

**CONTROL COPY**

## **Meals on Wheels Western Michigan**

### **Financial Statements**

Years Ended September 30, 2022 and 2021

**Schedule of Expenditures of Federal Awards  
and Reporting Required by Government  
Auditing Standards and Uniform Guidance  
Year Ended September 30, 2022**

# **Meals on Wheels Western Michigan**

---

## **Financial Statements**

**Years Ended September 30, 2022 and 2021**

**Schedule of Expenditures of Federal Awards and Reporting Required by  
Government Auditing Standards and Uniform Guidance**

**Year Ended September 30, 2022**

# Meals on Wheels Western Michigan

## Contents

---

Mission Statement and Board of Directors (Unaudited)	3-4
Independent Auditor's Report	5-7
<b>Financial Statements</b>	
Statements of Financial Position as of September 30, 2022 and 2021	8
Statements of Activities and Changes in Net Assets for the Years Ended September 30, 2022 and 2021	9-10
Statements of Functional Expenses for the Years Ended September 30, 2022 and 2021	11-12
Statements of Cash Flows for the Years Ended September 30, 2022 and 2021	13
Notes to Financial Statements	14-22
<b>Schedule of Expenditures of Federal Awards</b> for the Year Ended September 30, 2022	24
Notes to Schedule of Expenditures of Federal Awards	25
<b>Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i></b>	26-27
<b>Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance</b>	28-30
Schedule of Findings and Questioned Costs for the Year Ended September 30, 2022	31

# Meals on Wheels Western Michigan

## Mission Statement and Board of Directors (Unaudited)

---

### Mission Statement

Meals on Wheels Western Michigan (MOWWM) (formerly known as Senior Meals Program, Inc.) provides quality nutrition services in a supportive environment to promote the health and independence of older adults.

### Services Provided

The *Congregate Meals Program* provides freshly prepared and hot noon meals at 15 community or senior centers throughout Kent and Allegan Counties to anyone over the age of 60. The centers offer seniors a meal, as well as social, recreational, and educational activities. All food is prepared in the MOWWM central kitchen and follows  $\frac{1}{3}$  Recommended Daily Allowance (RDA) in its offerings.

The *Home Delivered Meals Program* provides a packaged, freshly prepared, dinner-type meal delivered three days a week to homebound seniors throughout West Michigan. A lighter second meal is available to those homebound seniors who need it, which is also delivered at the same time. These meals follow  $\frac{1}{3}$  RDA and meet or exceed Michigan standards for senior meal programs. This program serves senior citizens who are unable to prepare nutritious meals for themselves and who are unable to leave their homes without assistance. Seniors who are participating in this program receive semi-annual visits from MOWWM assessment personnel who assess the client for continued eligibility and provide information and referrals about other services.

The *Pantry Program* provides food help to low-income seniors who are 60 years of age and older who live in Kent County. The food pantry is a client-choice pantry where the seniors can come once every other week to shop for a variety of grocery items. The pantry offers fresh fruits and vegetables, along with staple grocery items, and follows  $\frac{1}{3}$  RDA in its offerings.

The *Catering Program* provides both bulk and pre-plated meals that are prepared daily in MOWWM's central kitchen. These meals are  $\frac{1}{3}$  RDA and meet or exceed Michigan standards for senior meal programs. MOWWM catering services are available to any group inside or outside of Kent County. Currently, catering is provided to Hope Network, Sarah Care Adult Day Care, Barry County Commission on Aging, and Montcalm County Commission on Aging.

# Meals on Wheels Western Michigan

## Mission Statement and Board of Directors (Unaudited)

---

### Board of Directors

President	Tom Postmus
Vice President	Shelley Irwin
Secretary	Jim Engelking
Treasurer	Kris Cleary
Board Member	Mark McGregor
Board Member	Dana Filmore
Board Member	Emily Baranowski
Board Member	Shannon Heads
Board Member	Casey Moag
Board Member	Suzanne Moody
Board Member	Paul (Buzz) Goebel
Board Member	Marcie Lewis
Board Member	Abe Garcia
Board Member	Oliver Hale

### CEO

Lisa Wideman



## **Independent Auditor's Report**

The Members of the Board of Directors  
Meals on Wheels Western Michigan  
Grandville, Michigan

### ***Opinion***

We have audited the financial statements of Meals on Wheels Western Michigan, which comprise the statements of financial position as of September 30, 2022 and 2021, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Meals on Wheels Western Michigan as of September 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

We conducted our audits 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Meals on Wheels Western Michigan 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.

### ***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Meals on Wheels Western Michigan's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.



### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with 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 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 financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Meals on Wheels Western Michigan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Meals on Wheels Western Michigan's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Other Matters***

#### ***Other Information***

The information in the Mission Statement and Board of Directors (Unaudited) has not been subjected to the auditing procedures applied in the audits of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.



### ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations 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 January 10, 2023 on our consideration of Meals on Wheels Western Michigan's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Meals on Wheels Western Michigan's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Meals on Wheels Western Michigan's internal control over financial reporting and compliance.

