NMTC closing, MOWCA transferred \$11,846,880 of property and equipment to the Agency. The Agency realized a net gain of \$1,070,880 on the forgiveness of debt from the NMTC unwind and MOWCA recognized a gain of \$3,281,119. The total gain recognized for the NMTC unwind totaled \$4,351,999.

7. Net Assets With Donor Restrictions

Net assets with donor restrictions consist of the following as of September 30, 2022:

Agency:		
Program service expenses	\$	773,734
Future operating needs		303,028
Endowment:		
Pet program		895,575
Unappropriated endowment earnings		39,419
Subject to restriction in perpetuity		<u>1,415,895</u>
	\$	<u>3,427,651</u>

8. Endowment

The Organization's endowment funds include both donor-restricted endowment funds and funds without donor restrictions that have been designated by the board of directors to function as an endowment. As required by GAAP, net assets associated with endowment funds, including funds designated by the board of directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The Organization is subject to the Uniform Prudent Management of Institutional Funds Act (UPMIFA) of the State of Texas and, thus classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions because those net assets are time restricted until the board of directors appropriates such amounts for expenditure. Most of those net assets also are subject to purpose restrictions that must be met before reclassifying those net assets to net assets without donor restrictions. The board of directors of the Organization has interpreted UPMIFA as not requiring the maintenance of purchasing power of the original gift amount contributed to an endowment fund, unless a donor stipulates to the contrary. As a result of this interpretation, the Organization classifies the original value of gifts donated to the permanent endowment as net assets with donor restrictions. The earnings from the original gift are classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

Meals on Wheels, Inc. of Tarrant County and Affiliates

Notes to Consolidated Financial Statements

In accordance with UPMIFA, the Organization, in making a determination to appropriate or accumulate donor-restricted endowment funds acts in good faith, with the care that an ordinarily prudent person in a like position would exercise under similar circumstances, and considers if relevant, the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the Organization and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Organization
- The investment policies of the Organization

Additionally, amounts considered donor-restricted include \$895,575 for the pet care program. Distributions from this contribution are made in accordance with the Organization's spending policy.

Return Objectives and Risk Parameters

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs and other items supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted endowment funds that must be held in perpetuity or for donor-specified periods as well as funds with donor restrictions. Under this policy, the endowment assets are invested assuming a moderate level of investment risk. The endowment expects its funds to provide an average rate of return of approximately 3% annually. Actual returns in any given year may vary from this amount.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate of return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both current yield (investment income such as dividends and interest) and capital appreciation (both realized and unrealized). The Organization targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Meals on Wheels, Inc. of Tarrant County and Affiliates
Notes to Consolidated Financial Statements

Spending Policy and how the Investment Objective Relate to the Spending Policy

Annually, the board of directors may designate, as a distribution to the Agency, at least 2% and not to exceed 6% of the average of (1) the value of the endowment's assets as of the date of the most recently ended fiscal year and (2) the value of the endowment's assets on the date of its fiscal year ended one year prior. This policy will ensure that the movement of the market value of the endowment assets with return objectives as set forth and the expenditure of the endowment income are correlated.

The following table represents the composition of the Organization's endowment net assets by type of fund at September 30, 2022:

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Board-designated endowment funds	\$ 1,144,935	\$ -	\$ 1,144,935
Donor-restricted endowment funds:			
Donor-restricted gift amounts required to be maintained in perpetuity	-	1,415,895	1,415,895
Accumulated investment gains	-	39,419	39,419
Donor-restricted term endowment	-	895,575	895,575
	<u>\$ 1,144,935</u>	<u>\$ 2,350,889</u>	<u>\$ 3,495,824</u>

The following table represents the changes in the Organization's endowment funds during the year ended September 30, 2022:

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Endowment net assets, October 1, 2021	\$ 1,165,800	\$ 2,911,173	\$ 4,076,973
Investment return, net	(198,714)	(506,854)	(705,568)
Contributions	189,248	168,070	357,318
Appropriation of endowment assets for expenditure	(11,399)	(221,500)	(232,899)
Endowment net assets, September 30, 2022	<u>\$ 1,144,935</u>	<u>\$ 2,350,889</u>	<u>\$ 3,495,824</u>

Meals on Wheels, Inc. of Tarrant County and Affiliates
Notes to Consolidated Financial Statements

9. Liquidity and Availability of Resources

The following reflects the Organization's financial assets available to meet cash needs for general expenditures within one year of the consolidated statement of financial position date:

