

**COAL CREEK MEALS ON WHEELS
FINANCIAL STATEMENTS
DECEMBER 31, 2022**

**COAL CREEK MEALS ON WHEELS
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Executive Director
Coal Creek Meals on Wheels
Lafayette, Colorado

Opinion

We have audited the accompanying financial statements of Coal Creek Meals on Wheels (a not-for-profit organization), which comprise the statement of financial position as of December 31, 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Coal Creek Meals on Wheels as of December 31, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 Coal Creek Meals on Wheels 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 Coal Creek Meals on Wheels' ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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, including omissions, 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 Coal Creek Meals on Wheels' 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 Coal Creek Meals on Wheels' 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.

ATLAS CPAs & Advisors PLLC

Longmont, Colorado

August 18, 2023

COAL CREEK MEALS ON WHEELS
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2022

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 202,831
Accounts receivable, net	12,850
Inventories	23,400
Prepaid expenses	1,079
TOTAL CURRENT ASSETS	<u>240,160</u>
TOTAL ASSETS	<u><u>\$ 240,160</u></u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable and accrued expenses	\$ 7,264
Accrued payroll	24,492
TOTAL LIABILITIES	<u>31,756</u>

NET ASSETS

Without donor restrictions	208,404
With donor restrictions	-
TOTAL NET ASSETS	<u>208,404</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 240,160</u></u>

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

COAL CREEK MEALS ON WHEELS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND OTHER SUPPORT			
Program service fees	\$ 176,027	\$ -	\$ 176,027
Fundraisers	10,726	-	10,726
Contributions	272,020	-	272,020
Grants	139,125	-	139,125
In-Kind Donations	62,932	-	62,932
TOTAL REVENUE AND OTHER SUPPORT	<u>660,830</u>	<u>-</u>	<u>660,830</u>
FUNCTIONAL EXPENSES			
Program expenses	455,912	1,778	457,690
Management and administrative	112,714	-	112,714
Fundraising	127,861	-	127,861
TOTAL FUNCTIONAL EXPENSES	<u>696,487</u>	<u>1,778</u>	<u>698,265</u>
	<u>(35,657)</u>	<u>(1,778)</u>	<u>(37,435)</u>
OTHER INCOME			
Interest Income	380	-	380
Catering Income	873	-	873
TOTAL OTHER INCOME	<u>1,253</u>	<u>-</u>	<u>1,253</u>
CHANGE IN NET ASSETS	(34,404)	(1,778)	(36,182)
NET ASSETS, beginning of year	<u>242,808</u>	<u>1,778</u>	<u>244,586</u>
NET ASSETS, end of year	<u>\$ 208,404</u>	<u>\$ -</u>	<u>\$ 208,404</u>

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

COAL CREEK MEALS ON WHEELS
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Program Services</u>	<u>General & Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Cost of providing services				
Salaries and wages	\$ 199,970	\$ 93,748	\$ 72,974	\$ 366,692
Direct kitchen costs	164,363	-	-	164,363
Payroll taxes	15,972	7,488	5,829	29,289
Employee benefits	7,952	3,727	2,901	14,580
Contracted Services	13,265	3,316	-	16,581
Fundraising	-	-	29,009	29,009
Facilities and equipment	6,776	1,271	423	8,470
Postage and printing	3,034	1,011	16,181	20,226
Dues and subscriptions	2,388	-	-	2,388
Training and education	2,079	520	-	2,599
Bank fees	4,812	-	-	4,812
Office expense	3,350	628	209	4,187
Insurance	356	67	22	445
Advertising	6,719	-	-	6,719
Employee and volunteer recognition	1,383	-	-	1,383
Bad debt	7,899	-	-	7,899
Computer service and support	5,003	938	313	6,254
Donated non-services expense	12,369	-	-	12,369
	<u>\$ 457,690</u>	<u>\$ 112,714</u>	<u>\$ 127,861</u>	<u>\$ 698,265</u>

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

COAL CREEK MEALS ON WHEELS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022

CASH FLOWS USED IN OPERATING ACTIVITIES	
Change in net assets	\$ (36,182)
Adjustments to reconcile change in net assets to net cash from operating activities :	
Changes in operating assets and liabilities:	
Accounts receivable	1,250
Inventories	(23,400)
Prepaid expenses	(329)
Accounts payable and accrued expenses	3,014
Accrued payroll	15,758
	<hr/>
Net cash used in operating activities	(39,889)
	<hr/>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(39,889)
CASH AND CASH EQUIVALENTS, beginning of year	242,720
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CASH AND CASH EQUIVALENTS, end of year	<u><u>\$ 202,831</u></u>

