



CHEYENNE VILLAGE, INC.

Financial Statements

For the Year Ended June 30, 2019

And

Independent Auditors' Report

INDEPENDENT AUDITORS' REPORT

Board of Directors
Cheyenne Village, Inc.

We have audited the accompanying financial statements of Cheyenne Village, Inc. (Cheyenne Village) which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, functional expenses and cash flows 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.

Auditors' 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 of material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Cheyenne Village, Inc. as of June 30, 2019 and the change 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.

Emphasis of Matter

As discussed in Note 1 to the financial statements, Cheyenne Village adopted the Financial Accounting Standards Board's Accounting Standards Update (ASU) 2016-14, *Not-for Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities* effective July 1, 2018. The requirements of the ASU have been applied retrospectively to all periods presented. Our opinion is not modified with respect to this matter.

Report on Summarized Comparative Information

We have previously audited Cheyenne Village's 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 17, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Stockman Kast Ryan + Co. LLP

October 15, 2019

CHEYENNE VILLAGE, INC.

STATEMENT OF FINANCIAL POSITION JUNE 30, 2019 (with comparative totals for 2018)

	2019	2018
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 3,009,120	\$ 2,675,837
Investments	2,039,729	1,773,814
Accounts receivable, net	474,791	397,837
Contributions receivable, net	520,368	655,407
Land held for sale	91,222	
Other assets	<u>60,760</u>	<u>75,405</u>
Total	6,195,990	5,578,300
BENEFICIAL INTEREST IN TRUST	858,171	858,525
LAND, BUILDINGS AND EQUIPMENT, NET	2,197,802	1,383,595
CONTRIBUTIONS RECEIVABLE, NET	738,291	
OTHER ASSETS	<u>94,111</u>	<u>96,336</u>
TOTAL ASSETS	<u>\$ 10,084,365</u>	<u>\$ 7,916,756</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 312,216	\$ 275,501
Accrued expenses and other	<u>267,837</u>	<u>265,833</u>
Total	<u>580,053</u>	<u>541,334</u>
DEFERRED COMPENSATION PLAN	<u>69,380</u>	<u>69,078</u>
Total liabilities	<u>649,433</u>	<u>610,412</u>
NET ASSETS		
Without donor restriction	6,522,485	5,487,413
With donor restriction	<u>2,912,447</u>	<u>1,818,931</u>
Total net assets	<u>9,434,932</u>	<u>7,306,344</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 10,084,365</u>	<u>\$ 7,916,756</u>

See notes to financial statements.

CHEYENNE VILLAGE, INC.

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2019 (with comparative totals for 2018)

	2019			
	Without Donor Restriction	With Donor Restriction	Total	2018
REVENUES				
Fees from services:				
Host home services	\$ 3,968,026		\$ 3,968,026	\$ 3,641,982
Individual residential services	2,659,849		2,659,849	2,676,302
Group residential services	978,530		978,530	954,621
Supported community connections	353,609		353,609	373,537
Other operating support:				
Contributions	316,463	\$ 2,029,681	2,346,144	1,171,638
Supported living services	198,404		198,404	194,419
Interest and dividends, net	105,631		105,631	90,254
Event income (loss) (net of direct event expenses of \$46,750 and \$41,990, respectively)	(6,220)		(6,220)	2,560
Net realized and unrealized investment gains	37,202		37,202	109,826
Change in value of beneficial interest in trust		(354)	(354)	27,640
Other	201,439		201,439	122,537
Net assets released from restrictions	<u>935,811</u>	<u>(935,811)</u>		
Total	<u>9,748,744</u>	<u>1,093,516</u>	<u>10,842,260</u>	<u>9,365,316</u>
EXPENSES				
Program services	7,566,914		7,566,914	7,314,818
General and administrative	812,700		812,700	826,113
Fund raising	<u>334,058</u>		<u>334,058</u>	<u>348,872</u>
Total	<u>8,713,672</u>		<u>8,713,672</u>	<u>8,489,803</u>
CHANGE IN NET ASSETS	1,035,072	1,093,516	2,128,588	875,513
NET ASSETS, Beginning of year	<u>5,487,413</u>	<u>1,818,931</u>	<u>7,306,344</u>	<u>6,430,831</u>
NET ASSETS, End of year	<u>\$ 6,522,485</u>	<u>\$ 2,912,447</u>	<u>\$ 9,434,932</u>	<u>\$ 7,306,344</u>

See notes to financial statements.

