

**MEALS ON WHEELS FOR  
FORT COLLINS, COLORADO, INC.**

**AUDITED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2021 AND**

**AUDITED FINANCIAL STATEMENTS**

**SUMMARIZED FOR JUNE 30, 2020**

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## **INDEPENDENT AUDITOR'S REPORT**

Board of Directors  
Meals on Wheels for Fort Collins, Colorado, Inc.  
Fort Collins, Colorado

We have audited the accompanying financial statements of Meals on Wheels for Fort Collins, Colorado, Inc., (a nonprofit organization), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, cash flows and functional expenses for the year then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

## Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Meals on Wheels for Fort Collins, Colorado, Inc. as of June 30, 2021, 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.

## Report on Summarized Comparative Information

We have previously audited the Meals on Wheels for Fort Collins, Colorado, Inc.'s 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 3, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Firm's signature

*Chambers and Associates LLC*

Chambers and Associates, LLC

September 27, 2021

**MEALS ON WHEELS FOR FORT COLLINS, COLORADO, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2021 and 2020**

**ASSETS**

	<b>2021</b>	<b>2020</b>
Current assets		
Cash and cash equivalents	\$ 403,195	\$ 232,426
Accounts receivable	21,880	14,476
Grants receivable	74,445	58,470
Beneficial interest in assets held by Community Foundation Spendable Fund (Note 3)	257,760	237,801
Prepaid expense	4,275	1,460
Security deposit	1,000	1,000
Total current assets	762,555	545,633
Property and equipment		
Furniture and equipment	10,804	13,278
Less accumulated depreciation	(406)	(13,278)
Net property and equipment	10,398	-
Other assets		
Beneficial interest in assets held by Community Foundation Endowment Fund (Note 4)	364,164	264,269
Total assets	\$ 1,137,117	\$ 809,902

**LIABILITIES AND NET ASSETS**

Current liabilities		
Accounts payable	\$ 45,046	\$ 38,109
Accrued wages payable	19,751	26,920
Total current liabilities	64,797	65,029
Net assets		
Without donor restrictions	439,824	184,332
With donor restrictions	632,496	560,541
Total net assets	1,072,320	744,873
Total liabilities and net assets	\$ 1,137,117	\$ 809,902

See accompanying notes and independent auditor's report.

**MEALS ON WHEELS FOR FORT COLLINS, COLORADO, INC.**  
**STATEMENTS OF ACTIVITIES**  
**FOR THE YEARS ENDED**  
**JUNE 30, 2021 AND 2020**

	<b>Net Assets without Donor Restrictions</b>	<b>Net assets with Donor Restrictions</b>	<b>Total 2021</b>	<b>Total 2020</b>
Support and revenue				
Program revenue	\$ 226,533	\$ -	\$ 226,533	\$ 183,809
Grants	256,183	-	256,183	189,503
Contributions	178,385	32,990	211,375	205,031
Special fundraising events net of expenses of \$0 and \$285	31,301	-	31,301	44,223
In-kind contributions(Note 5)	179,187	-	179,187	169,848
Change in beneficial interest in assets held by Community Foundation (Note 3)	-	113,904	113,904	19,882
Other	9,700	-	9,700	206
Net assets released from restrictions	74,939	(74,939)	-	-
Total support and revenue	956,228	71,955	1,028,183	812,502
Expenses				
Program services	577,731	-	577,731	514,465
General and administrative	80,506	-	80,506	64,090
Fundraising	42,499	-	42,499	21,117
Total expenses	700,736	-	700,736	599,672
Increase (decrease) in net assets	255,492	71,955	327,447	212,830
Net assets, beginning of year	184,332	560,541	744,873	532,043
Net assets, end of year	\$ 439,824	\$ 632,496	\$ 1,072,320	\$ 744,873

See accompanying notes and independent auditor's report.