BDO USA, LLP

January 10, 2023



# Meals on Wheels Western Michigan

## Statements of Financial Position

<i>September 30,</i>	2022	2021
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 1,342,992	\$ 1,915,441
Cash and cash equivalents - restricted	50,000	20,000
Investments	458,007	-
Grants receivable (Note 3)	445,055	378,480
Grants receivable (Note 3) - restricted	100,000	-
Other receivables	113,819	149,395
Inventory	366,202	285,145
Prepaid expenses	48,955	43,748
<b>Total Current Assets</b>	<b>2,925,030</b>	<b>2,792,209</b>
<b>Long-Term Assets</b>		
Beneficial interest in assets held by the Grand Rapids Community Foundation (Note 5)	66,928	74,195
Deferred compensation investment (Note 9)	74,569	78,125
Property and equipment, net of depreciation (Notes 4 and 6)	2,629,949	2,820,659
<b>Total Long-Term Assets</b>	<b>2,771,446</b>	<b>2,972,979</b>
<b>Total Assets</b>	<b>\$ 5,696,476</b>	<b>\$ 5,765,188</b>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 151,248	\$ 227,878
Accrued compensation	218,796	205,157
Accrued property tax and sales tax	3,866	4,439
Current portion of mortgage loan payable (Note 7)	35,695	34,975
Current portion of capital lease obligation (Note 6)	5,353	30,586
<b>Total Current Liabilities</b>	<b>414,958</b>	<b>503,035</b>
<b>Long-Term Liabilities</b>		
Mortgage loan payable, net of current portion (Note 7)	868,701	903,452
Capital lease obligation, net of current portion (Note 6)	-	5,352
Deferred compensation payable (Note 9)	74,569	78,125
<b>Total Long-Term Liabilities</b>	<b>943,270</b>	<b>986,929</b>
<b>Total Liabilities</b>	<b>1,358,228</b>	<b>1,489,964</b>
<b>Commitments and Contingencies (Note 9)</b>		
<b>Net Assets</b>		
Without donor restrictions (Note 1)	4,188,248	4,255,224
With donor restrictions (Notes 1 and 12)	150,000	20,000
<b>Total Net Assets</b>	<b>4,338,248</b>	<b>4,275,224</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 5,696,476</b>	<b>\$ 5,765,188</b>

*See accompanying notes to financial statements.*

**Meals on Wheels Western Michigan**  
**Statement of Activities and Changes in Net Assets**

*Year ended September 30, 2022*

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Support and Revenue</b>			
Federal and state grants (Note 3)	\$ 2,372,642	\$ -	\$ 2,372,642
Kent County Senior Millage	2,233,907	-	2,233,907
Program income	411,134	-	411,134
Contributions	1,746,370	150,000	1,896,370
Medicaid waiver	294,220	-	294,220
United Way	45,000	-	45,000
Investment loss, net	(35,543)	-	(35,543)
Loss on beneficial interest in assets held by the Grand Rapids Community Foundation	(7,267)	-	(7,267)
Net assets released from restrictions (Note 13)	20,000	(20,000)	-
<b>Total Support and Revenue</b>	<b>7,080,463</b>	<b>130,000</b>	<b>7,210,463</b>
<b>Expenses</b>			
Program services:			
Congregate meals	1,080,662	-	1,080,662
Home delivered meals	4,244,261	-	4,244,261
Pantry	551,354	-	551,354
Catering and other	143,281	-	143,281
<b>Total Program Services</b>	<b>6,019,558</b>	<b>-</b>	<b>6,019,558</b>
Support services:			
Management and general	660,424	-	660,424
Fundraising	467,457	-	467,457
<b>Total Support Services</b>	<b>1,127,881</b>	<b>-</b>	<b>1,127,881</b>
<b>Total Expenses</b>	<b>7,147,439</b>	<b>-</b>	<b>7,147,439</b>
<b>Change in Net Assets</b>	<b>(66,976)</b>	<b>130,000</b>	<b>63,024</b>
<b>Net Assets, beginning of year</b>	<b>4,255,224</b>	<b>20,000</b>	<b>4,275,224</b>
<b>Net Assets, end of year</b>	<b>\$ 4,188,248</b>	<b>\$ 150,000</b>	<b>\$ 4,338,248</b>