CHEYENNE VILLAGE, INC.

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2019 (with comparative totals for 2018)**

	2019										2018 Total	
	Host Homes	Individual Residential Services	Group Residential Services	Program Support	Supported Community Connections	Supported Living Services	McLaughlin Lodge	Total Program Services	General and Administrative	Fund Raising		Total
EXPENSES												
Salaries	\$ 320,747	\$ 1,132,565	\$ 631,688	\$ 360,729	\$ 217,767	\$ 178,684	\$ 14,468	\$ 2,856,648	\$ 564,576	\$ 166,232	\$ 3,587,456	\$ 3,567,713
Client benefits	2,811,071	501,733	74,029	700	19,036	3,398	698	3,410,665			3,410,665	3,149,378
Employee benefits	62,984	272,606	130,293	91,651	51,614	25,938	1,001	636,087	117,971	33,982	788,040	794,745
Contract services	14,403	52,305	26,989	10,298	12,524	9,699	742	126,960	54,906	78,730	260,596	272,894
Depreciation and amortization	8,424	62,269	53,385	11,351	25,791	5,915	7,980	175,115	16,292	2,418	193,825	186,210
Insurance	1,795	35,547	9,884	12,329	8,945	8,945	7,652	85,097	8,555	139	93,791	86,228
Repairs and maintenance	9,643	34,338	19,940	4,026	1,643	1,739	3,021	74,350	10,725	777	85,852	93,111
Vehicle expenses	1,327	20,479	3,014	3,880	20,337	4,249		53,286	682		53,968	48,991
Supplies	3,443	14,814	3,082	3,553	1,391	1,115	94	27,492	7,217	11,760	46,469	37,488
Special event expenses										46,750	46,750	41,990
Utilities	4,116	16,508	1,063	2,142	896	492	5,961	31,178	4,599	898	36,675	33,084
Telephone	2,739	16,939	3,473	1,890	3,014	1,071	611	29,737	2,678	419	32,834	30,622
Printing and publications	378	4,568	2,440	1,273	1,195	170	87	10,111	3,083	19,145	32,339	22,695
Meetings and conferences	6,511	5,143	3,235	1,534	1,445	925	50	18,843	2,627	796	22,266	20,541
Mileage	6,677	5,827	1,955	308	785	1,546	4	17,102	150	8	17,260	14,676
Advertising and public relations	539	2,159	985	3	4	3		3,693	2,105	9,937	15,735	27,046
Dues, subscriptions and miscellaneous	535	2,759	1,463	489	519	535	13	6,313	1,337	4,828	12,478	10,957
Postage	288	1,525	786	261	295	252	8	3,415	419	3,384	7,218	6,911
Taxes and licenses	88	239	1,081	1,183	5	1,228	16	3,840	2,588	5	6,433	5,810
Leases and rentals		600						600			600	7,185
Bad debt expense (recoveries)	2,155	(10,267)	(13,584)		(411)	4,520		(17,587)	25	600	(16,962)	49,900
Other			13,949		20			13,969	12,165		26,134	23,618
TOTAL EXPENSES BY FUNCTION	3,257,863	2,172,656	969,150	507,600	366,815	250,424	42,406	7,566,914	812,700	380,808	8,760,422	8,531,793
Less expenses included with revenues on the statement of activities:												
Special event expenses	—	—	—	—	—	—	—	—	—	(46,750)	(46,750)	(41,990)
TOTAL EXPENSES INCLUDED IN THE EXPENSE SECTION ON THE STATEMENT OF ACTIVITIES	\$ 3,257,863	\$ 2,172,656	\$ 969,150	\$ 507,600	\$ 366,815	\$ 250,424	\$ 42,406	\$ 7,566,914	\$ 812,700	\$ 334,058	\$ 8,713,672	
PERCENT OF TOTAL COSTS	37%	25%	11%	6%	4%	3%	1%	87%	9%	4%	100%	
COMPARATIVE 2018 EXPENSES	\$ 3,004,786	\$ 2,266,798	\$ 979,624	\$ 456,395	\$ 340,797	\$ 220,749	\$ 45,669	\$ 7,314,818	\$ 826,113	\$ 348,872		\$ 8,489,803
2018 PERCENT OF TOTAL COSTS	35%	27%	11%	5%	4%	3%	1%	86%	10%	4%		100%

