



**CHEYENNE VILLAGE, INC.**

**Financial Statements**

**For the Year Ended June 30, 2020**

**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, 2020, 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, 2020 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, in 2020 Cheyenne Village adopted the Financial Accounting Standards Board's Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)* and ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* as of and for the year ended June 30, 2020. Our opinion is not modified with respect to these matters.

## **Report on Summarized Comparative Information**

We have previously audited Cheyenne Village's 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 15, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2019 is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Stockman Kast Ryan + Co. LLP*

October 20, 2020

## CHEYENNE VILLAGE, INC.

### STATEMENT OF FINANCIAL POSITION JUNE 30, 2020 (with comparative totals for 2019)

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	2020	2019
<b>ASSETS</b>		
CURRENT ASSETS		
Cash	\$ 3,967,485	\$ 3,009,120
Investments	2,195,861	2,039,729
Accounts receivable, net	519,929	474,791
Contributions receivable	642,278	520,368
Building and land held for sale	338,316	91,222
Other assets	<u>84,298</u>	<u>60,760</u>
Total	7,748,167	6,195,990
BENEFICIAL INTEREST IN TRUST	833,092	858,171
LAND, BUILDINGS AND EQUIPMENT, NET	2,382,851	2,197,802
CONTRIBUTIONS RECEIVABLE, NET	260,564	738,291
OTHER ASSETS	<u>24,731</u>	<u>94,111</u>
TOTAL ASSETS	<u>\$ 11,249,405</u>	<u>\$ 10,084,365</u>
<b>LIABILITIES AND NET ASSETS</b>		
CURRENT LIABILITIES		
Accounts payable	\$ 297,007	\$ 312,216
Accrued expenses and other	287,825	267,837
Refundable advance	<u>763,300</u>	<u>          </u>
Total	1,348,132	580,053
DEFERRED COMPENSATION PLAN	<u>          </u>	<u>69,380</u>
Total liabilities	<u>1,348,132</u>	<u>649,433</u>
NET ASSETS		
Without donor restriction	7,681,571	6,522,485
With donor restriction	<u>2,219,702</u>	<u>2,912,447</u>
Total net assets	<u>9,901,273</u>	<u>9,434,932</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 11,249,405</u>	<u>\$ 10,084,365</u>

See notes to financial statements.

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## CHEYENNE VILLAGE, INC.

### STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2020 (with comparative totals for 2019)

	2020		Total	2019
	Without Donor Restriction	With Donor Restriction		
<b>REVENUES</b>				
Fees from services:				
Host home services	\$ 3,976,440		\$ 3,976,440	\$ 3,968,026
Individual residential services	2,757,997		2,757,997	2,659,849
Group residential services	1,118,224		1,118,224	978,530
Supported community connections	355,943		355,943	353,609
Other operating support:				
Contributions	324,128	\$ 597,451	921,579	2,346,144
Supported living services	232,294		232,294	198,404
Interest and dividends, net	104,892		104,892	105,631
Net realized and unrealized investment gains	4,440		4,440	37,202
Event income (loss) (net of direct event expenses of \$42,854 and \$46,750, respectively)	710		710	(6,220)
Change in value of beneficial interest in trust		(25,079)	(25,079)	(354)
Other	80,172		80,172	201,439
Net assets released from restrictions	<u>1,265,117</u>	<u>(1,265,117)</u>		
<b>Total</b>	<u>10,220,357</u>	<u>(692,745)</u>	<u>9,527,612</u>	<u>10,842,260</u>
<b>EXPENSES</b>				
Program services	7,815,729		7,815,729	7,566,914
General and administrative	945,680		945,680	812,700
Fund raising	<u>299,862</u>		<u>299,862</u>	<u>334,058</u>
<b>Total</b>	<u>9,061,271</u>	<u>—</u>	<u>9,061,271</u>	<u>8,713,672</u>
<b>CHANGE IN NET ASSETS</b>	1,159,086	(692,745)	466,341	2,128,588
<b>NET ASSETS, Beginning of year</b>	<u>6,522,485</u>	<u>2,912,447</u>	<u>9,434,932</u>	<u>7,306,344</u>
<b>NET ASSETS, End of year</b>	<u>\$ 7,681,571</u>	<u>\$ 2,219,702</u>	<u>\$ 9,901,273</u>	<u>\$ 9,434,932</u>

See notes to financial statements.