Cash and cash equivalents	\$ 3,618,055
Certificate of deposit	118,616
Accounts receivable	1,065,642
Pledges receivable	179,247
Investments	<u>3,112,619</u>
Total financial assets	8,094,179
Less amounts not available for general expenditures within one year:	
Future expendable donor-restricted term endowment, net of estimated appropriation of \$62,000	833,575
Donor restricted endowment to be retained in perpetuity	1,415,895
Board designated endowment, net of estimated appropriation of \$153,000	<u>991,934</u>
Financial assets not available for general expenditures	<u>3,241,404</u>
Financial assets available to meet cash needs for general expenditures within one year	<u><u>\$ 4,852,775</u></u>

The Organization receives significant contributions restricted by donors and considers contributions restricted for programs which are ongoing, major and central to its annual operations to be available to meet cash needs for general expenditures within one year.

The Organization structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. The Organization maintains cash, cash equivalents and a certificate of deposit in financial institutions that are available for this use. The Organization manages its liquid resources by focusing on fundraising efforts to ensure the entity has adequate contributions and grants to cover programs that are being conducted. The Organization strives to have a liquidity policy to maintain current financial assets less current liabilities of 90 days operating expenses. To achieve these targets, the Organization forecasts its future cash flows and monitors its reserves and liquidity on a monthly basis.

Meals on Wheels, Inc. of Tarrant County and Affiliates
Notes to Consolidated Financial Statements

10. Rental Revenue

The Organization leases a portion of its land and a building to a third-party tenant under an operating lease agreement expiring in July 2027. Future minimum lease revenues required under this lease agreement for the years ending September 30:

2023	\$ 121,200
2024	124,836
2025	128,581
2026	132,439
2027	<u>23,185</u>
	<u>\$ 530,241</u>

Rental revenue for the year ended September 30, 2022 totaled \$94,500.

11. Related Party Transactions

The Organization received donations from board members totaling \$171,298 during the year ended September 30, 2022.

12. Employee Benefit Plan

The Agency has established for its employees a Simplified Employee Pension – Individual Retirement Plan (SEP-IRA Plan) that provides retirement benefits to all eligible employees. The SEP-IRA Plan is a defined contribution plan. All employees over age 21 and having worked two consecutive calendar years are eligible to participate in the SEP-IRA Plan. Under direction of the board of directors, the Organization contributes a minimum of 5% and currently contributes 8% of the employees’ gross wages into the SEP-IRA Plan. The employee is immediately fully vested. The Agency also has a tax deferred annuity plan that complies with Sections 403(b) of the Internal Revenue Code. Employees may make voluntary contributions, up to limits prescribed by law, to the 403(b) plan in addition to the 8% contributed by the Agency to the SEP-IRA Plan. Agency contributions for the year ended September 30, 2022, were approximately \$201,000.

13. Subsequent Events

The Organization evaluated subsequent events through the date the consolidated financial statements were available to be issued and concluded that no additional disclosures are required.

Meals on Wheels, Inc. of Tarrant County
Schedule of Expenditures of Federal and State Awards
Year Ended September 30, 2022

Federal or State Grantor/Pass-through Grantor/Cluster or Program Title	Assistance Listing Number	Contract Number	Total Expenditures
Federal:			
U.S. Department of Health and Human Services:			
Aging Cluster			
Texas Health and Human Services Commission/Area Agency on Aging of Tarrant County			
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	-	\$ 540,910
Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	-	<u>3,765,077</u>
Total Aging Cluster			4,305,987
Texas Health and Human Services Commission			
Social Services Block Grant	93.667	-	<u>369,369</u>
Total U.S. Department of Health and Human Services			4,675,356
U.S. Department of Housing and Urban Development:			
CDBG - Entitlement Grants - Cluster			
City of Arlington			
Community Development Block Grant	14.218	-	6,685
Community Development Block Grant	14.218	-	21,378
Community Development Block Grant	14.218	-	8,364
COVID-19 Community Development Block Grant	14.218	-	64,651
City of Fort Worth			
Community Development Block Grant	14.218	-	66,288
Community Development Block Grant	14.218	-	100,000
Tarrant County			
COVID-19 Community Development Block Grant	14.218	-	<u>324,999</u>
Total CDBG - Entitlement Grants - Cluster			<u>592,365</u>
Total Expenditures of Federal Awards			5,267,721
State:			
Texas Veteran's Commission:			
Fund for Veterans Assistance - Meals	N/A	GT-FVA20-040	283,559
Fund for Veterans Assistance - Home Modifications	N/A	GT-HTX21-006	<u>183,954</u>
Total Texas Veteran's Commission			467,513
Texas Department of Agriculture:			
Texans Feeding Texans	N/A	HDM-20-5168	<u>1,503,635</u>
Total Expenditures of State Awards			<u>1,971,148</u>
Total Expenditures of Federal and State Awards			<u>\$ 7,238,869</u>

See notes to schedule of expenditures of federal and state awards.