See notes to financial statements.

CHEYENNE VILLAGE, INC.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2019 (with comparative totals for 2018)

	2019	2018
OPERATING ACTIVITIES		
Change in net assets	\$ 2,128,588	\$ 875,513
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	193,825	186,210
Loss (gain) on sale of land, buildings and equipment	1,896	(1,795)
Net realized and unrealized gains on investments	(37,202)	(109,826)
Change in value of beneficial interest in trust	354	(27,640)
Changes in operating assets and liabilities:		
Accounts receivable, net	(76,954)	110,813
Contributions receivable	(603,252)	(623,491)
Other assets	(74,352)	(2,703)
Accounts payable, accrued expenses and other	<u>39,021</u>	<u>(105,499)</u>
Net cash provided by operating activities	<u>1,571,924</u>	<u>301,582</u>
INVESTING ACTIVITIES		
Proceeds from sales of investments	859,540	777,858
Purchases of investments	(1,088,253)	(338,648)
Purchases of land, buildings and equipment	(1,009,928)	(525,294)
Proceeds from sales of land, buildings and equipment	<u>5,700</u>	<u>5,700</u>
Net cash used in investing activities	<u>(1,238,641)</u>	<u>(80,384)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	333,283	221,198
CASH AND CASH EQUIVALENTS, Beginning of year	<u>2,675,837</u>	<u>2,454,639</u>
CASH AND CASH EQUIVALENTS, End of year	<u>\$ 3,009,120</u>	<u>\$ 2,675,837</u>

See notes to financial statements.

CHEYENNE VILLAGE, INC.

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cheyenne Village, Inc. (Cheyenne Village) serves adults with developmental disabilities, providing services, choices, and opportunities which promote full participation in El Paso County, Colorado. Nearly all of the people served by Cheyenne Village will require their services throughout the course of their lives; many have been with Cheyenne Village since its founding in 1971.

Basis of Presentation — The accompanying financial statements include certain prior-year summarized comparative information in total. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with Cheyenne Village's financial statements for the year ended June 30, 2018, from which the summarized information was derived.

Cheyenne Village reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions, which represents the expendable resources that are available for operations at management's discretion; and net assets with donor restrictions, which represents resources restricted by donors as to purpose or by the passage of time and resources whose use by Cheyenne Village is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of Cheyenne Village.

Revenue Recognition — Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions depending on the existence or nature of any donor restrictions. When a donor restriction is met, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the statement of activities as net assets released from restrictions.

Cheyenne Village reports gifts of land, buildings and equipment as net assets without donor restrictions unless the donor has restricted the donated assets to a specific purpose. Assets donated with explicit restrictions regarding their use, and contributions of cash that must be used to acquire property and equipment, are reported as net assets with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, Cheyenne Village reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. Cheyenne Village reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

Contributions Receivable — Contributions receivable consist of unconditional promises to give that are expected to be collected in current and future periods. Promises to give are recorded at net realizable value if expected to be collected within one year and at present value of estimated future cash flows if expected to be collected in more than one year. The discounts on these amounts are computed using a risk adjusted interest rate of 2.63% for the year ended June 30, 2019. Amortization of the discount is included in contribution revenue. Management believes that all

contributions receivable recorded at June 30, 2019 are collectible and no allowance for doubtful contributions is deemed necessary.