**CHEYENNE VILLAGE, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2020 (with comparative totals for 2019)**

	2020											2019 Total
	Individual Residential Services	Group Residential Services	Supported Community Connections	Supported Living Services	Host Homes	Program Support	McLaughlin Lodge/CAMP House	Total Program Services	General and Administrative	Fund Raising	Total	
EXPENSES												
Salaries	\$ 1,278,191	\$ 712,657	\$ 217,635	\$ 157,951	\$ 323,838	\$ 349,967	\$ 14,507	\$ 3,054,746	\$ 681,678	\$ 178,654	\$ 3,915,078	\$ 3,587,456
Client benefits	517,964	65,023	28,118	3,378	2,799,903	6,600	(66)	3,420,920			3,420,920	3,410,665
Employee benefits	261,626	122,063	40,672	23,273	58,756	97,571	1,042	605,003	144,901	33,546	783,450	788,040
Contract services	48,626	25,476	23,636	14,898	13,777	8,193	706	135,312	55,326	34,307	224,945	260,596
Insurance	38,682	10,756	9,734	9,734	1,953	13,417	8,327	92,603	9,237	152	101,992	93,791
Repairs and maintenance	37,030	27,810	1,057	1,588	6,485	3,825	441	78,236	10,596	739	89,571	85,852
Vehicle expense	23,933	2,798	23,876	3,752	464	2,761		57,584	961		58,545	53,968
Utilities	15,415	1,385	773	430	3,822	1,844	21,482	45,151	3,187	774	49,112	36,675
Supplies	12,645	5,592	2,056	1,542	4,961	4,151	33	30,980	10,711	5,460	47,151	46,469
Telephone	14,960	3,771	2,414	915	2,899	1,836	276	27,071	3,316	361	30,748	32,834
Meetings and conferences	4,972	2,512	877	825	6,257	1,057	52	16,552	1,718	544	18,814	22,266
Printing and publications	1,881	259	194	157	509	991	27	4,018	2,317	11,955	18,290	32,339
Advertising and public relations	983	842	125		650			2,600	890	12,554	16,044	15,735
Dues, subscriptions and misc.	2,991	1,511	573	573	718	649	31	7,046	4,015	4,192	15,253	12,478
Mileage	5,841	938	487	771	5,724	52	41	13,854	263		14,117	17,260
Taxes and licenses	313	3,362	5	1,228	88	895		5,891	2,339	5	8,235	6,433
Postage	885	479	173	164	195	178	5	2,079	282	1,911	4,272	7,218
Leases and rentals	2,297							2,297			2,297	600
Bad debt expense (recoveries)			(81)	137				56			56	(16,962)
Other	39	9,925						9,964	760	12,627	23,351	26,134
TOTAL BEFORE DEPRECIATION AND AMORTIZATION	2,269,274	997,159	352,324	221,316	3,230,999	493,987	46,904	7,611,963	932,497	297,781	8,842,241	8,519,847
Depreciation	94,078	53,269	25,474	5,015	6,326	13,841	5,763	203,766	13,183	2,081	219,030	193,825
TOTAL EXPENSES	\$ 2,363,352	\$ 1,050,428	\$ 377,798	\$ 226,331	\$ 3,237,325	\$ 507,828	\$ 52,667	\$ 7,815,729	\$ 945,680	\$ 299,862	\$ 9,061,271	
PERCENT OF TOTAL COSTS	26%	12%	4%	2%	36%	6%	1%	87%	10%	3%	100%	
COMPARATIVE 2019 EXPENSES	\$ 2,172,656	\$ 969,150	\$ 366,815	\$ 250,424	\$ 3,257,863	\$ 507,600	\$ 42,406	\$ 7,566,914	\$ 812,700	\$ 334,058		\$ 8,713,672
2019 PERCENT OF TOTAL COSTS	25%	11%	4%	3%	38%	6%	0%	87%	9%	4%		100%

See notes to financial statements.