*See accompanying notes to financial statements.*

**Meals on Wheels Western Michigan**  
**Statement of Activities and Changes in Net Assets**

*Year ended September 30, 2021*

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Support and Revenue</b>			
Federal and state grants (Note 3)	\$ 2,429,871	\$ -	\$ 2,429,871
Kent County Senior Millage	1,901,945	-	1,901,945
Program income	1,274,390	-	1,274,390
Contributions	588,194	20,000	608,194
Medicaid waiver	346,134	-	346,134
United Way	45,200	-	45,200
Gain from forgiveness of Paycheck Protection Program loan	446,900	-	446,900
Investment income, net	6,300	-	6,300
Gain on beneficial interest in assets held by the Grand Rapids Community Foundation	13,459	-	13,459
Net assets released from restrictions (Note 13)	200,000	(200,000)	-
<b>Total Support and Revenue</b>	<b>7,252,393</b>	<b>(180,000)</b>	<b>7,072,393</b>
<b>Expenses</b>			
Program services:			
Congregate meals	860,929	-	860,929
Home delivered meals	4,143,817	-	4,143,817
Pantry	559,645	-	559,645
Catering and other	234,385	-	234,385
<b>Total Program Services</b>	<b>5,798,776</b>	<b>-</b>	<b>5,798,776</b>
Support services:			
Management and general	584,601	-	584,601
Fundraising	301,688	-	301,688
<b>Total Support Services</b>	<b>886,289</b>	<b>-</b>	<b>886,289</b>
<b>Total Expenses</b>	<b>6,685,065</b>	<b>-</b>	<b>6,685,065</b>
<b>Change in Net Assets</b>	<b>567,328</b>	<b>(180,000)</b>	<b>387,328</b>
<b>Net Assets, beginning of year</b>	<b>3,687,896</b>	<b>200,000</b>	<b>3,887,896</b>
<b>Net Assets, end of year</b>	<b>\$ 4,255,224</b>	<b>\$ 20,000</b>	<b>\$ 4,275,224</b>

*See accompanying notes to financial statements.*

## Meals on Wheels Western Michigan

### Statement of Functional Expenses

*Year ended September 30, 2022*

	Program Services					Support Services			
	Congregate Meals	Home Delivered Meals	Pantry	Catering and Other	Total Program Services	Management and General	Fundraising	Support Services	Total
Salaries and wages	\$ 413,474	\$ 1,577,763	\$ 188,103	\$ 9,915	\$ 2,189,255	\$ 433,138	\$ 194,414	\$ 627,552	\$ 2,816,807
Employee benefits	82,058	349,748	31,771	354	463,931	83,058	45,602	128,660	592,591
Travel and trucking	24,221	87,546	5,826	-	117,593	2,127	1,323	3,450	121,043
Food and supplies	291,470	1,609,343	220,430	94,101	2,215,344	11,056	151,892	162,948	2,378,292
Occupancy	19,883	97,198	66,997	14,579	198,657	7,031	-	7,031	205,688
Subcontractors	93,891	24,775	-	-	118,666	-	-	-	118,666
Communications	19,206	15,914	5,320	5	40,445	11,387	19,136	30,523	70,968
Insurance	15,856	82,402	4,730	-	102,988	7,434	4,156	11,590	114,578
Consultants	39,917	18,684	5,219	-	63,820	69,838	25,930	95,768	159,588
Other	23,047	102,651	9,446	24,327	159,471	33,585	23,484	57,069	216,540
Depreciation	57,639	278,237	13,512	-	349,388	1,770	1,520	3,290	352,678
	<b>\$ 1,080,662</b>	<b>\$ 4,244,261</b>	<b>\$ 551,354</b>	<b>\$ 143,281</b>	<b>\$ 6,019,558</b>	<b>\$ 660,424</b>	<b>\$ 467,457</b>	<b>\$ 1,127,881</b>	<b>\$ 7,147,439</b>

*See accompanying notes to financial statements.*

## Meals on Wheels Western Michigan

### Statement of Functional Expenses

Year ended September 30, 2021

	Program Services					Support Services			
	Congregate Meals	Home Delivered Meals	Pantry	Catering and Other	Total Program Services	Management and General	Fundraising	Support Services	Total
Salaries and wages	\$ 314,015	\$ 1,468,546	\$ 208,277	\$ 12,681	\$ 2,003,519	\$ 366,470	\$ 125,729	\$ 492,199	\$ 2,495,718
Employee benefits	83,846	296,085	37,966	562	418,459	95,301	25,321	120,622	539,081
Travel and trucking	9,919	74,598	6,481	3,051	94,049	536	105	641	94,690
Food and supplies	220,769	1,644,073	230,536	139,640	2,235,018	18,679	20,012	38,691	2,273,709
Occupancy	16,371	85,948	45,630	44,777	192,726	780	-	780	193,506
Subcontractors	77,417	24,775	-	-	102,192	-	-	-	102,192
Communications	15,450	15,243	4,882	1	35,576	9,317	32,096	41,413	76,989
Insurance	12,400	65,928	3,770	6,776	88,874	6,120	3,284	9,404	98,278
Consultants	44,886	33,916	3,976	900	83,678	69,934	50,654	120,588	204,266
Other	26,491	166,390	12,348	20,974	226,203	17,464	44,487	61,951	288,154
Depreciation	39,365	268,315	5,779	5,023	318,482	-	-	-	318,482
	\$ 860,929	\$ 4,143,817	\$ 559,645	\$ 234,385	\$ 5,798,776	\$ 584,601	\$ 301,688	\$ 886,289	\$ 6,685,065

