

**MEALS ON WHEELS
COLLIN COUNTY**

**FINANCIAL STATEMENTS
September 30, 2019 and 2018**

(With Independent Auditors' Report
thereon and Single Audit Report)

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees and Management of
Meals on Wheels Collin County

Report on the Financial Statements

We have audited the accompanying financial statements of Meals on Wheels Collin County (a nonprofit organization), which comprise the statement of financial position as of September 30, 2019 and 2018, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Meals on Wheels Collin County's as of September 30, 2019 and 2018, and the changes in the net assets and the cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Report on the Schedule of Expenditures of Federal Funds

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the 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 August 5, 2020 on our consideration of Meals on Wheels Collin County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Meals on Wheels Collin County's internal control over financial reporting and compliance.



Frank W. Bonn, CPA, PLLC
Colleyville, Texas
August 5, 2020

MEALS ON WHEELS COLLIN COUNTY
Statements of Financial Position
As of September 30, 2019 and 2018

ASSETS		
	2019	2018
Current Assets		
Cash and Cash Equivalents	\$ 1,829,731	\$ 1,173,797
Grants Receivable	290,478	314,079
Prepays and Other Current Assets	29,634	7,124
Total Current Assets	2,149,843	1,495,000
Property and Equipment		
Property and equipment, net of accumulated depreciation of \$775,859 and \$718,423 respectively	480,705	460,164
TOTAL ASSETS	\$ 2,630,548	\$ 1,955,164
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts Payable	\$ 89,265	\$ 87,534
Accrued Salaries and Wages	30,110	32,557
Accrued Vacation	21,004	24,698
Deferred Revenue	64,241	50,692
Total Liabilities (all Current)	204,620	195,481
Net Assets		
Without Donor Restriction		
Undesignated	2,400,621	1,724,683
With Donor Restriction		
Time Restricted	25,307	35,000
Total Net Assets	2,425,928	1,759,683
TOTAL LIABILITIES AND NET ASSETS	\$ 2,630,548	\$ 1,955,164

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

MEALS ON WHEELS COLLIN COUNTY
Statement of Activities
For the Year Ended September 30, 2019

	Without Donor Restriction	With Donor Restriction	Total
REVENUE AND PUBLIC SUPPORT			
Grants and Contracts			
Federal Grant Contracts	\$ 1,065,709	\$ -	\$ 1,065,709
State Grant Contracts	209,969	-	209,969
Local Government Grants	94,279	-	94,279
United Way Grant	-	20,000	20,000
Other Grants	247,499	55,000	302,499
Total Grants and Contracts	<u>1,617,456</u>	<u>75,000</u>	<u>1,692,456</u>
Contributions	936,705	-	936,705
Special Fund Raising Events, net of direct donor benefits of \$17,150	57,674	-	57,674
In-Kind Space and Services	174,047	-	174,047
Other In-Kind Contributions	110,946	-	110,946
Interest Income	5,606	-	5,606
Rental Income	67,292	-	67,292
Meal Sales Income	1,150	-	1,150
Other Income	-	-	-
Gain (Loss) on Sale / Disposal of Fixed Assets	8,052	-	8,052
Net Assets Released from Restrictions	84,693	(84,693)	-
Total Revenue and Public Support	<u>3,063,621</u>	<u>(9,693)</u>	<u>3,053,928</u>
EXPENSES			
Home Delivered Meals	1,289,758	-	1,289,758
Congregate Meals	376,737	-	376,737
Public Transportation	73,195	-	73,195
Senior Safety Net Program	158,132	-	158,132
Total Program Services	<u>1,897,822</u>	<u>-</u>	<u>1,897,822</u>
Management and General	213,889	-	213,889
Fundraising	275,972	-	275,972
Total Expenses	<u>2,387,683</u>	<u>-</u>	<u>2,387,683</u>
CHANGE IN NET ASSETS	675,938	(9,693)	666,245
NET ASSETS AT BEGINNING OF YEAR	<u>1,724,683</u>	<u>35,000</u>	<u>1,759,683</u>
NET ASSETS AT END OF YEAR	<u>\$ 2,400,621</u>	<u>\$ 25,307</u>	<u>\$ 2,425,928</u>

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

MEALS ON WHEELS COLLIN COUNTY
Statement of Activities
For the Year Ended September 30, 2018