**MEALS ON WHEELS FOR FORT COLLINS, COLORADO, INC.**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED**  
**JUNE 30, 2021 AND 2020**

	2021	2020
Cash flows from operating activities		
Change in net assets	\$ 327,447	\$ 212,830
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	406	-
Changes in beneficial interest of assest held by Community Foundation	(113,904)	(19,882)
(Increase) decrease in assets:		
Accounts receivables	(23,379)	(25,675)
Prepaid expenses	(2,815)	(961)
Increase (decrease) in liabilities:		
Accounts payable	6,937	20,774
Accrued wages payable	(7,169)	10,628
Net cash provided by (used in) operating activities	187,523	197,714
Cash flows used in investing activities		
Transfers to Community Foundation	(5,950)	(500)
Purchase of fixed assets	(10,804)	-
Net increase (decrease) investing activities	(16,754)	(500)
Increase (decrease) in net assets	170,769	197,214
Cash and cash equivalents, beginning of year	232,426	35,212
Cash and cash equivalents, end of year	\$ 403,195	\$ 232,426

See accompanying notes and independent auditor's report.

**MEALS ON WHEELS FOR FORT COLLINS, COLORADO, INC.**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
**FOR THE YEARS ENDED**  
**JUNE 30, 2021 AND 2020**

	<b>Program</b>	<b>General and Administrative</b>	<b>Fundraising</b>	<b>Total 2021</b>	<b>Total 2020</b>
Salaries	\$ 114,203	\$ 59,127	\$ 23,839	\$ 197,169	\$ 164,736
Payroll taxes and benefits	13,369	6,921	2,790	23,080	19,856
<b>Total salaries and benefits</b>	<b>127,572</b>	<b>66,048</b>	<b>26,629</b>	<b>220,249</b>	<b>184,592</b>
Cost of meals - purchased	240,853	-	-	240,853	201,076
In-kind donations of meals	179,187	-	-	179,187	169,848
Rent	6,696	1,719	633	9,048	8,785
Advertising and newsletters	-	-	12,314	12,314	1,955
Accounting services	-	5,000	-	5,000	5,000
Telephone	4,169	1,070	394	5,633	4,878
Office supplies	5,463	1,403	517	7,383	6,758
Computer supplies	2,813	722	974	4,509	2,760
Staff and volunteers	4,800	1,233	454	6,487	5,202
Other	5,877	3,234	556	9,667	8,818
	577,430	80,429	42,471	700,330	599,672
Depreciation	301	77	28	406	-
<b>Total expenses</b>	<b>\$ 577,731</b>	<b>\$ 80,506</b>	<b>\$ 42,499</b>	<b>\$ 700,736</b>	<b>\$ 599,672</b>

See accompanying notes and independent auditor's report.

**MEALS ON WHEELS FOR FORT COLLINS, COLORADO, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

**1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Activities** Meals on Wheels for Fort Collins, Colorado, Inc. (the Organization) is a not-for-profit organization formed in 1969, which provides nutritious meals and social interaction to homebound individuals in Fort Collins, Colorado. The meals are purchased from Poudre Valley Hospital at discounted rates and delivered to the clients by volunteer drivers. The Organization finances its operations largely through program fees charged to participants, grants and contributions.

**Basis of Accounting** The Organization records and reports all transactions on an accrual basis (i.e., revenues are recorded when earned and expenses are recorded when incurred).

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

**Basis of Presentation** The financial statement presentation follows the professional standards that require the Organization to report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions.

**Comparative Financial Information** The financial information shown for 2020 in the accompanying financial statement is included to provide a basis for comparison with 2021 and presents summarized totals only. Such information should be read in conjunction with the 2020 financial statements for the year ended June 30, 2020, from which the summarized information was derived.

**Cash and Cash Equivalents** For purposes of the Statement of Cash Flows, the Organization considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

**Restricted and Unrestricted Revenue** Contributions received are recorded as increases in with donor restricted and without donor restricted net assets, depending on the existence and/or nature of any donor restrictions.