*See accompanying notes to financial statements.*

# Meals on Wheels Western Michigan

## Statements of Cash Flows

<i>Year ended September 30,</i>	<b>2022</b>	<b>2021</b>
<b>Cash Flows from Operating Activities</b>		
Change in net assets	\$ 63,024	\$ 387,328
Adjustments to reconcile change in net assets to net cash and cash equivalents provided by operating activities:		
Depreciation	352,678	318,482
Realized/unrealized loss on investments	41,993	-
Loss (gain) on beneficial interest in the Grand Rapids Community Foundation	7,267	(13,459)
Gain from forgiveness of Paycheck Protection Program loan	-	(446,900)
Changes in operating assets and liabilities:		
Grants receivable	(166,575)	(42,067)
Other receivables	35,576	119,980
Inventory	(81,057)	(75,854)
Prepaid expenses	(5,207)	(7,754)
Accounts payable	(76,630)	(166,655)
Accrued compensation	13,639	13,940
Accrued property taxes and sales tax	(573)	4,439
Security deposit payable	-	(4,769)
<b>Net Cash and Cash Equivalents Provided by Operating Activities</b>	<b>184,135</b>	<b>86,711</b>
<b>Cash Flows from Investing Activities</b>		
Purchases of property and equipment	(161,968)	(318,185)
Purchases of investments	(652,196)	-
Sale of investments	152,196	-
<b>Net Cash and Cash Equivalents Used in Investing Activities</b>	<b>(661,968)</b>	<b>(318,185)</b>
<b>Cash Flows from Financing Activities</b>		
Payments on capital lease obligation	(30,585)	(28,116)
Proceeds from mortgage loan payable	-	950,000
Payments on mortgage loan payable	(34,031)	(11,573)
Payments on land contract note payable	-	(953,440)
<b>Net Cash and Cash Equivalents Used in Financing Activities</b>	<b>(64,616)</b>	<b>(43,129)</b>
<b>Net Decrease in Cash, Cash Equivalents, and Restricted Cash</b>	<b>(542,449)</b>	<b>(274,603)</b>
<b>Cash, Cash Equivalents, and Restricted Cash, beginning of year</b>	<b>1,935,441</b>	<b>2,210,044</b>
<b>Cash, Cash Equivalents, and Restricted Cash, end of year</b>	<b>\$ 1,392,992</b>	<b>\$ 1,935,441</b>
<b>Cash and Cash Equivalents Reconciliation</b>		
Cash and cash equivalents	\$ 1,342,992	\$ 1,915,441
Cash and cash equivalents - restricted	50,000	20,000
<b>Total Cash, Cash Equivalents, and Restricted Cash, end of year</b>	<b>\$ 1,392,992</b>	<b>\$ 1,935,441</b>
<b>Cash Paid for Interest</b>	<b>\$ 32,750</b>	<b>\$ 47,436</b>

*See accompanying notes to financial statements.*

# Meals on Wheels Western Michigan

## Notes to Financial Statements

---

### 1. Significant Accounting Policies

#### *Organization and Purpose*

Meals on Wheels Western Michigan (MOWWM or the Organization) (formerly known as Senior Meals Program, Inc.) was founded in Michigan as a nonprofit organization to plan and coordinate the nutrition program for older citizens in Kent and Allegan Counties. In addition, MOWWM prepares and distributes meals to senior citizens and nonprofit organizations.

#### *Basis of Presentation and Accounting*

The financial statements of MOWWM have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

#### *Cash, Cash Equivalents, and Restricted Cash*

For purposes of the statements of cash flows, MOWWM considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

As of September 30, 2022 and 2021, MOWWM had \$50,000 and \$20,000 of restricted cash, respectively. This is cash that was received by MOWWM but restricted for the purpose of purchasing equipment.

#### *Other Receivables*

Other receivables represent obligations due from subcontractors and others through the normal course of business. Management reviews other receivables periodically to determine if any amounts will be potentially uncollectible. Any amounts that are determined to be uncollectible are included in the allowance for losses on other receivables. Although the allowance for losses on other receivables is based on management's knowledge of current events and actions it may undertake in the future, the allowance may ultimately differ from actual results. There was no allowance for losses on other receivables at September 30, 2022 or 2021.

#### *Inventory*

Inventory consists primarily of food supplies. Inventory is valued at cost using the first-in, first-out method.

#### *Property, Equipment, and Depreciation*

Tangible assets having a useful life in excess of one year, with cost in excess of \$500, are capitalized.

Property and equipment are stated at cost or, in the case of donated property, at estimated fair value at the date of donation. It is MOWWM's policy to impose a time restriction, based on the assets' estimated useful lives, on property and equipment purchased with grantor funds. Accordingly, assets purchased with grantor funds are recorded as temporarily restricted assets. Depreciation is computed over the estimated useful lives of the assets by the straight-line method.

# Meals on Wheels Western Michigan

## Notes to Financial Statements

---

MOWWM reviews all long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If it is determined that an impairment loss has occurred based on expected future cash flows, the loss will be recognized in the statements of activities, and certain disclosures regarding the impairment will be made in the financial statements. No impairment was identified during 2022 or 2021.

Estimated useful lives of the related assets by asset category are as follows:

Asset Category	Useful Life (Years)
Building improvements	15-20
Automobiles	3-7
Food service/pantry equipment	5-10
Office equipment	5
Computer equipment	3

---

### *Fair Value Measurements*

MOWWM classifies certain financial and nonfinancial assets and liabilities at fair value in accordance with U.S. GAAP. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants, giving the highest priority to quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The fair value hierarchy is as follows:

*Level 1* - This level consists of quoted prices from active markets for identical assets.

*Level 2* - This level consists of investments not traded on an active market but for which observable market inputs are readily available.

*Level 3* - This level consists of significant unobservable inputs.

Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

MOWWM has investments that are at fair value, classified as Level 1. Also, MOWWM values assets related to the deferred compensation plan at fair value, classified as Level 1.

MOWWM also values at fair value its beneficial interest in assets held by the Grand Rapids Community Foundation (the Foundation), which is classified as Level 3. See additional details in Note 5.

---

Investment Balance, October 1, 2020	\$	60,736
Fees		(793)
Investment gain		13,198
Interest and dividends		1,054
Investment Balance, September 30, 2021		74,195
Fees		(732)
Investment loss		(7,766)
Interest and dividends		1,231
Investment Balance, September 30, 2022	\$	66,928

---



# Meals on Wheels Western Michigan

## Notes to Financial Statements

---

### ***Net Assets***

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:

*Net Assets Without Donor Restrictions* - These are net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

*Net Assets with Donor Restrictions* - These are net assets subject to donor-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—the donor stipulates that resources be maintained in perpetuity. 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. Restricted contributions received and expended for the restricted purpose in the same year are reflected in net assets without donor restrictions. As of September 30, 2022 and 2021, MOWWM had assets with donor restrictions of \$150,000 and \$20,000, respectively (see Note 12). As of September 30, 2022 and 2021, MOWWM did not have any net assets with donor restrictions maintained in perpetuity.

### ***Revenue and Support***

Program income is recognized at a point in time at the delivery or service of meals, which is considered the performance obligation.

Contributions received are recorded as with or without donor restrictions, depending on the existence and/or nature of any donor restrictions.

Unconditional promises with payments due in future years have an implied restriction to be used in the year the payment is due and, therefore, are reported as net assets with donor restrictions until the payment is due, unless the contribution is clearly intended to support activities of the current fiscal year or is received with permanent restrictions. Conditional promises, such as matching grants, are not recognized until they become unconditional—that is, until all conditions on which they depend are substantially met.

MOWWM engages in various cost-reimbursable contracts with federal and state agencies with varying terms. Federal and state grants, Kent County Senior Millage, and Medicaid waiver are not recorded until expended for the purpose of the grants, since they have been evaluated as conditional promises to give and are not recognized until the condition has been met in accordance with Accounting Standards Update (ASU) 2018-08. Amounts received are recognized as revenue when MOWWM has incurred expenditures in compliance with specific contract or grant provisions.

### ***Income Taxes***

MOWWM is exempt from federal income taxes due to its status as a not-for-profit corporation under Internal Revenue Code Section 501(c)(3). In addition, MOWWM qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

# Meals on Wheels Western Michigan

## Notes to Financial Statements

---

### ***Functional Allocation of Expenses***

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities. The financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of MOWWM. These expenses include depreciation, food and supplies, costs of the finance department, marketing and communications department, and operations department. Depreciation is allocated to the specific program based on square footage. Food and supplies costs are allocated based on meals served. The finance, marketing and communications, and operations departments' costs are allocated based on actual costs and estimates of time and effort. The statements of functional expenses present the natural classification detail of expenses by function.

### ***Recent Accounting Pronouncements to Be Adopted***

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. This update, along with ASU 2018-10, *Codification Improvements to Topic 842: Leases*; ASU 2018-11, *Leases (Topic 842): Targeted Improvements*; and ASU 2018-20, *Leases (Topic 842): Narrow-Scope Improvements for Lessors*, establish a comprehensive leasing standard. These updates require the recognition of lease assets and lease liabilities on the statements of financial position and disclosure of key information about leasing arrangements for lessees and lessors. The new standard applies a right-of-use (ROU) model that requires, for leases with a lease term of more than 12 months, an asset representing its right to use the underlying asset for the lease term and a liability to make lease payments to be recorded. The guidance also expands the required quantitative and qualitative lease disclosures, as well as provides entities with an additional (and optional) transition method to adopt the new standard. The ASU is effective for MOWWM's fiscal year 2023. Management is currently evaluating the impact of this ASU on its financial statements.

### ***Estimates***

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the reporting period, and certain disclosures. Actual results could differ from those estimates.

### ***Reclassifications***

Certain reclassifications have been made in the 2021 financial statements to conform to the classifications in the 2022 financial statements. Such reclassifications had no impact on the previously reported statements of activities and statements of functional expenses.

### ***Subsequent Events***

Management has evaluated subsequent events through January 10, 2023, the date the financial statements were available to be issued.

# Meals on Wheels Western Michigan

## Notes to Financial Statements

### 2. Liquidity and Availability of Resources

MOWWM's financial assets available for general expenditure—that is, without donor or other restrictions limiting their use—within one year of the statements of financial position date are as follows:

<i>September 30,</i>	<b>2022</b>	<b>2021</b>
Cash and cash equivalents, without donor restrictions	\$ 1,342,992	\$ 1,915,441
Investments	458,007	-
Grants receivable, without donor restrictions	445,055	378,480
Other receivables	113,819	149,395
<b>Total Financial Assets Available to Management for General Expenditures Within One Year</b>	<b>\$ 2,359,873</b>	<b>\$ 2,443,316</b>

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

### 3. Grants Receivable and Revenue

At September 30, 2022, MOWWM had grants receivable, without donor restrictions, of \$158,121 from the Older Americans Act managed through the Area Agency on Aging of Western Michigan (AAAWM). MOWWM also had \$286,934 receivable from the Kent County Senior Millage.