	Without Donor Restriction	With Donor Restriction	Total
REVENUE AND PUBLIC SUPPORT			
Grants and Contracts			
Federal Grant Contracts	\$ 881,236	\$ -	\$ 881,236
State Grant Contracts	185,427	-	185,427
Local Government Grants	89,852	-	89,852
United Way Grant	20,000	15,000	35,000
Other Grants	179,260	20,000	199,260
Total Grants and Contracts	1,355,775	35,000	1,390,775
Contributions	832,316	-	832,316
Special Fund Raising Events, net of direct donor benefits of \$23,607	66,853	-	66,853
In-Kind Space and Services	173,243	-	173,243
Other In-Kind Contributions	39,070	-	39,070
Interest Income	4,634	-	4,634
Rental Income	69,792	-	69,792
Meal Sales Income	1,150	-	1,150
Other Income	105	-	105
Gain (Loss) on Sale / Disposal of Fixed Assets	-	-	-
Net Assets Released from Restrictions	72,744	(72,744)	-
Total Revenue and Public Support	2,615,682	(37,744)	2,577,938
EXPENSES			
Home Delivered Meals	1,267,593	-	1,267,593
Congregate Meals	331,862	-	331,862
Public Transportation	63,481	-	63,481
Senior Safety Net Program	137,808	-	137,808
Total Program Services	1,800,744	-	1,800,744
Management and General	184,297	-	184,297
Fundraising	222,978	-	222,978
Total Expenses	2,208,019	-	2,208,019
CHANGE IN NET ASSETS	407,663	(37,744)	369,919
NET ASSETS AT BEGINNING OF YEAR	1,317,020	72,744	1,389,764
NET ASSETS AT END OF YEAR	\$ 1,724,683	\$ 35,000	\$ 1,759,683

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

MEALS ON WHEELS COLLIN COUNTY
Statement of Functional Expenses
For the Year Ended September 30, 2019

	Program Expenses			
	Home Delivered Meals	Congregate Meals	Title III-B Transportation	Senior Safety Net
Salary and Wages	\$ 507,510	\$ 131,699	\$ 42,991	\$ 17,816
Payroll Taxes	36,913	9,727	3,064	1,329
Retirement Contributions	25	4	-	-
Other Employee Benefits	59,857	9,405	2,247	1,321
Total Personnel Costs	604,305	150,835	48,302	20,466
Advertising	-	-	-	-
Bank Charges & Credit Card Fees	-	-	-	-
Client Assistance*	-	-	-	25,997
Conferences, Conventions, & Meetings	1,378	117	-	2
Depreciation	44,944	5,165	7,086	330
Dues and Subscriptions	-	-	-	-
Equipment Rental & Maintenance	49,504	15,206	2,977	218
Food Costs	434,357	42,881	4	-
Holiday Food and Gifts*	50	-	-	110,896
Insurance	37,185	4,248	3,436	-
Marketing & Promotions	-	-	-	-
Office Supplies	9,582	2,942	579	38
Postage and Shipping	3,357	1,039	206	21
Printing and Publications	-	-	-	-
Professional Fees*	35,711	10,869	2,070	-
Rent*	-	133,992	-	-
Repairs & Maintenance	11,892	2,684	999	24
Telephone	5,119	1,587	304	40
Utilities	14,969	3,569	1,219	11
Vehicle Expense	37,363	1,590	6,011	-
Volunteer Recognition and Recruitment	42	13	2	89
TOTAL EXPENSES	\$ 1,289,758	\$ 376,737	\$ 73,195	\$ 158,132

* Amounts include In-Kind. (Note 7)

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

MEALS ON WHEELS COLLIN COUNTY
Statement of Functional Expenses (Continued)
For the Year Ended September 30, 2019

	Total Program	Management & General	Fundraising	Total
Salary and Wages	\$ 700,016	\$ 77,325	\$ 79,181	\$ 856,522
Payroll Taxes	51,033	2,157	5,928	59,118
Retirement Contributions	29	-	-	29
Other Employee Benefits	72,830	6,177	4,499	83,506
Contract Staff	-	-	-	-
Total Personnel Costs	823,908	85,659	89,608	999,175
Advertising	-	3,423	14,013	17,436
Bank Charges & Credit Card Fees	-	5,987	-	5,987
Client Assistance*	25,997	890	-	26,887
Conferences, Conventions, & Meetings	1,497	8,951	151	10,599
Depreciation	57,525	9,522	1,286	68,333
Dues and Subscriptions	-	3,245	738	3,983
Equipment Rental & Maintenance	67,905	1,439	2,660	72,004
Food Costs	477,242	20	22	477,284
Holiday Food and Gifts*	110,946	-	-	110,946
Insurance	44,869	4,909	929	50,707
Marketing & Promotions	-	7,185	45,607	52,792
Office Supplies	13,141	1,573	528	15,242
Postage and Shipping	4,623	176	19,906	24,705
Printing and Publications	-	-	22,874	22,874
Professional Fees*	48,650	54,326	75,109	178,085
Rent*	133,992	330	-	134,322
Repairs & Maintenance	15,599	7,150	1,232	23,981
Telephone	7,050	3,177	259	10,486
Utilities	19,768	8,001	930	28,699
Vehicle Expense	44,964	342	397	45,703
Volunteer Recognition and Recruitment	146	7,584	(277)	7,453
TOTAL EXPENSES	\$ 1,897,822	\$ 213,889	\$ 275,972	\$ 2,387,683

* Amounts include In-Kind. (Note 7)

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

MEALS ON WHEELS COLLIN COUNTY
Statement of Functional Expenses
For the Year Ended September 30, 2018