## CHEYENNE VILLAGE, INC.

### STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2020 (with comparative totals for 2019)

	2020	2019
OPERATING ACTIVITIES		
Change in net assets	\$ 466,341	\$ 2,128,588
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	219,030	193,825
Loss (gain) on sale of land, buildings and equipment	(5,381)	1,896
Net realized and unrealized gains on investments	(4,440)	(37,202)
Change in value of beneficial interest in trust	25,079	354
Changes in operating assets and liabilities:		
Accounts receivable	(45,138)	(76,954)
Contributions receivable	355,817	(603,252)
Other assets	45,842	(74,352)
Accounts payable, accrued expenses and other	(64,601)	39,021
Refundable advance	<u>763,300</u>	<u>                    </u>
Net cash provided by operating activities	<u>1,755,849</u>	<u>1,571,924</u>
INVESTING ACTIVITIES		
Proceeds from sales of investments	371,113	859,540
Purchases of investments	(522,805)	(1,088,253)
Purchases of land, buildings and equipment	(745,136)	(1,009,928)
Proceeds from sales of land, buildings and equipment	<u>99,344</u>	<u>                    </u>
Net cash used in investing activities	<u>(797,484)</u>	<u>(1,238,641)</u>
NET INCREASE IN CASH	958,365	333,283
CASH, Beginning of year	<u>3,009,120</u>	<u>2,675,837</u>
CASH, End of year	<u>\$ 3,967,485</u>	<u>\$ 3,009,120</u>

See notes to financial statements.

# CHEYENNE VILLAGE, INC.

## NOTES TO FINANCIAL STATEMENTS

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### 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, 2019, 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.

**Revenue and Cost Recognition on Contracts** — On July 1, 2019, Cheyenne Village adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASC) 606, *Revenue from Contracts with Customers (Topic 606)*, which requires the organization to recognize revenues by applying the following steps: (1) identify the contract(s) with a customer; (2) identify the performance obligations in the contract; (3) determine the transaction price; (4) allocate the transaction price to the performance obligations in the contract, if applicable; and (5) recognize revenue when (or as) the performance obligation is satisfied.



Cheyenne Village's contract revenue is recognized pursuant to contracts under which Cheyenne Village typically transfers services to the customer over time. Cheyenne Village recognizes revenue over time as the performance obligations are satisfied.

**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, 2020. Amortization of the discount is included in contribution revenue. Management believes that all contributions receivable recorded at June 30, 2020 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.

**Building and Land Held for Sale** — Building and land held for sale is recorded at the lower of cost or fair market value.

**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.

**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** — In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers*, which outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most prior revenue recognition guidance, including industry-specific guidance, and requires expanded disclosures about revenue recognition. The core principles of the revenue model are that an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. During the year ended June 30, 2020, management adopted ASU 2014-09 using the modified retrospective approach. The adoption had no net impact on excess of revenues over expenses or total net assets.

In June 2018, FASB issued Accounting Standards Update (ASU) 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The update clarifies the guidance in ASC 958 on how entities determine whether to account for a transfer of assets as an exchange transaction under other guidance or a contribution. During the year ended June 30, 2020, management adopted ASU 2018-08 using the modified prospective approach. The adoption of ASU 2018-08 had no net impact on excess of revenues over expenses or total net assets.

**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 Cheyenne Village's financial assets as of June 30, 2020 and 2019, 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.

	<b>2020</b>	<b>2019</b>
Cash	\$ 3,967,485	\$ 3,009,120
Investments	2,195,861	2,039,729
Contributions receivable	902,842	1,258,659
Accounts receivable, net	519,929	474,791
Building and land Held for Sale	<u>338,316</u>	<u>91,222</u>
Total financial assets	7,924,433	6,873,521

Less amounts unavailable for general expenditures within one year, due to:		
Restricted by donors with purpose and time restrictions	<u>(1,386,610)</u>	<u>(2,054,276)</u>
Total financial assets available to management to meet cash needs for general expenditures within one year	<u>\$ 6,537,823</u>	<u>\$ 4,819,245</u>

As part of Cheyenne Village’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 Cheyenne Village. 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 \$137 and \$12,252 as of June 30, 2020 and 2019, respectively, which represents management's estimate of specific accounts receivable balances that they believe are uncollectible. Medicaid receivables accounted for approximately 93% and 90% of total net receivables at June 30, 2020 and 2019, respectively.

### 5. CONTRIBUTIONS RECEIVABLE

Contributions receivable are as follows:

