MEALS ON WHEELS SOUTH TEXAS

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

YEARS ENDED
SEPTEMBER 30, 2025 AND 2024

RHC ROLOFF, HNATEK & CO.
CERTIFIED PUBLIC ACCOUNTANTS

TABLE OF CONTENTS

	Page No.
INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
Statements of Financial Position	3
Statements of Activities	4
Statements of Functional Expenses	6
Statements of Cash Flows	8
Notes to Financial Statements	9

ROLOFF, HNATEK & CO.
CERTIFIED PUBLIC ACCOUNTANTS

101 W. Goodwin Avenue, Suite 600
Victoria, TX 77901
361.578.2915 | 361.578.7058 Fax

Christopher L. Culak, CPA
Yvette M. Castro, CPA

P.O. Box 2486
Victoria, TX 77902-2486
www.rhcllp.com

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Meals on Wheels South Texas
Victoria, Texas

Opinion

We have audited the accompanying financial statements of Meals on Wheels South Texas (a nonprofit organization), which comprise the statements of financial position as of September 30, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Meals on Wheels South Texas as of September 30, 2025 and 2024, 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 Our Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Meals on Wheels South Texas and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 South Texas's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, 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 South Texas'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 South Texas'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.

Roloff, Hnatek & Co., L.L.P.

Certified Public Accountants

June 8, 2026

MEALS ON WHEELS SOUTH TEXAS
STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 2025 AND 2024

ASSETS

	2025	2024
Current Assets:		
Cash	$ 156,569	$ 304,491
Grants and Contributions Receivable	16,767	86,266
Unconditional Promises to Give	30,000	30,000
Prepaid Expenses	9,894	8,864
Total Current Assets	213,230	429,621
Noncurrent Assets:		
Property and Equipment, Net	448,688	456,303
Total Assets	$ 661,918	$ 885,924

LIABILITIES AND NET ASSETS

Current Liabilities:		
Accounts Payable	$ 26,836	$ 23,869
Payroll Liabilities	2,023	353
Other Liabilities	669	210
Compensated Absences	19,372	24,363
Total Liabilities	48,900	48,795
Net Assets:		
Without Donor Restrictions	590,607	800,262
With Donor Restrictions	22,411	36,867
Total Net Assets	613,018	837,129
Total Liabilities and Net Assets	$ 661,918	$ 885,924

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

MEALS ON WHEELS SOUTH TEXAS
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue:			
Grants and Contracts	$ 362,395	$ 10,000	$ 372,395
Program Revenues	13,963	-0-	13,963
Fundraising Income	2,051	-0-	2,051
Interest Income	7,802	-0-	7,802
Donations	366,915	-0-	366,915
United Way	40,000	-0-	40,000
Other Income	23,178	-0-	23,178
Net Assets Released from Restrictions	24,456	(24,456)	-0-
Total Support and Revenue	840,760	(14,456)	826,304
Expenses:			
Program Services	904,695	-0-	904,695
Supporting Services:			
Administrative	126,507	-0-	126,507
Fundraising	19,213	-0-	19,213
Total Expenses	1,050,415	-0-	1,050,415
Decrease in Net Assets	(209,655)	(14,456)	(224,111)
Net Assets, Beginning of Year	800,262	36,867	837,129
Net Assets, End of Year	$ 590,607	$ 22,411	$ 613,018

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

MEALS ON WHEELS SOUTH TEXAS
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue:			
Grants and Contracts	$ 568,510	$ 15,000	$ 583,510
Program Revenues	8,244	-0-	8,244
Fundraising Income	3,998	-0-	3,998
Interest Income	9,367	-0-	9,367
Donations	340,343	-0-	340,343
United Way	40,000	-0-	40,000
Reimbursement of Expenses	166	-0-	166
Other Income	1,415	-0-	1,415
Net Assets Released from Restrictions	10,382	(10,382)	-0-
Total Support and Revenue	982,425	4,618	987,043
Expenses:			
Program Services	750,645	-0-	750,645
Supporting Services:			
Administrative	107,880	-0-	107,880
Fundraising	7,798	-0-	7,798
Total Expenses	866,323	-0-	866,323
Increase in Net Assets	116,102	4,618	120,720
Net Assets, Beginning of Year	684,160	32,249	716,409
Net Assets, End of Year	$ 800,262	$ 36,867	$ 837,129

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

MEALS ON WHEELS SOUTH TEXAS
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED SEPTEMBER 30, 2025