	Program Expenses			
	Home			
	Delivered Meals	Congregate Meals	Title III-B Transportation	Senior Safety Net
Salary and Wages	\$ 574,368	\$ 77,026	\$ 31,514	\$ 22,856
Payroll Taxes	42,739	5,790	2,357	1,667
Retirement Contributions	28	2	-	-
Other Employee Benefits	25,722	7,372	2,077	206
Total Personnel Costs	642,857	90,190	35,948	24,729
Advertising	-	-	-	-
Bank Charges & Credit Card Fees	-	-	-	-
Client Assistance	-	-	-	71,556
Conferences, Conventions, & Meetings	602	26	136	-
Depreciation	53,258	5,458	5,309	310
Dues and Subscriptions	-	-	-	-
Equipment Rental & Maintenance	49,571	16,157	3,529	1,455
Food Costs	386,958	27,989	-	-
Holiday Food and Gifts*	1,114	-	-	37,956
Insurance	33,597	3,938	5,318	286
Marketing & Promotions	-	-	-	-
Office Supplies	4,252	1,418	307	128
Postage and Shipping	3,253	1,070	243	97
Printing and Publications	-	-	-	-
Professional Fees*	18,812	6,177	1,404	561
Rent*	3,626	169,092	210	-
Repairs & Maintenance	14,206	3,075	1,219	203
Telephone	7,337	2,371	504	217
Utilities	16,050	3,533	1,303	310
Vehicle Expense	32,100	1,368	8,051	-
Volunteer Recognition and Recruitment	-	-	-	-
TOTAL EXPENSES	\$ 1,267,593	\$ 331,862	\$ 63,481	\$ 137,808

* Amounts include In-Kind.

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

MEALS ON WHEELS COLLIN COUNTY
Statement of Functional Expenses (Continued)
For the Year Ended September 30, 2018

	Total Program	Management & General	Fundraising	Total
Salary and Wages	\$ 705,764	\$ 61,818	\$ 48,186	\$ 815,768
Payroll Taxes	52,553	4,443	3,597	60,593
Retirement Contributions	30	-	-	30
Other Employee Benefits	35,377	1,624	1,564	38,565
Total Personnel Costs	793,724	67,885	53,347	914,956
Advertising	-	3,533	6,200	9,733
Bank Charges & Credit Card Fees	-	5,061	208	5,269
Client Assistance	71,556	-	-	71,556
Conferences, Conventions, & Meetings	764	7,678	38	8,480
Depreciation	64,335	8,903	1,293	74,531
Dues and Subscriptions	-	4,446	625	5,071
Equipment Rental & Maintenance	70,712	1,841	7,577	80,130
Food Costs	414,947	31	-	414,978
Holiday Food and Gifts*	39,070	-	-	39,070
Insurance	43,139	4,589	687	48,415
Marketing & Promotions	-	8,168	32,298	40,466
Office Supplies	6,105	1,407	148	7,660
Postage and Shipping	4,663	211	40,084	44,958
Printing and Publications	-	-	18,827	18,827
Professional Fees*	26,954	50,045	58,864	135,863
Rent*	172,928	128	210	173,266
Repairs & Maintenance	18,703	5,859	1,015	25,577
Telephone	10,429	4,377	218	15,024
Utilities	21,196	8,598	997	30,791
Vehicle Expense	41,519	419	342	42,280
Volunteer Recognition and Recruitment	-	1,118	-	1,118
TOTAL EXPENSES	\$ 1,800,744	\$ 184,297	\$ 222,978	\$ 2,208,019

* Amounts include In-Kind.

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

MEALS ON WHEELS COLLIN COUNTY
Statements of Cash Flows
For the Years Ended September 30, 2019 and 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 666,245	\$ 369,919
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	68,333	74,531
(Gain) Loss on Sale or Disposal of Assets	(8,052)	-
(Increase) Decrease in Assets:		
Grants Receivable	23,601	(64,652)
Pledges Receivable	-	29,129
Prepaid Expenses and Other Current Assets	(22,510)	7,408
Increase (Decrease) in Liabilities:		
Accounts Payable	1,731	52,116
Accrued Expenses	(6,141)	(7,948)
Deferred Revenues	13,549	11,006
Net Cash (Used for) Provided by Operating Activities	736,756	471,509
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from Sales of Assets	8,052	-
Purchases of Property and Equipment	(88,874)	(55,506)
Net Cash Used by Investing Activities	(80,822)	(55,506)
CASH FLOWS FROM FINANCING ACTIVITIES		
None	-	-
Net Cash Used by Financing Activities	-	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	655,934	416,003
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	1,173,797	757,794
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 1,829,731	\$ 1,173,797
SUPPLEMENTAL DISCLOSURES		
In-Kind Contributions and Contributed Services	\$ 284,993	\$ 212,313
Cash Paid During the Year for Interest Expense	\$ -	\$ -

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

Meals on Wheels Collin County
Notes to the Financial Statements
September 30, 2019 and 2018

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities, History and Organization:

Meals on Wheels Collin County (the “Organization”), was organized as a Texas nonprofit corporation in 1976, and is located in McKinney, Texas. The Organization’s mission is to combat isolation and promote health, dignity and independence of those 60 years or older by providing meals for individuals who are homebound, unable to prepare their own meals and are nutritionally at risk. The organization’s programs include functions and activities which are primarily concerned with meeting the nutritional needs of the elderly, the handicapped and the disabled in Collin County. All new Meals-on-Wheels clients are visited by a social worker who works with the client to determine how the Organization can meet their nutritional needs and make referrals to other community resources as needed. Clients are revisited on an annual basis. The Organization’s mission is largely accomplished by the army of volunteers who deliver meals each day, and care for those on their routes. The Organization served over 298,000 and 262,000 meals during the fiscal years ending September 30, 2019 and 2018, respectively.