At September 30, 2021, MOWWM had grants receivable, without donor restrictions, of \$280,182 from the Older Americans Act managed through the AAAWM. MOWWM also had \$98,298 receivable from the Kent County Senior Millage.

During the years ended September 30, 2022 and 2021, MOWWM received 63.2% and 61.0%, respectively, of its revenues from AAAWM.

### 4. Property and Equipment

Property and equipment are comprised of the following:

<i>September 30,</i>	<b>2022</b>	<b>2021</b>
Land	\$ 978,455	\$ 978,455
Building improvements	2,017,579	1,894,955
Computer equipment	199,527	174,787
Food service equipment	1,233,889	1,178,349
Pantry equipment	88,684	86,785
Office equipment	104,796	104,796
Automobiles	550,030	550,030
Construction in progress	-	42,835
Accumulated depreciation	(2,543,011)	(2,190,333)
<b>Property and Equipment, Net</b>	<b>\$ 2,629,949</b>	<b>\$ 2,820,659</b>

# Meals on Wheels Western Michigan

## Notes to Financial Statements

---

### 5. Beneficial Interest in Assets Held by a Community Foundation

U.S. GAAP establishes standards for transactions in which a community foundation accepts a contribution from a donor and agrees to transfer those assets, the return on investment of those assets, or both to another entity that is specified by the donor. U.S. GAAP requires that if a not-for-profit organization establishes a fund at a community foundation with its own funds and is specified as the beneficiary of that fund, the organization must account for the transfer of such assets as a beneficial interest in funds held by the community foundation. The community foundation refers to such funds as agency fund endowments.

MOWWM has established a fund at the Foundation, a Michigan nonprofit corporation, which is known as the Senior Meals on Wheels of Western Michigan Fund (the Fund). The Fund shall be used for support of the charitable or educational purposes of MOWWM upon the written request of MOWWM. Any unrequested or undistributed income shall be carried forward for future years, unless otherwise specified by MOWWM in writing. The balance at September 30, 2022 and 2021 was \$66,928 and \$74,195, respectively.

The Board of Trustees of the Foundation shall have the power to modify any restriction or condition on the distribution of funds for any specified charitable purposes or to a specified organization if, in the sole judgment of the Board, such restriction or condition becomes, in effect, unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community served.

The variance power granted to the Foundation allows MOWWM a 30-day period during which it may advise the Foundation of its views regarding the proposed exercise of the power and take such other action, as it deems appropriate. The Foundation agrees that if its Board of Trustees proposes to exercise the variance power, the exercise of such power shall not be effective earlier than at least 30 days after the written notice to MOWWM.

The Foundation's investment objective is to preserve the real purchasing power of the assets after all withdrawals by earning a total rate of return over full market cycles (net of fees), which will support the spending policy. The Foundation invests assets in order to maximize the long-term return while assuming a reasonable level of risk.

The Foundation's spending rule is set at 5.00% of a 16-quarter rolling average market value. The level of spending will always be between 4.00% and 5.75% of the current market value.

The Foundation also maintains a fund on MOWWM's behalf that contains individual donations. The Foundation has variance powers and legal ownership over this fund and, as such, reports these funds as assets of the Foundation. Therefore, MOWWM does not record these funds as an asset, and only records any grants received as revenue in the statements of activities and changes in net assets. This balance was approximately \$43,000 and \$48,000 at September 30, 2022 and 2021, respectively.

There were no grants from the funds in 2022 or 2021. The change in balances of the assets held year over year relates to net investment earnings. See additional details in Note 1.

# Meals on Wheels Western Michigan

## Notes to Financial Statements

---

### 6. Capital Lease Obligations

The Company leases two vehicles under agreements that are classified as capital leases. The cost of vehicles under capital leases is included in the statements of financial position as property and equipment and was \$171,160 at both September 30, 2022 and 2021. Accumulated depreciation of the leased equipment at September 30, 2022 and 2021 was \$167,085 and \$142,633, respectively. The two vehicle leases matured on November 19, 2022.

The future minimum lease payments required under the capital leases and present values of net minimum lease payments as of September 30, 2022 are as follows:

*Year ending September 30,*

2023	\$	5,410
Less: amount representing interest		(57)
<b>Present Value of Minimum Lease Payments</b>		<b>5,353</b>
Less: current maturities of capital lease obligation		(5,353)
<b>Long-Term Capital Lease Obligation, Net</b>	<b>\$</b>	<b>-</b>

### 7. Land Contract Note Payable and Mortgage Loan Payable

The Organization had a land contract note payable to PRDA, LLC with monthly principal and interest payments of \$5,193, with an interest rate of 5.00%. The note was paid off in fiscal year 2021 by using the proceeds from the mortgage loan.

MOWWM entered into a mortgage loan payable on May 14, 2021, in the amount of \$950,000 with monthly principal and interest payments of \$5,409, with an interest rate of 3.29%. The note is collateralized by substantially all assets of the Organization and matures on May 14, 2026, at which time all unpaid principal and interest is due.