	Program Services	Administrative	Fundraising	Total
Salaries and Related Expenses				
Salaries	$ 308,407	$ 50,796	$ 3,629	$ 362,832
Employee Benefits	88,406	14,561	1,040	104,007
Payroll Taxes	22,762	3,749	268	26,779
Total Salaries and Related Expenses	419,575	69,106	4,937	493,618
Advertising	6,706	5,365	1,341	13,412
Food and Related Expenses	285,860	-0-	-0-	285,860
Fundraising	-0-	-0-	10,885	10,885
Information Technology	23,716	4,185	-0-	27,901
Insurance	25,235	8,412	-0-	33,647
Nonfood Kitchen Supplies	7,253	-0-	-0-	7,253
Occupancy				
Janitorial Supplies	10,346	1,150	-0-	11,496
Maintenance and Repairs	13,168	1,463	-0-	14,631
Security	14	3	-0-	17
Utilities and Telephone	26,948	2,994	-0-	29,942
Office	29,366	7,831	1,957	39,154
Pet Program	5,021	-0-	-0-	5,021
Postage	1,401	374	93	1,868
Professional Development	8,216	2,739	-0-	10,955
Professional Fees	5,708	17,124	-0-	22,832
Vehicle & Travel	13,118	-0-	-0-	13,118
Total Expenses Before Depreciation	881,651	120,746	19,213	1,021,610
Depreciation	23,044	5,761	-0-	28,805
Total Expenses	$ 904,695	$ 126,507	$ 19,213	$ 1,050,415

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

MEALS ON WHEELS SOUTH TEXAS
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED SEPTEMBER 30, 2024

	Program Services	Administrative	Fundraising	Totals
Salaries and Related Expenses				
Salaries	$ 242,079	$ 39,872	$ 2,848	$ 284,799
Employee Benefits	74,276	12,234	874	87,384
Payroll Taxes	18,142	2,988	213	21,343
Total Salaries and Related Expenses	334,497	55,094	3,935	393,526
Advertising	6,621	5,297	1,324	13,242
Contract Labor	3,037	-0-	-0-	3,037
Food and Related Expenses	232,640	-0-	-0-	232,640
Fundraising	-0-	-0-	260	260
Information Technology	22,440	3,960	-0-	26,400
Insurance	23,489	7,829	-0-	31,318
Nonfood Kitchen Supplies	9,645	-0-	-0-	9,645
Occupancy				
Janitorial Supplies	6,401	711	-0-	7,112
Maintenance and Repairs	9,369	1,041	-0-	10,410
Security	154	27	-0-	181
Utilities and Telephone	22,280	2,476	-0-	24,756
Office	32,878	8,767	2,192	43,837
Pet Program	1,548	-0-	-0-	1,548
Postage	1,306	348	87	1,741
Professional Development	4,174	1,391	-0-	5,565
Professional Fees	4,552	13,655	-0-	18,207
Vehicle	13,563	-0-	-0-	13,563
Total Expenses Before Depreciation and Reimbursed Expenses	728,594	100,596	7,798	836,988
Reimbursed Expenses	-0-	1,771	-0-	1,771
Depreciation	22,051	5,513	-0-	27,564
Total Depreciation and Reimbursed Expenses	22,051	7,284	-0-	29,335
Total Expenses	$ 750,645	$ 107,880	$ 7,798	$ 866,323

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

MEALS ON WHEELS SOUTH TEXAS
STATEMENTS OF CASH FLOWS
YEARS ENDED SEPTEMBER 30, 2025 AND 2024

	2025	2024
Cash Flows From Operating Activities:		
Net Increase (Decrease) in Net Assets	$ (224,111)	$ 120,720
Adjustments to Reconcile Change in Net Assets to		
Net Cash Provided (Used) by Operating Activities:		
Depreciation	28,805	27,564
(Increase) Decrease in Operating Assets		
Grants and Contributions Receivable	69,499	(38,607)
Unconditional Promises to Give	-0-	(1,875)
Other Accounts Receivable	-0-	3,496
Prepaid Expenses	(1,030)	(1,228)
Increase (Decrease) in Operating Liabilities		
Accounts Payable	2,967	11,499
Payroll Liabilities	1,670	(617)
Other Liabilities	459	(729)
Compensated Absences	(4,991)	(4,817)
Net Cash Provided (Used) by Operating Activites	(126,732)	115,406
Cash Flows from Investing Acitvities:		
Purchases of Property and Equipment	(21,190)	(75,086)
Net Cash Used by Investing Activities	(21,190)	(75,086)
Net Increase (Decrease) in Cash	(147,922)	40,320
Cash, Beginning of Year	304,491	264,171
Cash, End of Year	$ 156,569	$ 304,491

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

MEALS ON WHEELS SOUTH TEXAS
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025 AND 2024

Note 1: Nature of Activities

Meals on Wheels South Texas (the Organization) is operated to provide services to the senior citizens of Victoria County, Texas and the surrounding area. These services include transportation, on-site meals, delivered meals, social, recreation, education, information, referral and advocacy programs.