The Organization is funded by private and governmental grants and contributions from participants and the general public.

Significant Accounting Policies:

In fulfilling its responsibility for the preparation of the Organization’s financial statements and disclosures, management selects accounting principles generally accepted in the United States of America and adopts methods for their application. The application of accounting principles requires the estimating, matching and timing of revenue and expense in the determination of support or expenditures. It is also necessary for management to determine, measure and allocate resources and obligations within the financial process according to those principles. Below is a summary of certain significant accounting policies selected by management.

Basis of Accounting:

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

Basis of Presentation:

The statement of activities is a statement of the various financial activities and changes in net assets during the current reporting period. It does not purport to represent the results of operations nor of net income or loss for the period since the primary objective of the Organization is not to achieve a “profit”, but to support its mission stated above.

**Meals on Wheels Collin County
Notes to the Financial Statements
September 30, 2019 and 2018**

NOTE 1 – (CONTINUED)

Net Asset Accounting:

As a nonprofit organization, the Organization maintains its records on a fund accounting basis in order to ensure observance of the limitations and restrictions placed on the use of its resources. This is the procedure by which net assets for various purposes are classified for accounting and reporting purposes into self-balancing accounts. Those funds are further classified into net asset groupings in accordance with ASU 2016-14 as follows:

Net assets without donor restrictions – Net assets available for use in the general operations and not subject to donor restrictions. Assets restricted solely through the actions of the Board of Directors (the Board) are reported as net assets without donor restrictions, designated.

Net assets with donor restrictions – Net assets subject to donor-imposed restrictions that are more restrictive than the Organization’s mission and purpose. 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. 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. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Recognition of Donor Restrictions:

The Organization reports gifts of property and equipment as without donor restrictions support unless explicit donor restrictions exist that specify how the assets are to be used. Gifts of long-lived assets with explicit restrictions and gifts of cash that must be used to acquire long-lived assets are reported as with donor restrictions support. The Organization reports expirations of donor restrictions when the donated assets are placed in service, unless donor restrictions indicate otherwise. Income from net assets with donor restrictions that are held permanently, is recorded as nets assets without donor restriction unless otherwise restricted by the donor.

The Organization has a policy to report donor-restricted contributions whose restrictions are met in the same reporting period as support within net assets without donor-restrictions.

Statement of Cash Flows:

The statement of cash flows is presented using the “indirect method”. For purposes of this statement, the Organization considers as cash, all cash on hand, cash in checking accounts, money market funds and other similar instruments with maturities of three months or less.

**Meals on Wheels Collin County
Notes to the Financial Statements
September 30, 2019 and 2018**

NOTE 1 – (CONTINUED)

Cash and Cash Equivalents:

The Organization's financial instruments, none of which is held for trading purposes, consist of cash and cash equivalents. The Organization considers all highly liquid investments that are redeemable in 90 days or less to be cash and cash equivalents.

Grants Receivable:

Grant revenue is recognized in the period in which the related services are provided or when the related expenditures are incurred. Revenue received in advance is reported as deferred revenue. Grants receivable represents unreimbursed expenditures at September 30, 2019 and 2018. An allowance for doubtful accounts is established when deemed appropriate.

Property and Equipment:

The Organization capitalizes all expenditures for property and equipment in excess of \$1,500. Equipment and improvements are recorded at cost or at estimated fair value at date of gift if donated. Expenditures for maintenance and repairs are charged against operations as incurred. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets of three to forty years.

Accrued Vacation:

Personal leave is accrued annual at up to 80 hours for eligible employees. Accrued vacation is paid upon termination of employment.

Deferred Revenue:

Deferred revenue is primarily comprised of payments received prior to year end from the Texas Department of Agriculture and another private foundation to provide meals to clients in the following year.

Contributions:

Campaign contributions are generally available for unrestricted use in the related campaign year unless specifically restricted by the donor. The majority of the donations are from a broad base of contributors. Promises to give are recorded by the Organization, when received.

Allocation of Functional Expenses:

The cost of providing the services and other activities of the Organization have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents expenses by function and natural classification. Certain costs are charged directly to the functions they benefit. Other expenses require allocation on a reasonable basis that is consistently applied.