	2020	2019
Due in one year	\$ 670,380	\$ 555,612
Due in two to five years	<u>282,000</u>	<u>785,033</u>
Total	952,380	1,340,645
Less unamortized discount	<u>49,538</u>	<u>81,986</u>
Total	902,842	1,258,659
Less current portion	<u>642,278</u>	<u>520,368</u>
Long-term portion	<u>\$ 260,564</u>	<u>\$ 738,291</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 \$833,092 and \$858,171 at June 30, 2020 and 2019, 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 in distributions from the trust during each of the years ended June 30, 2020 and 2019, 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)
<b>2020:</b>				
Investments:				
Exchange traded funds:				
Domestic equity	\$ 554,017	\$ 554,017		
International equity	18,757	18,757		
Fixed Income	22,796	22,796		
Mutual funds:				
International equity	434,642	434,642		
Fixed income	431,334	431,334		
Domestic equity	192,980	192,980		
Common stock:				
Domestic	288,290	288,290		
International	13,144	13,144		
Corporate bonds	177,597		\$ 177,597	
Money market accounts	<u>62,304</u>	<u>62,304</u>		
Total	<u>\$ 2,195,861</u>	<u>\$ 2,018,264</u>	<u>\$ 177,597</u>	<u>\$ —</u>
Beneficial interest in perpetual trust				
	<u>\$ 833,092</u>	<u>\$ —</u>	<u>\$ 833,092</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)
<b>2019:</b>				
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	15,466	15,466		
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>

## 8. REFUNDABLE ADVANCE

Cheyenne Village received a \$763,300 Paycheck Protection Program (PPP) Loan established by the CARES Act and has elected to account for the funding as a conditional contribution by applying ASC Topic 958-605, *Revenue Recognition*. Revenue is recognized when conditions are met, which include meeting FTE and salary reduction requirements and incurring eligible expenditures. PPP loans are subject to audit and acceptance by the U.S. Department of Treasury, Small Business Administration, or lender; as a result of such audit, adjustments could be required to the recognition of revenue. If conditions are met, the amount of the refundable advance will be forgiven. As of June 30, 2020 no amount has been recorded as being forgiven as conditions have not been met, including the covered period, which ended after June 30, 2020.

## 9. LAND, BUILDINGS AND EQUIPMENT

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

	2020	2019
Buildings and improvements	\$ 2,462,440	\$ 3,013,290
Vehicles and equipment	1,375,381	1,381,054
Land	284,603	445,168
Construction in progress	<u>515,525</u>	<u>826,131</u>
Total	4,637,949	5,665,643
Less accumulated depreciation and amortization	<u>2,255,098</u>	<u>3,467,841</u>
Land, buildings and equipment, net	<u>\$ 2,382,851</u>	<u>\$ 2,197,802</u>

## 10. 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. This plan was terminated during the year ended June 30, 2020

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 \$106,428 and \$166,564 for the years ended June 30, 2020 and 2019, respectively.

Cheyenne Village had a non-qualified deferred compensation plan that was dissolved during the year ended June 30, 2020. The plan did not provide for employer contributions. The plan investment was an asset of Cheyenne Village and was reflected in long-term other assets in the accompanying statement of financial position at fair value. A corresponding liability was reflected on the statement of financial position. The fair value of the plan investment as of June 30, 2019 was \$69,380. The investment in the plan was an annuity contract and was measured at fair value using Level 2 inputs (see Note 7).

## 11. CONCENTRATIONS OF CREDIT RISK

Cheyenne Village maintains its cash 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.

**12. CONCENTRATIONS OF REVENUE**

During the years ended June 30, 2020 and 2019, Cheyenne Village received approximately 75% and 64% of its revenues from the State of Colorado, respectively, and received approximately 10% and 9%, respectively, of its revenues from Federal Social Security and other assistance programs.

**13. VOLUNTEER SERVICES**

During the years ended June 30, 2020 and 2019, Cheyenne Village received 688 and 1,176 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.

**14. NET ASSETS WITH DONOR RESTRICTION**

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

	<b>2020</b>	<b>2019</b>
Future neighborhood expansion	\$ 987,990	\$ 1,509,653
Beneficial interest (See Note 6)	833,092	858,171
Resident needs	120,661	127,787
Professional care	84,175	114,546
Andy and Peggy Marshall Fund	66,872	67,991
Building and equipment	65,738	163,358
Outreach	32,067	47,302
Expended SLS/healthcare	24,548	19,390
McLaughlin Lodge	2,559	4,249
Wellness Project	<u>2,000</u>	<u>          </u>
Total	<u>\$ 2,219,702</u>	<u>\$ 2,912,447</u>

**15. UNCERTAINTIES**

On January 30, 2020, the World Health Organization (WHO) announced a global health emergency because of a new strain of coronavirus (the COVID-19 outbreak) and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on Cheyenne Village's financial



condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry and workforce. Given the daily evolution of the COVID-19 outbreak and the global response to curb its spread, Cheyenne Village is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for fiscal year 2021.