Note 2: Summary of Significant Accounting Policies

Basis of Accounting -- The Organization prepares its financial statements in accordance with accounting principles generally accepted in the United States of America. Revenues are recognized when earned and expenses related to the revenues are recorded upon completion of the event to which they are applicable regardless of the timing of the related cash flows.

Basis of Financial Statement Presentation -- The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions are net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization. Board-designated net assets are net assets without donor restrictions that are self-imposed limits by the action of the governing Board.

Net assets with donor restrictions are net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Board or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the Statement of Activities.

Receivables -- The Organization has contracted to provide services for certain government entities from which they are reimbursed. The receivables balance represents amounts earned on these contracts at September 30, 2025 and 2024. All receivables are considered to be fully collectible; accordingly, no allowance for doubtful accounts has been established.

Note 2: Summary of Significant Accounting Policies (Continued)

Contributions -- Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor for future periods or a specific purpose are reported as increases in net assets with donor restrictions or without donor restrictions depending on the nature of the restriction. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Unconditional promises to give that are expected to be collected within one year are recorded at their realizable value. Unconditional promises to give that are expected to be collected after one year or more are recorded at the present value of estimated future cash flows. The discounts on those amounts are computed using a risk-free interest rate applicable to the year in which the promise is received. Amortization of the discount is included as contribution revenue. Conditional promises to give are not included as support until such time as the conditions are substantially met.

The Organization reports gifts of property and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support.

If the only restriction on the unconditional promise to give is the construction or purchase of specified long-lived assets and absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions as the donated or acquired long-lived assets are placed in service.

Prepaid Expenses -- Expense items of a nature that will benefit future periods are charged to the prepaid expense accounts and are expensed over the future periods to be benefited.

Compensated Absences -- The Organization's paid time off policy allows all employees to earn and accrue paid time off based on years of service. Employees accrue paid time off in varying increments based on cumulative years of service with a maximum of 54 days for employees with fifteen or more years of service. Up to five days of paid time off are paid upon termination if the employee provides at least two weeks' notice.

Allocation of Expenses -- Certain categories of expenses are attributable to more than one program or supporting function and are allocated on a reasonable basis that is consistently applied. The expenses that are allocated are salaries and related benefits, which are allocated on the basis of estimates of time and effort; occupancy costs, insurance, depreciation, and other operating expenses, which are allocated based on usage studies conducted periodically.

Note 2: Summary of Significant Accounting Policies (Continued)

Advertising Costs -- Advertising costs are expensed as incurred. Advertising expense was $13,412 and $13,242 for the years ended September 30, 2025 and 2024, respectively.

Property and Equipment -- The Organization's policy is to capitalize property, improvements, and other assets that are valued at $5,000 or more, and that are expected to have a useful life of greater than one year, at their historical cost or estimated fair market value. Expenditures for maintenance and repairs that do not significantly improve or extend the lives of the assets are expensed as incurred. Depreciation is taken on the straight-line method over the estimated useful lives of the related asset. Buildings are depreciated over twenty-five years, building improvements and office equipment over five to twelve years, and vehicles over five years. Property and equipment owned by the Organization is reflected at original cost if acquired by purchase and if acquired by donation, at the fair market value at the time donated.

Income Taxes -- The Organization is statutorily exempt from federal income tax under Internal Revenue Code section 501(c)(3). Accordingly, no provision for income tax expense has been included in the accompanying financial statements. In addition, it has been determined by the Internal Revenue Service not to be a "private foundation" within the meaning of Section 509(a). There was no unrelated business taxable income for the years ended September 30, 2025 or 2024.

The accounting standard on accounting for uncertainty in income taxes addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under that guidance, the Organization may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities based on the technical merits of the position. Examples of tax positions include the tax-exempt status of the Organization and various positions related to the potential sources of unrelated business taxable income. The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. There were no unrecognized tax benefits identified or recorded as liabilities for the years ended September 30, 2025 and 2024.

The Organization is generally no longer subject to examination by the Internal Revenue Service for tax years ending before 2022.

Use of Estimates -- The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Note 2: Summary of Significant Accounting Policies (Concluded)

Donated Services, Property, and Materials -- Donated services are recognized as contributions in accordance with Financial Accounting Standards Board Accounting Standards Codification ("FASB ASC") 958, *Presentation of Financial Statements of Not-for-Profit Entities,* if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization.