**Meals on Wheels Collin County
Notes to the Financial Statements
September 30, 2019 and 2018**

NOTE 1 – (CONTINUED)

Allocation of Functional Expenses (continued):

The expenses that are allocated include depreciation for common use areas and office equipment which is allocated based on square footage and usage; as well as salaries, payroll taxes, employee benefits, vehicle maintenance and repair, and various others, which are allocated on the basis of estimate of time and effort or some other reasonable basis.

Donated Services and Assets:

Contributions of donated facilities and goods that would typically need to be purchased are recorded at fair market value in the period received, as required by FASB ASC 958-605 and subsections, *Accounting for Contributions Received and Contributions Made* (ASC 958-605). Donated services are recorded if the services meet ASC 958-605 criteria. As disclosed in the notes, a substantial number of volunteers have donated significant amounts of time to the Organization's programs which were not recognized in the financial statements because they did not meet the criteria for recognition under ASC 958-605.

Income Tax Status:

The Organization is classified as a Section 501(c)(3) Organization under the Federal Internal Revenue Code and Section 23701(d) of the Texas Revenue and Taxation Code and is exempt from federal income and state franchise taxes. The Organization, however, may occasionally be subject to taxes on unrelated business income. The Organization is not a private foundation. There was no unrelated business income or known federal excise taxes for the years ending September 30, 2019 and 2018, respectively.

Accounting principles generally accepted in the United States prescribe a recognition threshold and a measurement process for accounting for uncertain tax positions and provide guidance on such matters and interest, penalties and required disclosures. Management does not believe that the Organization has any uncertain tax provisions. The Organization files Form 990, *Return of Organization Exempt from Income Tax*. Generally, these returns are subject to examination by income tax authorities for three years after filing. As such, returns for the fiscal years ending September 30, 2017, 2018, and 2019 are subject to examination.

Advertising Costs:

Advertising which is primarily for employment and organization promotion is expensed as incurred. Advertising cost totaled \$17,436 and \$9,733 for the years ended September 30, 2019 and 2018, respectively.

Meals on Wheels Collin County
Notes to the Financial Statements
September 30, 2019 and 2018

NOTE 1 – (CONTINUED)

Fair Value of Financial Instruments:

The Organization's financial instruments, none of which are held for trading purposes, include cash, grants receivables, accounts payable, and other liabilities. The Organization estimates that the fair market value of all financial instruments at September 30, 2019 and 2018 does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying financial statements.

Use of Estimates and General Assumptions:

The process of preparing financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. Such estimates and assumptions affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

New Accounting Pronouncements:

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers*, which replaces most existing revenue recognition guidance for exchange transactions not specifically covered by other guidance. This ASU does not apply to non-exchange transactions such as contributions. The core principle of the new guidance is that an entity should recognize revenue in an amount that reflects the consideration to which it expects to be entitled in exchange for transferred goods or services and establishes a 5-step process to determine when performance obligations are satisfied and revenue is recognized. The Organization is required to adopt this ASU for fiscal year 2020 using an appropriate retrospective method. The Organization has not yet determined the impact of adopting this ASU on its financial statements.

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standard Update (ASU) 2016-02 a new accounting pronouncement regarding lease accounting for reporting periods beginning after December 15, 2020. A lessee will be required to recognize on the statement of financial position the assets and liabilities for leases with terms of more than twelve months. Management is currently evaluating the effect this pronouncement will have on the financial statements and related disclosures.

In August 2016, the FASB issued ASU 2016-15, *Statement of Cash Flow (Topic 230)* (ASU 2016-15). This update is intended to reduce diversity in practice in how certain transactions are classified in the statement of cash flows. The update provides new guidance for eight cash flow classification issues in current GAAP.

Meals on Wheels Collin County
Notes to the Financial Statements
September 30, 2019 and 2018

NOTE 1 – (CONTINUED)

New Accounting Pronouncements (continued):

This standard will be effective for financial statements issued by public companies for the annual and interim periods beginning after December 15, 2017. For all other entities, the amendments are effective for fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019. Early adoption of the standard is permitted. The standard will be applied in a retrospective approach for each period presented. Management is currently evaluating the effect this pronouncement will have on the financial statements and related disclosures.

In November 2016, the FASB issued ASU 2016-18, *Restricted Cash*, as an update to ASC 230, *Statement of Cash Flows*. This update requires that a statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. The updated guidance will be effective for annual periods beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019. Early adoption is permitted, including adoption in an interim period. The new guidance should be applied on a retrospective basis. The updated guidance will result in a change in the cash flow statement to include restricted cash and restricted cash equivalents. Management is currently evaluating the effect this pronouncement will have on the financial statements and related disclosures.

On June 21, 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The amendments in this update will assist entities in evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) or as exchange (reciprocal) transactions and determining whether a transaction is conditional. The amendments in this update are effective for annual financial statements issued for fiscal years beginning after December 15, 2018, for transactions in which the entity services as the resource recipient and for fiscal years beginning after December 15, 2019, for transactions in which the entity services as the resource provider. Early application of the amendments in this update is permitted. Management is currently evaluating the effect this pronouncement will have on the financial statements and related disclosures.