**Accounts Receivable** Accounts receivable consist of program fees charged to participants and are stated at the amount management expects to collect from outstanding balances. No allowance has been deemed necessary by the Organization at June 30, 2021.

**MEALS ON WHEELS FOR FORT COLLINS, COLORADO, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

**1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Contributions** The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of donated assets. When a donor restriction expires, that is, when stipulated time restriction ends or purpose restriction is accomplished, with donor restricted net assets are reclassified to without donor restricted net assets and reported in the statement of activities, as net assets released from restrictions.

The Organization reports gifts of land, buildings, and equipment as unrestricted support unless the 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. Absent donor stipulations regarding how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

**Promises to Give** 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 are reported as increases in with donor restricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in with donor restricted net assets depending on the nature of the restrictions. When a restriction expires, with donor restricted net assets are reclassified to without donor restricted net assets, and reported in the statement of activities as net assets released from restrictions.

The Organization does not have an allowance for uncollectible unconditional promises receivable because all receivables are considered 100% collectible.

**Land, Buildings and Equipment** The Organization capitalizes all expenditures for land, building, equipment and furniture in excess of \$1,000. Fixed assets are recorded at cost or, in the case of donated property, at their estimated fair value at date of receipt unless explicit donor stipulations specify how the donated assets must be used. Depreciation is calculated by the straight-line method over the estimated useful lives of the assets, which range from three to seven years. Costs of repairs and maintenance are charged to operating expenses as they are incurred.

**MEALS ON WHEELS FOR FORT COLLINS, COLORADO, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

**1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Functional Expenses** The Organization allocates its expenses on a functional basis among its various programs and support services. Expenses that can be identified with a specific program and support services are allocated directly according to their natural expenditure classification. Other expenses that are common to several programs or support services are allocated based on various statistical relationships.

**Advertising** The Organization expenses advertising and marketing costs as they are incurred. Expense of advertising for the years ended June 30, 2021 was \$12,314 and June 30, 2020 was \$1,955.

**Reclassifications** Certain amounts in the prior-year financial statements have been reclassified for comparative purposes to conform to the presentation in the current year financial statements.

**2: INCOME TAXES**

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c) (3) of the United States Internal Revenue Code.

The Organization's Forms 990, Return of Organization Exempt from Income Tax, for the years ending 2019, 2020 and 2021 are subject to examination by the IRS, generally for three years after they were filed.

**3: BENEFICIAL INTEREST IN ASSETS HELD BY COMMUNITY FOUNDATION**

The Organization has entered into an agreement with the Community Foundation of Northern Colorado to establish a fund for the support of its operations and programs. The fund is a single fund with two components: an Endowment Fund and a Spendable Fund. Contributions to the fund are placed in the Endowment Fund, unless a specific designation is made to the Spendable Fund. There are no limitations on distributions from the Spendable Fund. Distributions from the Endowment Fund in excess of 7% of the fund's total market value require approval of two-third's vote from the Organization's Board. The Foundation's general intention is to make distributions in accordance with the Organization's designations; however, the Foundation retains the authority to modify any restrictions or conditions on the distributions of funds for the Organization if a restriction or condition becomes unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the community or charitable purpose of the Organization.

**MEALS ON WHEELS FOR FORT COLLINS, COLORADO, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

**3: BENEFICIAL INTEREST IN ASSETS HELD BY COMMUNITY FOUNDATION**  
**(CONTINUED)**

Changes in assets held with the Community Foundation for the year ended June 30, 2021, were as follows:

Description	Amount
Balance, beginning of year	\$ 502,070
Contributions	5,950
Investment income(loss)	
Dividends received	9,185
Realized gain (loss)	6,963
Unrealized gain (loss)	103,360
Administrative expenses	(5,604)
Total Investment returns	113,904
Balance, end of year	\$ 621,924
Amount available for distribution	\$ 257,760

The Organization follows the Fair Value Measurements and Disclosures Topic of FASB ASC which requires enhanced disclosures about assets and liabilities that are measured and reported at fair value. The standard establishes a hierarchal disclosure framework which prioritizes and ranks the level of market price observability used in measuring investments at fair value. Market price observability is impacted by a number of factors, including the type of investment and the characteristics specific to the investment. Investments with readily available active quoted prices or for which fair value can be measured from actively quoted prices generally will have a higher degree of market price observability and lesser degree of judgement used in measuring fair value. Investment measured and reported at fair value are classified and disclosed in one of the following categories:

Level 1 – Quoted prices are available in active markets for identical investments as of the reporting date. The Organization has no investments in this category.