Maturities for the mortgage loan payable are as follows:

*Year ending September 30,*

2023	\$	35,695
2024		36,809
2025		38,117
2026		793,775
		904,396
Less: current maturities		(35,695)
<b>Mortgage Loan Payable, net of current maturities</b>	<b>\$</b>	<b>868,701</b>

# Meals on Wheels Western Michigan

## Notes to Financial Statements

---

### 8. Paycheck Protection Program Loan Payable

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (the CARES Act) was signed into law. MOWWM applied for a loan under the Small Business Administration's (SBA) Paycheck Protection Program (PPP) through provision by the CARES Act. In April 2020, this PPP loan was approved by Grand River Bank in the amount of \$446,900, with a 1% interest-bearing promissory note that specified repayment in 18 monthly installments beginning November 23, 2020.

The application for these funds required MOWWM to, in good faith, certify that the current economic uncertainty made the loan request necessary to support the ongoing operations of MOWWM. This certification further required MOWWM to take into account its current business activity and the ability to access other sources of liquidity sufficient to support ongoing operations in a manner that was not significantly detrimental to its respective business operations. The receipt of these funds, and the forgiveness of the loan attendant to these funds, was dependent on MOWWM having initially qualified for the loan and qualifying for the forgiveness of such loan based on its future adherence to the forgiveness criteria.

The SBA provided a notice of forgiveness with an effective date of February 26, 2021.

During the year ended September 30, 2021, MOWWM recognized \$446,900 as a gain from forgiveness of the PPP loan, which is included in support and revenue on the statements of activities and changes in net assets.

### 9. Retirement Plans

MOWWM maintains a Section 403(b) annuity plan for employees. Under the plan, MOWWM will match 50% of an employee's deferral up to the first 6% of regular earnings, provided they are employed by MOWWM at year-end. Total cost of the plan was \$20,157 and \$19,326 for the years ended September 30, 2022 and 2021, respectively.

Effective December 17, 2014, MOWWM adopted a Section 457(b) deferred compensation plan for certain officers of MOWWM. Total cost of the plan was \$4,436 and \$7,480 for the years ended September 30, 2022 and 2021, respectively. As of September 30, 2022 and 2021, MOWWM has recorded investments and a liability of \$74,569 and \$78,125, respectively, related to employer deferrals of compensation into the plan on a pre-tax basis.

### 10. Donated Services

Numerous volunteers have donated time to MOWWM. The value of these services does not meet the criteria to be recognized as revenue in the financial statements, although management estimates the fair value of those services to be approximately \$167,000 and \$169,000 for the years ended September 30, 2022 and 2021, respectively.

### 11. Line of Credit

MOWWM has a \$500,000 line of credit agreement that matured on August 8, 2022. The line of credit was renewed on December 19, 2022. The agreement requires monthly interest payments at a variable rate equal to the prime rate (3.25% as of September 30, 2022). The balance at both September 30, 2022 and 2021 was \$0.

# Meals on Wheels Western Michigan

## Notes to Financial Statements

---

### 12. Net Assets with Donor Restrictions

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

<i>September 30,</i>		<b>2022</b>		<b>2021</b>
Building expansion and equipment	\$	<b>150,000</b>	\$	<b>20,000</b>

The purpose of the above donor-restricted amount is as follows:

- Building expansion and equipment - These funds, as of September 30, 2022 and 2021, were to be used for the purchase of equipment.

### 13. Net Assets Released from Donor Restrictions

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or other events specified by donors. The net assets released from restrictions are as follows:

<i>Year ended September 30,</i>		<b>2022</b>		<b>2021</b>
Building expansion and equipment	\$	<b>20,000</b>	\$	<b>200,000</b>

## Schedule of Expenditures of Federal Awards

---



**Meals on Wheels Western Michigan**  
**Schedule of Expenditures of Federal Awards**

*Year ended September 30, 2022*

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Provided to Subrecipients	Total Federal Expenditures
<b>U.S. Department of Health and Human Services</b>				
Aging Cluster:				
Passed through Area Agency on Aging of Western Michigan, Inc.:				
Special programs for the aging - Title III, Part C - nutrition services:				
Part I - congregate meals	93.045	61.88-FY22.1	\$ -	\$ 402,445
Part II - home delivered meals			-	776,746
<b>Total Special Programs for the Aging - Title III, Part C - Nutrition Services</b>			-	1,179,191
Passed through Area Agency on Aging of Western Michigan, Inc.:				
Nutrition services incentive program:				
Food distribution - home delivered meals	93.053	61.88-FY22.1	-	443,377
Food distribution - congregate meals			-	67,661
<b>Total Nutrition Services Incentive Program</b>			-	511,038
<b>Total Aging Cluster</b>			-	1,690,229
<b>Total U.S. Department of Health and Human Services and Aging Cluster</b>			-	1,690,229
<b>U.S. Department of Homeland Security</b>				
Passed through Feeding America Western Michigan:				
Emergency Food and Shelter National Board Program				
	97.024	472400-001	-	21,925
<b>Total U.S. Department of Homeland Security</b>			-	21,925
<b>Total Expenditure of Federal Awards</b>			\$ -	\$ 1,712,154

*The accompanying notes are an integral part of this schedule.*

# Meals on Wheels Western Michigan

## Notes to Schedule of Expenditures of Federal Awards Year Ended September 30, 2022

---

### 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal activity of Meals on Wheels Western Michigan (MOWWM) under programs of the federal 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). Because the Schedule presents only a selected portion of the operations of MOWWM, it is not intended to and does not present the financial position, changes in net assets, or cash flows of MOWWM.