**Meals on Wheels Collin County
Notes to the Financial Statements
September 30, 2019 and 2018**

NOTE 1 – (CONTINUED)

Recently Adopted Accounting Pronouncements:

In August 2016, the FASB issued ASU 2016-14, regarding the reporting and disclosure requirements for not-for-profit organizations, effective for periods beginning after December 15, 2017. The pronouncement replaces the three classes of net assets with two new classes, requires the reporting of expense by function and natural classification, enhances disclosures on liquidity and availability of resources, and includes several other less significant reporting enhancements. The Organization adopted this new pronouncement effective October 1, 2018 for the year ended September 30, 2019, with retrospective application for the year ended September 30, 2018 financial statements with the exception of certain omissions permitted by the ASU. Accordingly, the prior year net assets portion of the statement of financial position has been reclassified for consistency with current year presentation. These reclassifications had no effect on the reported results of operations. The Organization opted not to disclose liquidity and availability information for the year ended September 30, 2018 as permitted under the ASU in the year of adoption.

NOTE 2 – GRANTS RECEIVABLE

Grants receivable are due from various federal, state and local agencies and are deemed to be fully collectible by management, and consist of the following at September 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
North Central Texas Council of Governments	\$ 250,040	\$ 236,769
Department of Aging and Disabilities Services	12,959	24,636
Collin County	-	24,478
Frisco County	2,908	-
Other Miscellaneous Receivables	<u>24,571</u>	<u>28,196</u>
Total Grants Receivable	<u>\$ 290,478</u>	<u>\$ 314,079</u>

**Meals on Wheels Collin County
Notes to the Financial Statements
September 30, 2019 and 2018**

NOTE 3 – PROPERTY AND EQUIPMENT

Property and Equipment consists of the following at September 30, 2019 and 2018:

	2019	2018
Land	\$ 87,165	\$ 87,165
Building and Improvements	635,223	627,966
Equipment, Furniture and Fixtures	255,448	241,294
Vehicles	278,728	222,162
Less: Accumulated Depreciation	(775,859)	(718,423)
Net Property and Equipment	\$ 480,705	\$ 460,164

Depreciation expense was \$68,333 and \$74,531 for the years ended September 30, 2019 and 2018, respectively.

NOTE 4 – NETS ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions of \$25,307 and \$35,000, as of September 30, 2019 and 2018, respectively, relates to funds contributed to the Organization and its charitable programs. At September 30, 2019, \$4,716 relates to Capital Improvements and \$20,591 relates to the Senior Safety Net and Home Delivered Meal programs. At September 30, 2018, \$10,000 related to IT support and \$25,000 related to the Senior Safety Net and Home Delivered Meal programs.

There were no donor-imposed restrictions perpetual in nature as of September 30, 2019 and 2018.

NOTE 5 – NET ASSETS RELEASED FROM RESTRICTIONS

Net assets released from donor restriction were \$84,693 and \$72,744 for the years ended September 30, 2019 and 2018, respectively, by incurring expenses satisfying the restricted purposes.

**Meals on Wheels Collin County
Notes to the Financial Statements
September 30, 2019 and 2018**

NOTE 6 – IN-KIND CONTRIBUTIONS

The Organization received in-kind contributions for various services and expenses during the year. The estimated values of such in-kind transactions are reflected in the statement of activities at their fair value and are recorded at the time of receipt of such services and consist of the following for the years ended September 30, 2019 and 2018:

	2019	2018
Donated Facilities and Utilities	\$ 133,992	\$ 167,988
Holiday Food Boxes and Gifts	110,946	39,070
Professional IT Services	40,055	5,255
	\$ 284,993	\$ 212,313

In addition, approximately 21,035 and 22,422 of volunteer hours with an estimated value of \$303,401 and \$339,661 were provided to the Organization during the years ended September 30, 2019 and 2018, respectively, of which no revenue has been recognized pursuant to ASC 958-605.

NOTE 7 – SPECIAL EVENTS

The Organization conducts a special event golf tournament to raise funds and awareness of the mission of the Organization. Expenses related to this special event that are considered a direct benefit to the donor are shown in the statement of activities as a reduction of gross revenues.

NOTE 8 – CONCENTRATIONS

The Organization received approximately 55 and 53 percent of its funding from governmental agencies during the years ending September 30, 2019 and 2018, respectively. If a significant reduction in the level of this funding were to occur, it would affect the Organization’s ability to provide programs and services. At September 30, 2019, approximately 86 percent of the grants receivables are from one governmental agency.

NOTE 9 – EMPLOYEE BENEFIT PLAN

The Organization provides a 403(b) plan for employees. Participation in the plan is voluntary, and all full-time employees are eligible to contribute and receive employer matching contributions. The Organization makes a matching contribution of 10 cents per \$1.00 up to 5% of the participant’s salary. Employees are fully vested after 5 years.

The Organization’s matching contribution charged to expense was \$29 and \$30 for the years ended September 30, 2019 and 2018, respectively.