Meals on Wheels, Inc. of Tarrant County
Notes to Schedule of Expenditures of Federal and State Awards

1. Basis of Presentation

The accompanying schedule of expenditures of federal and state awards (Schedule) includes the federal and state award activity of Meals on Wheels, Inc. of Tarrant County (Agency) under programs of the federal and state government for the year ended September 30, 2022. 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) and the State of Texas *Uniform Grant Management Standards* (UGMS). Because the Schedule presents only a selected portion of the operations of Agency, it is not intended to and does not present the financial position, changes in net assets or cash flows of the Organization.

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 or the UGMS, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The Agency has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

3. Subrecipients

Of the federal and state expenditures presented in the Schedule, the Agency provided no federal or state awards to subrecipients.

4. Non-cash Assistance

The Agency did not receive any non-cash assistance from federal or state agencies for the year ended September 30, 2022.

**Independent Auditors' Report on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Consolidated Financial Statements
Performed in Accordance with *Government Auditing Standards***

Board of Directors
Meals on Wheels, Inc. of Tarrant County

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, Inc. of Tarrant County, which comprise the statement of financial position as of September 30, 2022, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements and have issued our report thereon dated January 9, 2023. The financial statements of Meals on Wheels, Inc. Client Assistance and Meals on Wheels, Inc. of Tarrant County Endowment Fund (Affiliates), were not audited in accordance with *Government Auditing Standards* and accordingly this report does not include reporting on internal control financial reporting or instances of reportable noncompliance associated with the Affiliates.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Meals on Wheels, Inc. of Tarrant County's (Organization) 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 the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 Organization's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization’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.



A Limited Liability Partnership

Arlington, Texas
January 9, 2023



**Independent Auditors' Report on Compliance for Each Major Federal and State Program and
on Internal Control over Compliance Required by the Uniform Guidance and State of Texas
*Uniform Grant Management Standards***

Board of Directors
Meals on Wheels, Inc. of Tarrant County

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited Meals on Wheels, Inc. of Tarrant County's (Organization) (a nonprofit organization) compliance with the types of compliance requirements described in *OMB Compliance Supplement* and the State of Texas *Uniform Grant Management Standards (UGMS)* that could have a direct and material effect on each of the Organization's major federal and state programs for the year ended September 30, 2022. The Organization's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization 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 and state programs for the year ended September 30, 2022.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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), and the audit requirements of the UGMS. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of the Organization'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 the Organization's federal and state programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization'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 GAAS, *Government Auditing Standards*, the Uniform Guidance and UGMS will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of each major federal and state program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Organization'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 the Organization'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 and UGMS, but not for the purpose of expressing an opinion on the effectiveness of the Organization'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 or state 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 and state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal and state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. 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 and the UGMS. Accordingly, this report is not suitable for any other purpose.



A Limited Liability Partnership

Arlington, Texas
January 9, 2023

Meals on Wheels, Inc. of Tarrant County
Schedule of Findings and Questioned Cost
Year Ended September 30, 2022

Section I – Summary of Auditors’ Results

Consolidated Financial Statements

Type of auditors’ report issued:	Unmodified
Internal control over financial reporting:	
• Material weaknesses identified?	No
• Significant deficiencies identified?	None reported
Noncompliance material to financial statements noted?	No

Federal and State Awards

Internal control over major programs:	
• Material weaknesses identified?	No
• Significant deficiencies identified?	None reported
Type of auditors’ report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance or UGMS?	No

Identification of Major Federal and State Programs:

Federal:

The Aging Cluster ALN 93.044/93.045

State:

Texans Feeding Texans

Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as low-risk auditee?	Yes

Section II – Financial Statement Findings

None

Section III – Federal and State Award Findings and Questioned Costs

None

Meals on Wheels, Inc. of Tarrant County
Schedule of Findings and Questioned Cost
Year Ended September 30, 2022

Section IV – Summary Schedule of Prior Audit Findings

None