A substantial number of volunteers donated significant amounts of their time in the Organization's program, but these services do not meet the criteria for recognition as contributed services. Donations of property and equipment are recorded as support at their fair market value at the date of donation. They are included in net assets without donor restrictions unless the donor has restricted the donated assets to a specific purpose.

On occasion, The Food Bank of the Golden Crescent donates food products and basic need products to the Organization. The estimated fair market value of these donations, if any, is reported in support and expenses in the Statement of Activities. The Organization uses the fair market value per pound of donated food and donated basic need products according to Feeding America (a national food bank) in order to calculate total support and expenses.

Date of Management's Review -- Subsequent events were evaluated through June 8, 2026, which is the date the financial statements were available to be issued.

Note 3: Concentration of Credit Risk

The Organization maintains its cash in one financial institution located in Victoria, Texas. Deposit accounts are guaranteed by the Federal Deposit Insurance Corporation ("FDIC") up to $250,000, for each deposit insurance category. At times, the balances in bank deposit accounts may exceed federally insured limits. The Organization's cash and cash equivalent balances were uninsured by $0 and $56,689 at September 30, 2025 and 2024, respectively. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk related to its cash balances.

Note 4: Property and Equipment

As of September 30, 2025 and 2024, the Organization's property and equipment was comprised of the following:

	2025	2024
Nondepreciable:		
Land	$ 14,483	$ 14,483
Construction in Progress	8,000	8,000
Depreciable:		
Building and Improvements	680,130	672,930
Furniture and Equipment	166,880	153,680
Vehicles	77,196	84,686
Totals at Historical Cost	946,689	933,779
Accumulated Depreciation	(498,001)	(477,476)
Total Property and Equipment, Net	$ 448,688	$ 456,303

Depreciation expense for the years ended September 30, 2025 and 2024 was $28,805 and $27,564, respectively.

Note 5: Unconditional Promises to Give

The United Way of the Crossroads unconditionally promised to give the Organization $40,000 in unrestricted contributions for each of the years ending September 30, 2025 and 2024. The United Way of the Crossroads allocates grants on a fiscal year cycle of July 1 through June 30 and remits one fourth of the grant allocation on a quarterly basis. Accordingly, the Organization accrues the unconditional promise to give in the amount of three quarterly payments totaling $30,000 not yet received by the end of the Organization's fiscal year reporting cycle of October 1 through September 30.

Note 6: Revenue Concentration

The majority of revenue is received from donations from various sources, federal grants awarded through Golden Crescent Regional Planning Commission, and the United Way of the Crossroads. The loss of these revenues would have a severe impact on the operation of the Organization.

Note 7: Availability and Liquidity of Financial Assets

The following represents the Organization's financial assets as of September 30, 2025 and 2024 reduced by amounts not available for general use within one year of the balance sheet date because of donor-imposed restrictions.

Note 7: Availability and Liquidity of Financial Assets (Concluded)

	2025	2024
Cash	$ 156,569	$ 304,491
Grants and Contributions Receivable	16,767	86,266
Unconditional Promises to Give	30,000	30,000
Total Financial Assets	203,336	420,757
Less Donor-Imposed Purpose Restrictions	22,411	36,867
Financial Assets Available to Meet General Expenditures Over the Next Twelve Months	$ 180,125	$ 383,890

The Organization manages its liquidity by operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs while building reserves to assure long-term obligations will be discharged. In addition to the financial assets available to meet general expenditures over the next twelve months, the Organization operates within a balanced budget and anticipates collecting sufficient revenues to cover general expenditures not covered by donor-restricted resources. Periodic actual to budget comparisons are performed and adjustments are made as considered necessary.

Note 8: Net Assets

Net assets at September 30, 2025 and 2024 were as follows:

	2025	2024
With Donor Restrictions		
Specific Purpose:		
Kitchen Expansion/Capacity Building	$ 13,307	$ 23,597
Goliad County Meals Program	7,646	-0-
Pet Program	1,458	13,270
	$ 22,411	$ 36,867
Without Donor Restrictions		
Board Designated Net Assets	$ 194,420	$ 304,044
Undesignated	396,187	496,218
	$ 590,607	$ 800,262

The Board has designated funds to be set aside for operating reserves and future capital purchases.

Note 8: Net Assets (Concluded)

Net assets released from net assets with donor restrictions during the years ended September 30, 2025 and 2024 were as follows:

	2025	2024
Satisfaction of Purpose Restrictions:		
Kitchen Expansion/Capacity Building	$ 10,290	$ 8,652
Goliad Meal Program	2,354	-0-
Pet Program	11,812	1,730
	$ 24,456	$ 10,382