**Meals on Wheels Collin County
Notes to the Financial Statements
September 30, 2019 and 2018**

NOTE 10 – COMMITMENTS AND CONTINGENCIES

At September 30, 2019, the Organization had lease commitments for three office copiers that expire as of April 30, 2020.

Year Ending <u>September 30,</u>	<u>Amount</u>
2020	\$ 3,612
2021	-
Total	<u>\$ 3,612</u>

Lease expense was \$15,221 and \$14,081 for the years ended September 30, 2019 and 2018, respectively.

The Organization leases to an unrelated third party a portion of the Organization’s wholly-owned building under a month-to-month lease. There was \$67,292 and \$69,792 of revenue recorded as rental income for the years ending September 30, 2019 and 2018, respectively.

NOTE 11– LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES

The Organization’s financial assets available within one year of September 30, 2019 for general expenditures are as follows:

Cash and Cash Equivalents	\$ 1,829,731
Grants Receivable	<u>290,478</u>
	<u>\$ 2,120,209</u>

The Organization strives to maintain liquid financial assets sufficient to cover near-term operating needs and to maintain sufficient reserves to provide reasonable assurance that long-term obligations will be fulfilled. To achieve this the Organization forecasts its future cash flows and monitors its liquidity monthly. During the year ended September 30, 2019, the level of liquidity was managed within the Organization’s expectations.

**Meals on Wheels Collin County
Notes to the Financial Statements
September 30, 2019 and 2018**

NOTE 12 – GRANTS AND CONTRACTS

Grants and contracts reported in the accompanying financial statements represent 53 and 56 percent of total support and revenue for the years ending September 30, 2019 and 2018, respectively. Details of grants and contracts are as follows:

	<u>2019</u>	<u>2018</u>
Cost Reimbursement Contracts		
City of McKinney CDBG Entitlement Grant	\$ 18,886	\$ -
City of Frisco CDBG Entitlement Grant	20,000	21,305
City of McKinney Community Service Grant	9,796	26,250
City of Plano - Buffington Community Services Grant	35,005	41,033
City of Allen Community Service Grant	25,000	23,500
City of Frisco Community Service Grant	-	-
Texas Department of Agriculture - Home Delivered Meals	154,696	120,310
Grants		
Collin County	24,478	16,319
United Way Basic Needs Grant	20,000	35,000
Corporate and Foundation Grants	302,499	199,260
Unit Cost Reimbursement Contracts		
Texas Department of Aging and Disability Services:		
Title XX - Home Delivered Meals (HDM)	55,273	65,117
Texas Department of Aging (Pass-Through NTCOG):		
Title III C-2 - HDM	814,400	642,224
Title III C-1 - Congregate Meals	155,630	150,828
Title III B - Transportation	37,505	35,093
Texas Department of Health and Human Services		
Pass Through:		
Title XIX HDM - Molina Health Care of Texas, Inc	13,849	13,905
Title XIX HDM - Superior Health Plan, Inc.	5,439	631
Total Grants and Contracts	<u>\$ 1,692,456</u>	<u>\$ 1,390,775</u>

The Organization operates under various grant agreements with government agencies which generally cover a one-year period, subject to annual renewals. The terms of these grants allow the grantors the right to audit the cost incurred thereunder. Any cost disallowed by the grantor would be absorbed by the Organization and any adjustments would be immaterial and would not have a material adverse effect on the Organization.

**Meals on Wheels Collin County
Notes to the Financial Statements
September 30, 2019 and 2018**

NOTE 13 – SUBSEQUENT EVENTS

An evaluation of subsequent events was performed in accordance with ASC 855-10, *Subsequent Events*, through August 5, 2020 which is the date of the report. No material subsequent events were noted.

SINGLE AUDIT INFORMATION

Frank W. Bonn CPA, PLLC

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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 Trustees and Management of
Meals on Wheels Collin County
McKinney, Texas

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 Collin County (a nonprofit organization), which comprises the statement of financial position as of September 30, 2019, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated August 5, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Meals on Wheels Collin County'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 the Meals on Wheels Collin County's internal control. Accordingly, we do not express an opinion on the effectiveness of Meals on Wheels Collin County'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 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 the 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 considered to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Meals on Wheels Collin County's financial statements are free of 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.



Frank W. Bonn, CPA, PLLC
Colleyville, Texas
August 5, 2020

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

To the Board of Trustees and Management of
Meals on Wheels Collin County
McKinney, Texas

Report on Compliance for Each Major Federal Program

We have audited Meals on Wheels Collin County's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct or material effect on each of the Meals on Wheels Collin County's major federal programs for the year ended September 30, 2019. Meals on Wheels Collin County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Meals on Wheels Collin County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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). Those standards and The Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Meals on Wheels Collin County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion of compliance for each major federal program. However, our audit does not provide a legal determination of Meals on Wheels Collin County's compliance.

Opinion on Each Major Federal Program

In our opinion, Meals on Wheels Collin County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2019.

Report on Internal Control Over Compliance

Management of Meals on Wheels Collin County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Meals on Wheels Collin County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Meals on Wheels Collin County's internal control over compliance.