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

COAL CREEK MEALS ON WHEELS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 1: NATURE OF THE ORGANIZATION

Coal Creek Meals on Wheels (the “Organization”), incorporated in Colorado during 1973, is a locally administered and funded not-for-profit organization, serving residents of Lafayette, Louisville, Erie & Superior. The mission of the Organization is to support independence and quality of life for residents by providing nutritious meals and social contact. The Organization, which is the only meal delivery service of its kind in the community, delivers a lunchtime meal five days a week. Service fees are charged to home-delivery clients on a sliding fee schedule based on the participant’s income. In addition, the Organization provides congregate dining, open to the public of all ages, at the Coal Creek Cafe on weekdays from 11:30 AM until 12:30 PM. The Organization maintains a Policy and Procedures Manual which describes specific financial guidelines for employees and board members to reference during specific accounting processes. The board of directors and the executive director meet every other month to discuss operational activities, review meal services provided, and other topics as needed to ensure the Organization’s growth.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting and Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles (US GAAP). Contributions received and unconditional promises to give are measured at their fair values and are reported as an increase in net assets. Expenses are recorded when incurred in accordance with accounting principles required by the accrual basis accounting.

Classification of Net Assets

Under the provisions of the Guide, net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified as follows:

- *Net assets without donor restrictions* - amounts 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’s management and the Board of Directors. All assets over which the Board of Directors has discretionary control have been reported as without donor restrictions.
- *Net assets with donor restrictions* – amounts subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by the actions of the Organization or by the passage of time. Assets available for use, but expendable only for purposes specified by the donor, have been reported as with donor restrictions.

Contributions

Contributions consist of gifts from individuals, corporations, organizations, and local governmental agencies. Contributions are considered available for the Organization’s general operations unless specifically restricted by the donor. Amounts received that are restricted by the donor for use in future periods or for specific purposes are reported as restricted support increasing net assets subject to donor restrictions. Contributions received with restrictions that are met in the same reporting period and conditional contributions for which the conditions and restrictions are met in the same period are reported as support increasing net assets free of donor restrictions.

Cash and Cash Equivalents

The Organization considers all unrestricted highly liquid investments with an original maturity of three months or less, and available for current operations, to be cash equivalents. Cash includes demand deposit accounts and money market funds recorded at cost, which approximates fair value.

COAL CREEK MEALS ON WHEELS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

Concentration of Credit Risk

FASB ASC 825-10-50-20 (formerly SFAS No. 107, as amended) requires disclosures of significant concentrations of credit risk arising from financial instruments. US GAAP also requires disclosing information for the most recent statement of financial position about investments with a significant concentration of market risk, including the nature and carrying amount of the investments. Financial instruments that potentially expose the Organization to concentrations of credit and market risk consist primarily of cash and cash equivalents. In addition, the Organization maintains cash balances at one financial institution. Balances in banks are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 at each institution. The Organization has cash in financial institutions that is insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 at each institution. All funds are insured at December 31, 2022. The Organization has not experienced any losses on its cash or cash equivalents.

Accounts Receivable

Accounts receivable consists of outstanding service fees. Payment for services provided are primarily due upon receipt. The Organization determines an allowance for doubtful accounts based on historical collection rates and managerial analysis of accounts. As of December 31, 2022, the Organization deemed there were no receivables deemed uncollectable.

Inventories

Inventory consists principally of food supplies and is valued at lower of cost or market using the first-in first-out (FIFO) valuation method.

In-Kind Donations

Donated materials and equipment are reflected as in-kind donations in the accompanying statements at their estimated values on the date of the receipt. Mixed and bulk food donations are valued using the Feeding America per pound amount. Donated services are valued using the donor provided values, and all other donations are valued using the fair market value at the date of the receipt. Additionally, volunteers have donated significant amounts of time to the Organization in various capacities. However, these services have not been reflected in the financial statements since they neither require specialized skills, nor would they have typically been purchased had they not been donated. The value of these services is not readily determinable.

Functional Expenses

Whenever possible, the Organization charges directly identifiable expenses to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services on the basis of periodic time and expense studies. General and administrative expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

Advertising

ASC 958-720, *Other Expenses, Advertising Costs*, requires direct response advertising to be capitalized when it can be shown that customers responded to a specific advertisement and there is probable future economic benefit. The Organization does not currently use direct response advertising; hence, advertising costs are expensed when incurred. Advertising expense was \$6,719 for the year ended December 31, 2022.