Investments — Investments are carried at fair value. Fair values for exchange traded funds, mutual funds, common stock and money market accounts are determined principally through quoted market prices. Fair values for fixed income obligations are determined through pricing services. Realized and unrealized gains and losses are reflected in the statement of activities. Earnings on restricted investments are recognized as an increase in net assets with or without donor restrictions according to the nature of the restrictions on the original gift.

Land Held for Sale — Land held for sale is recorded at the lower of cost or fair market value. The land was sold subsequent to year end.

Land, Buildings and Equipment — Land, buildings and equipment are recorded at cost or, if donated, at the fair value at the date of donation. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets, which range from five to thirty years for buildings and improvements and from three to five years for vehicles, furnishings and equipment. Cheyenne Village capitalizes property and equipment purchases which exceed \$1,000 and have a useful life in excess of one year.

Compensated Absences — Employees of Cheyenne Village earn a vested right to compensation for unused vacation time. Accordingly, Cheyenne Village has made an accrual for vacation compensation that employees have earned but not taken.

Tax Status — Cheyenne Village is a not-for-profit corporation which is classified as a public charity by the Internal Revenue Service and is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code.

Cheyenne Village believes that it does not have any uncertain tax positions that are material to the financial statements.

Statement of Cash Flows — For purposes of reporting cash flows, Cheyenne Village considers cash on hand and amounts due from banks as cash and cash equivalents.

Use of Estimates — The preparation of Cheyenne Village's 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 reported amounts of assets and liabilities and disclosure of contingent 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.

Change in Accounting Principle — On August 18, 2016, FASB issued Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958)- Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. During 2018, management implemented ASU 2016-14 and adjusted the presentation in these financial statements accordingly. The ASU has been applied retrospectively to all periods presented.

Reclassifications — Certain reclassifications have been made to prior year amounts to conform to the current year presentation.

Subsequent Events — Cheyenne Village has evaluated subsequent events for recognition or disclosure through the date of the Independent Auditors' Report, which is the date the financial statements were available for issuance.

2. LIQUIDITY AND AVAILABILITY

The following table reflects the Organization's financial assets as of June 30, 2019 and 2018, reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date because of contractual restrictions or time restrictions. Amounts not available include net assets with donor restrictions. While the Organization does not intend to spend these for other purposes other than those identified, the amounts could be made available for current operations, if necessary.

	2019	2018
Cash and cash equivalents	\$ 3,009,120	\$ 2,675,837
Investments	2,039,729	1,773,814
Contributions receivable	1,258,659	655,407
Accounts receivable, net	474,791	397,837
Land Held for Sale	<u>91,222</u>	<u> </u>
Total financial assets	6,873,521	5,502,895
Less amounts unavailable for general expenditures within one year, due to:		
Restricted by donors with purpose and time restrictions	<u>(2,912,447)</u>	<u>(1,818,931)</u>
Total financial assets available to management to meet cash needs for general expenditures within one year	<u>\$ 3,961,074</u>	<u>\$ 3,683,964</u>

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. FUNCTIONAL EXPENSES ALLOCATION METHOD

The financial statements report certain categories of expenses that are attributable to one or more program or supporting services of the Organization. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries, employee benefits, and contract services, which are allocated based on the number of fulltime employees per department, repairs and maintenance, insurance, leases and rentals, and various general and administrative expenses, which are allocated based on space occupied by each department, vehicle expense which is allocated based on which departments vehicles are assigned to, and client benefits which are allocated based on the number of clients seen by each department.