Level 2 – Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date. Fair value is determined through the use of models or other valuation methodologies. The Organization has beneficial interests in assets held by others in this category.

Level 3 – Pricing inputs are unobservable for the investment and include situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require significant management Judgement or estimation. The Organization has no investments in this category.

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See accompanying notes and independent auditor's report.

**MEALS ON WHEELS FOR FORT COLLINS, COLORADO, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

**3: BENEFICIAL INTEREST IN ASSETS HELD BY COMMUNITY FOUNDATION (CONTINUED)**

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement.

**4: COMMITMENTS**

**Office Lease** The Organization entered into a non-cancelable operating lease for office space with Poudre Valley Health Care, Inc. in April 2011, expiring on July 31, 2019. The lease contained renewal options for five additional 1 year terms, including increases in the base rent of no more than 3% per year. The lease was amended on August 11, 2019, to include five additional 1 year terms. The Organization's lease requires monthly payments of \$756 and expires July 31, 2021. Rental expense for this lease was \$9,048 for the year ended June 30, 2021.

**Office Equipment** The Organization leases office equipment under a non-cancelable operating lease. The lease expires in February 2022, with monthly payments of \$253.

**5: IN-KIND CONTRIBUTIONS**

Donated goods are reflected in the accompanying financial statements at the estimated value at date of receipt. The Organization's donated goods include purchases of meals at a discounted price from Poudre Valley Hospital. The value of these donated meals included in the financial statements and the corresponding expense for the year is \$179,187.

Donated services which require recognition are those that create or enhance non-financial assets or that specifically require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. The Organization received 12,186 donated hours during the year from individuals providing patient meal delivery and event assistance. These services were not recognized in the financial statements because they did not meet the criteria for recognition.

**MEALS ON WHEELS FOR FORT COLLINS, COLORADO, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2021 AND 2020**

**6: LIQUIDITY**

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the date of the statement of financial position, comprise the following:

	as of June 30	
	2021	2020
Cash and cash equivalents	\$ 403,195	\$ 232,426
Community Foundation spendable fund	257,760	237,801
Accounts receivable, net	96,325	72,946
Prepaid expenses and other assets	4,275	1,460
	<u>\$ 761,555</u>	<u>\$ 544,633</u>

Our goal is to maintain financial assets at a level equal to 90 days of our operating expense (approximately \$138,402). As part of our liquidity management plan, we invest cash in excess of daily requirement in short-term investments, CDs, and money market funds as available.

**7: PPP LOAN**

The Organization initially recorded a note payable and subsequently recorded forgiveness when the loan obligation was legally released. The Organization recognized \$9,415 of loan forgiveness income for the year ended June 30, 2021.

**8: SUBSEQUENT EVENTS**

Management has evaluated subsequent events through September 27, 2021, the date which the financial statements were available to be issued.

At the time these financial statements were issued, the world economy was responding to the novel COVID-19 pandemic. This pandemic is anticipated to negatively affect the U.S. economy during 2020 and 2021. The Organization is unable to reasonably estimate the amount or scope of the impact that this could have on its financial position. No accruals or adjustments are reflected in the current financial statements to account for the pandemic's potential impacts.

During the 2020 and 2021 year the Organization received considerable grants and donations directly related to the COVID-19 pandemic. Management understands that those funds abnormally increased the Organization net income and does not expect those funds to be available again in the following years.