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

Our consideration of the 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 considered to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Frank W. Bonn, CPA, PLLC
Colleyville, Texas
August 5, 2020

MEALS ON WHEELS COLLIN COUNTY
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2019

FEDERAL GRANTOR / PASS-THROUGH GRANTOR PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING #	FEDERAL EXPENDITURES
<u>U.S. Department of Housing and Urban Development</u>			
<i>CDBG - Entitlement Grants Cluster</i>			
Pass-through programs from:			
City of Frisco			
Community Development Block Grants/ Entitlement Grants	14.218	B-15-MC-48-0046	\$ 20,000
City of McKinney			
Community Development Block Grants/ Entitlement Grants	14.218	B-15-MC-48-0043	18,886
<i>Total CDBG - Entitlement Grants Cluster</i>			<u>38,886</u>
Total U.S. Department of Housing and Urban Development			
 <u>U.S. Department of Health and Human Services</u>			
<i>Aging Cluster</i>			
Pass-through programs from:			
North Central Texas Council of Governments			
Area Agency on Aging			
Special Programs for the Aging_ Title III, Part B_ Grants for Supportive Services and Senior Cent	93.044	n/a	37,505
Special Programs for the Aging_ Title III, Part C_ Nutrition Services	93.045	n/a	970,030
Nutrition Services Incentive Program	93.053	n/a	55,273
<i>Total Aging Cluster</i>			<u>1,062,808</u>
<i>Medicaid Cluster</i>			
Pass-through programs from:			
Molina Healthcare of Texas, Inc. & Superior HealthPlan, Inc.			
Medical Assistance Program	93.778	n/a	19,288
<i>Total Medicaid Cluster</i>			<u>19,288</u>
Total U.S. Department of Health and Human Services			
			<u>1,082,096</u>
Total Federal Award Expenditures			<u>\$ 1,120,982</u>

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

Meals on Wheels Collin County
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2019

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal grant activity of Meals on Wheels Collin County (the Organization) under programs of the federal government for the year ended September 30, 2019. The information in this Schedule is presented in accordance with the requirements of 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). Because the Schedule presents only a selected portion of the operations of Meals on Wheels Collin County, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Meals on Wheels Collin County.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- (1) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Therefore, some amounts presented on the Schedule may differ from amounts presented on the financial statements.
- (2) Pass-through entity identifying numbers are presented where available.

NOTE 3 – RECONCILIATION OF REVENUES AND EXPENSES

Federal financial assistance revenues are reported in the Organization’s financial statements as follows:

Federal, State and Local Government Grants and Contracts	\$	1,369,957
Timing Differences on Advances and Expenses		(248,975)
Federal Financial Assistance per Accompanying Schedule of Expenditures of Federal and State Awards	\$	1,120,982

NOTE 4 – INDIRECT COST RATE

The Organization has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 5 – NONFEDERAL MATCHING REQUIREMENTS

The Organization received pass-through funds from the Texas Health and Human Services Commission that requires that the program receive a nonfederal share equal to 10 percent of total Meals on Wheels Collin County expenses. The Organization used in-kind rent from congregate sites and the value of volunteer hours for a total match of \$101,875 to fulfill its matching requirements.

Meals on Wheels Collin County
Notes to the Schedule of Expenditures of Federal Awards (Continued)
For the Year Ended September 30, 2019

NOTE 6 – SUB-RECIPIENTS

The Organization has no sub-recipients.

NOTE 7 – NON-CASH ASSISTANCE

The Organization did not receive any non-cash assistance from federal awards for the year ended September 30, 2019.

NOTE 8 – LOANS

At year-end, the Organization had no loans or loan guarantees outstanding with federal awarding agencies.

NOTE 9 – INSURANCE COVERAGE

The Organization maintained insurance in the amount of \$3,000,000 in general liability, \$1,000,000 in D&O Insurance and \$2,000,000 in professional liability coverage during the year ended September 30, 2019.

**Meals on Wheels Collin County
Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2019**

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Significant Deficiencies identified that are not considered to be material weakness(es)? Yes reported
- Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? Yes No
- Significant Deficiencies identified that are not considered to be material weakness(es)? Yes reported

Type of auditor’s report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) or *OMB Circular A-133*? Yes No

Identification of major programs:

- CFDA Number:
- 93.044 - Special Programs for the Aging – Title III, Part B – Grants for the Supportive Services
 - 93.045 - Special Programs for the Aging – Title III, Part C – Nutrition Services
 - 93.053 - Nutrition Services Incentive Program

Dollar threshold used to distinguish between type A and type B programs? \$750,000

Meals on Wheels Collin County qualified as low-risk auditee? Yes No

**Meals on Wheels Collin County
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended September 30, 2019**

SECTION II – FINANCIAL STATEMENT FINDINGS

There were no matters reported.

SECTION III – FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

There were no matters reported.

**Meals on Wheels Collin County
Schedule of Prior Audit Findings
For the Year Ended September 30, 2019**

SECTION II – FINANCIAL STATEMENT FINDINGS

There were no matters reported.

SECTION III – FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

There were no matters reported.