4. ACCOUNTS RECEIVABLE

Accounts receivable are stated at the invoiced amounts, net of an allowance for doubtful accounts of \$12,252 and \$53,267 as of June 30, 2019 and 2018, respectively, which represents management's estimate of specific accounts receivable balances that they believe are uncollectible. Medicaid receivables accounted for approximately 90% and 91% of total net receivables at June 30, 2019 and 2018, respectively.

5. CONTRIBUTIONS RECEIVABLE

Contributions receivable are as follows:

	2019	2018
Due in one year	\$ 555,612	\$ 655,407
Due in two to five years	<u>785,033</u>	<u> </u>
Total	1,340,645	655,407
Less unamortized discount	<u>81,986</u>	<u> </u>
Total	1,258,659	655,407
Less current portion	<u>520,368</u>	<u>655,407</u>
Long-term portion	<u>\$ 738,291</u>	<u>\$ —</u>

6. BENEFICIAL INTEREST IN TRUST

Cheyenne Village is a 6% beneficiary of the Jacqueline Grace Archer Trust, the principal of which is to be held in perpetuity at a bank. Cheyenne Village's share of the fair market value of this trust was \$858,171 and \$858,525 at June 30, 2019 and 2018, respectively. The fair value in the trust is determined based on Cheyenne Village's proportionate share of the fair value of the underlying assets of the trust. Fair value of the underlying assets is determined using quoted market prices and pricing services. Cheyenne Village received \$35,556 and \$32,196 in distributions from the trust during the years ended June 30, 2019 and 2018, respectively.

7. INVESTMENTS AND FAIR VALUE MEASUREMENTS

Cheyenne Village uses a framework pursuant to generally accepted accounting principles for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities that Cheyenne Village has the ability to access.

Level 2: Prices determined using significant other observable inputs. Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Prices determined using significant unobservable inputs.

The investment's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following table sets forth by level, within the fair value hierarchy, Cheyenne Village's investments and beneficial interest at fair value as of June 30:

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
2019:				
Investments:				
Exchange traded funds:				
Domestic equity	\$ 512,529	\$ 512,529		
Fixed Income	11,318	11,318		
International equity	6,524	6,524		
Mutual funds:				
International equity	319,920	319,920		
Domestic equity	217,815	217,815		
Fixed income	277,969	277,969		
Common stock:				
Domestic	383,859	383,859		
International	17,226	17,226		
Corporate bonds	277,103		\$ 277,103	
Money market accounts	<u>15,466</u>	<u>15,466</u>		
Total	<u>\$ 2,039,729</u>	<u>\$ 1,762,626</u>	<u>\$ 277,103</u>	<u>\$ —</u>
Beneficial interest in				
perpetual trust	<u>\$ 858,171</u>	<u>\$ —</u>	<u>\$ 858,171</u>	<u>\$ —</u>
Investment held in				
deferred compensation				
plan	<u>\$ 69,380</u>	<u>\$ —</u>	<u>\$ 69,380</u>	<u>\$ —</u>

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
2018:				
Investments:				
Exchange traded funds:				
Domestic equity	\$ 493,954	\$ 493,954		
International equity	6,126	6,126		
Mutual funds:				
International equity	316,914	316,914		
Domestic equity	218,036	218,036		
Fixed income	190,604	190,604		
Common stock:				
Domestic	216,102	216,102		
International	25,905	25,905		
Corporate bonds	261,120		\$ 261,120	
Government bonds	24,973		24,973	
Money market accounts	<u>20,080</u>	<u>20,080</u>		
Total	<u>\$ 1,773,814</u>	<u>\$ 1,487,721</u>	<u>\$ 286,093</u>	<u>\$ —</u>
Beneficial interest in perpetual trust	<u>\$ 858,525</u>	<u>\$ —</u>	<u>\$ 858,525</u>	<u>\$ —</u>
Investment held in deferred compensation plan	<u>\$ 69,078</u>	<u>\$ —</u>	<u>\$ 69,078</u>	<u>\$ —</u>