### 2. Summary of Significant Accounting Policies

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

### 3. Indirect Cost Rate

MOWWM has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

### 4. Reconciliation of Schedule of Expenditures of Federal Awards to the Statement of Activities

The accompanying Schedule includes the federal grant activity of MOWWM for the year ended September 30, 2022. This Schedule is presented using the accrual basis of accounting.

Revenues in the basic financial statements reconcile with this Schedule as follows:

*Year ended September 30, 2022*

---

Federal and state grants per financial statements	\$	2,372,642
State grants		(660,488)
<b>Expenditures per Schedule of Expenditures of Federal Awards</b>	<b>\$</b>	<b>1,712,154</b>

---



## **Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

The Members of the Board of Directors  
Meals on Wheels Western Michigan  
Grandville, Michigan

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 Western Michigan (MOWWM), which comprise MOWWM's 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 10, 2023.

### **Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered MOWWM's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of MOWWM's internal control. Accordingly, we do not express an opinion on the effectiveness of MOWWM's internal control.

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

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



## Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether MOWWM's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of MOWWM's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering MOWWM's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BDO USA, LLP

January 10, 2023



## **Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance**

The Members of the Board of Directors  
Meals on Wheels Western Michigan  
Grandville, Michigan

### **Report on Compliance for Each Major Federal Program**

#### ***Opinion on Each Major Federal Program***

We have audited Meals on Wheels Western Michigan's (MOWWM) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of MOWWM's major federal programs for the year ended September 30, 2022. MOWWM's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, MOWWM 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, 2022.

#### ***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (U.S. 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). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

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



### ***Auditor's Responsibilities for the Audit of Compliance***

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding MOWWM'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 MOWWM's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of MOWWM's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control Over Compliance**

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



requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

BDO USA, LLP

January 10, 2023

# Meals on Wheels Western Michigan

## Schedule of Findings and Questioned Costs Year Ended September 30, 2022

---

### Section 1. Summary of Auditor's Results

#### Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with U.S. GAAP:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?  Yes  No
- Significant deficiency(ies) identified?  Yes  None reported
- Noncompliance material to financial statements noted?  Yes  No

#### Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified?  Yes  No
- Significant deficiency(ies) identified?  Yes  None reported

Type of auditor's report issued on compliance for major federal programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

Yes  No

Identification of major federal programs:

Federal Assistance Listing Number	Name of Federal Program or Cluster
93.045 and 93.053	Aging Cluster

Dollar threshold used to distinguish between Type A and Type B programs:

\$750,000

Auditee qualified as low-risk auditee?

Yes  No

### Section 2. Financial Statement Findings

There were no findings related to the financial statements that are required to be reported, in accordance with generally accepted government auditing standards.

### Section 3. Federal Award Findings and Questioned Costs

There were no findings and questioned costs for federal awards (as defined in 2 CFR 200.516(a)) that are required to be reported.

---



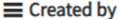
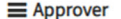
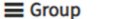

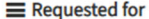
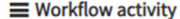
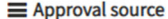
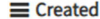




## Financial Statement ServiceNow Details/Approvals for Control Copy

Number	BSCDP0015550
Requested for	Joshua Laramy (laramyjd)
Client	0038999 - Meals on Wheels Western Michigan
Project	1110897 - 2022/09/30 Audit
Entity	MOWWM
Short description	0038999 - Meals on Wheels Western Michigan - Document Processing Request - MOWWM UG
Operating unit	008 - Grand Rapids
Document type	Financial statements
: Financial statement type	Audit
Year end	2022-09-30
Quarter end	
SEC client	<input type="checkbox"/>
Project Partner	John LaFramboise (laframjd)
Project manager	Joshua Laramy (laramyjd)
Project senior	Roni Powers (powersrl)
Detailed reviewer	Joshua Laramy (laramyjd)

## Financial Statement ServiceNow Details/Approvals for Control Copy

Approval for = BSCDP0015550

	 State ▲	 Created by	 Approver	 Group	 Short description	 Requested for	 Workflow activity	 Approval source	 Created
	<span style="color: green;">●</span> <a href="#">Approved</a>	laramyjd	<a href="#">John LaFramboise</a> (laframj)	(empty)	0038999 - Meals on Wheels Western Michigan - Document Processing Request - MOWWM UG	<a href="#">Joshua Laramy</a> (laramyjd)	<a href="#">Proj Partner</a>	Email	2023-01-11 09:29:58
	<span style="color: green;">●</span> <a href="#">Approved</a>	levinscm	<a href="#">Joshua Laramy</a> (laramyjd)	(empty)	0038999 - Meals on Wheels Western Michigan - Document Processing Request - MOWWM UG	<a href="#">Joshua Laramy</a> (laramyjd)	<a href="#">Requestor</a>	Email	2022-12-15 13:23:18