COAL CREEK MEALS ON WHEELS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

Income Taxes

The Organization is a nonprofit organization as defined by Section 501(c)(3) of the Internal Revenue Code and as such, is only subject to Federal income taxes on unrelated business income. The Organization had no unrelated business income during the year ended December 31, 2022. Management has evaluated the Organization's tax positions as of December 31, 2022 and concluded that the Organization has taken no uncertain tax positions that require adjustment to or disclosure in the financial statements to comply with the provisions of the accounting guidance for uncertainty in income taxes.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Fair Value of Financial Instruments

ASB ASC 820-10-50, *Fair Value Measurements and Disclosures*, requires the disclosure of estimated fair values for specific financial instruments. However, the Organization does not have any financial instruments which are required, or that have been elected, to be measured at fair value. Accordingly, no disclosure of fair value levels is included in the notes to the financial statements.

Leases

In February 2016 the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016 02, *Leases*. This new standard is intended to improve financial reporting about leasing transactions by requiring entities that lease assets to recognize on their balance sheet the assets and liabilities for the rights and obligations created by those leases, and to provide additional disclosures regarding the leases. Leases with terms (as defined by the ASU) of twelve months or less are not required to be reflected on an entity's balance sheet. The ASU is effective for the year ended December 31, 2022.

For the year ended December 31, 2022, the Organization did not have any lease agreements affected by the new accounting standard.

NOTE 3: SIMPLE IRA PLAN

The Organization offers a Simple IRA Plan. All permanent employees who work 20 hours or more per week are eligible to participate in the plan. The Organization contributes 2% of the employee's salary. The Organization's contributions to the Simple IRA Plan for the year ended December 31, 2022 was \$5,745.

NOTE 4: COMMITMENTS AND CONTINGENCIES

Boulder County Housing Authority, the City of Lafayette, Colorado, and the Organization entered into a lease agreement in 2015 wherein the Boulder County Housing Authority leased a portion of its Josephine Commons Center to provide office space, a commercial kitchen, and kitchen storage to the Organization to prepare and provide meals to the residents of Lafayette, Louisville, Erie, & Superior County. The City of Lafayette is the lessee and is responsible for the monthly rental expense. The Organization is the sublessee. The terms of the lease were initially for one year, and automatically renews on the anniversary of the Commencement date, January 1.

The Organization did not incur any lease expense for the kitchen for the year ended December 31, 2022. In return for its use of the kitchen and office space in the Josephine Commons Center the Organization agrees to serve lunches in the dining room Monday through Friday and provide other services as described in their agreement.

COAL CREEK MEALS ON WHEELS
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 5: LIQUIDITY AND AVAILABILITY OF RESOURCES

The Organization is supported by program services fees, contributions, grants, and donations. Generally, all contributions and grants received are designated as without donor restrictions. Because donor restrictions require resources to be used in a particular manner or in a future period, the Organization must maintain sufficient resources to meet those responsibilities to its donors. Thus, financial assets may not be available for general expenditure within one year.

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

	2022
Financial assets at year-end	\$ 215,681
Less: those unavailable for general expenditures within one year due to contractual or donor-imposed restrictions:	
Accounts payable and accrued expenses	(31,756)
Financial assets to meet cash needs for general expenditures within one year	\$ 183,925

NOTE 6: CONTRACTS

In June 2020, the Organization entered into a Provider Services Agreement with TRU Community Care, a nonprofit organization, dba TRU PACE (PACE). The agreement directs the Organization to provide meals to qualifying individuals within the communities within Boulder and Weld counties for a fee of \$6 per meal provided. The initial term of the agreement was for one year which automatically renews annually unless either party provides notice of termination within 90 days of renewal. No amendments or modifications to the agreement occurred during the year ended December 31, 2022.

In October 2020, the Organization entered into an agreement with the City of Lafayette, Colorado to provide lunch time meals for the City’s Congregate Meal Program, with an initial term of one year which automatically renews annually through 2025. In consideration for the services provided by the Organization, the city pays a fixed sum of \$75,667 per year. No amendments or modifications to the agreement occurred during the year ended December 31, 2022.

NOTE 7: SUBSEQUENT EVENTS

Subsequent events have been evaluated through August 18, 2023, which was the date the financial statements were available to be issued. The Organization has determined that there were no events or transactions that warrant disclosure.