8. LAND, BUILDINGS AND EQUIPMENT

Land, buildings and equipment consist of the following at June 30:

	2019	2018
Buildings and improvements	\$ 3,013,290	\$ 2,640,234
Vehicles and equipment	1,381,054	1,243,547
Land	445,168	407,168
Construction in progress	<u>826,131</u>	<u>381,338</u>
Total	5,665,643	4,672,287
Less accumulated depreciation and amortization	<u>3,467,841</u>	<u>3,288,692</u>
Land, buildings and equipment, net	<u>\$ 2,197,802</u>	<u>\$ 1,383,595</u>

9. EMPLOYEE BENEFIT PLANS

Cheyenne Village maintains a tax deferred annuity plan under Section 403(b) of the Internal Revenue Code under which employees may make contributions to the plan. Subsequent to year end, this plan was terminated.

Cheyenne Village also maintains a qualified defined contribution profit sharing plan under Section 401(k) of the Internal Revenue Code. The plan covers substantially all employees with at least 60 days of service. Employees may make contributions to the plan up to the maximum amount allowed by the Internal Revenue Code. The plan is a safe harbor matching plan, whereby Cheyenne Village matches 100% of the first 3% and 50% of the next 2% of employee contributions. Cheyenne Village made contributions to the profit-sharing plan of \$166,564 and \$140,377 for the years ended June 30, 2019 and 2018, respectively.

Cheyenne Village has a non-qualified deferred compensation plan. The plan does not provide for employer contributions. The plan investment is an asset of Cheyenne Village and is reflected in long-term other assets in the accompanying statement of financial position at fair value. A corresponding liability is reflected on the statement of financial position. The fair value of the plan investment as of June 30, 2019 and 2018 was \$69,380 and \$69,078, respectively. The investment in the plan is an annuity contract and is measured at fair value using Level 2 inputs (see Note 7).

10. CONCENTRATIONS OF CREDIT RISK

Cheyenne Village maintains its cash and cash equivalents in bank deposit accounts which, at times, exceed federally insured limits. Cheyenne Village has not experienced any losses in such accounts.

Cheyenne Village has investments in money market accounts, mutual funds, exchange traded funds, common stock and fixed income securities which it has placed with an investment management company. Cheyenne Village invests in investment securities which are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the recorded amount of investments in Cheyenne Village's financial statements.

11. CONCENTRATIONS OF REVENUE

During the years ended June 30, 2019 and 2018, Cheyenne Village received approximately 64% and 70% of its revenues from the State of Colorado, respectively, and received approximately 9% and 10%, respectively, of its revenues from Federal Social Security and other assistance programs.

12. VOLUNTEER SERVICES

During the years ended June 30, 2019 and 2018, Cheyenne Village received 1,176 and 1,402 hours, respectively, of donated services to support its programs and services. Volunteers provide essential services that Cheyenne Village might otherwise be unable to afford. Services contributed by

volunteers include providing administrative assistance and aiding individuals in community participation. The value of these services has not been included in the financial statements.

13. NET ASSETS WITH DONOR RESTRICTION

At June 30 net assets with donor restriction are available for the following purposes:

	2019	2018
Future neighborhood expansion	\$ 1,509,653	\$ 647,962
Beneficial interest (See Note 6)	858,171	858,525
Building and equipment	163,358	3,532
Resident needs	127,787	
Professional care	114,546	
Andy and Peggy Marshall Fund	67,991	
Outreach	47,302	
Expended SLS/healthcare	19,390	
McLaughlin Lodge	4,249	14,025
Persons served funds		255,109
Alzheimer's fund		29,778
United Way funds restricted for future periods	<u> </u>	<u>10,000</u>
Total	<u>\$ 2,912,447</u>	<u>\$ 1,818,931</u>