



CHEYENNE VILLAGE, INC.

Financial Statements

For the Year Ended June 30, 2022

And

Independent Auditors' Report

CHEYENNE VILLAGE, INC.

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Cheyenne Village, Inc.

Opinion

We have audited the accompanying financial statements of Cheyenne Village, Inc. (Cheyenne Village) which comprise the statement of financial position as of June 30, 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 the Cheyenne Village as of June 30, 2022, and the changes in its net assets and 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization 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 these 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 the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that

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

In performing an audit in accordance with generally accepted auditing standards we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited Cheyenne Village's 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 7, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Stockman Kast Ryan + Co. LLP

December 6, 2022

CHEYENNE VILLAGE, INC.

STATEMENT OF FINANCIAL POSITION JUNE 30, 2022 (with comparative totals for 2021)

	2022	2021
ASSETS		
CURRENT ASSETS		
Cash	\$ 6,793,335	\$ 5,978,031
Investments	2,341,260	2,687,318
Accounts receivable	536,068	500,158
Contributions receivable, net	7,930	226,761
Other assets	<u>55,141</u>	<u>76,140</u>
Total	9,733,734	9,468,408
BENEFICIAL INTEREST IN TRUST	861,990	1,040,654
LAND, BUILDINGS AND EQUIPMENT, NET	2,113,107	2,251,584
CONTRIBUTIONS RECEIVABLE, NET	1,083	20,414
OTHER ASSETS	<u>24,731</u>	<u>24,731</u>
TOTAL ASSETS	<u>\$ 12,734,645</u>	<u>\$ 12,805,791</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 296,126	\$ 278,334
Accrued expenses and other	265,864	289,335
Refundable advances	<u> </u>	<u>127,376</u>
Total liabilities	<u>561,990</u>	<u>695,045</u>
NET ASSETS		
Without donor restriction	9,863,827	9,695,399
With donor restriction	<u>2,308,828</u>	<u>2,415,347</u>
Total net assets	<u>12,172,655</u>	<u>12,110,746</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 12,734,645</u>	<u>\$ 12,805,791</u>

See notes to financial statements.

CHEYENNE VILLAGE, INC.

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2022 (with comparative totals for 2021)

	2022			2021
	Without Donor Restriction	With Donor Restriction	Total	
REVENUES				
Fees from services:				
Host home services	\$ 4,359,865		\$ 4,359,865	\$ 3,924,992
Individual residential services	2,800,185		2,800,185	2,596,345
Group residential services	961,067		961,067	1,109,828
Supported community connections	138,829		138,829	177,150
Other operating support:				
Contributions	538,983	\$ 249,791	788,774	1,144,328
Gain on sale of real estate	9,575		9,575	852,778
Net realized and unrealized investment gains	(380,012)		(380,012)	552,152
Change in value of beneficial interest in trust		(178,664)	(178,664)	207,563
Supported living services	174,616		174,616	187,279
Interest and dividends, net	89,086		89,086	72,869
Other	80,942		80,942	70,009
Net assets released from restrictions	<u>177,646</u>	<u>(177,646)</u>	<u> </u>	<u> </u>
Total	<u>8,950,782</u>	<u>(106,519)</u>	<u>8,844,263</u>	<u>10,895,293</u>
EXPENSES				
Program services	7,631,693		7,631,693	7,537,579
General and administrative	888,208		888,208	928,294
Fund raising	<u>262,453</u>		<u>262,453</u>	<u>219,947</u>
Total	<u>8,782,354</u>		<u>8,782,354</u>	<u>8,685,820</u>
CHANGE IN NET ASSETS	168,428	(106,519)	61,909	2,209,473
NET ASSETS, Beginning of year	<u>9,695,399</u>	<u>2,415,347</u>	<u>12,110,746</u>	<u>9,901,273</u>
NET ASSETS, End of year	<u>\$ 9,863,827</u>	<u>\$ 2,308,828</u>	<u>\$ 12,172,655</u>	<u>\$ 12,110,746</u>

See notes to financial statements.

CHEYENNE VILLAGE, INC.

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2022 (with comparative totals for 2021)**

	2022										2021 Total	
	Program Services						McLaughlin Lodge/CAMP House	Total Program Services	General and Administrative	Fund Raising		Total
EXPENSES	Individual Residential Services	Group Residential Services	Supported Community Connections	Supported Living Services	Host Homes	Program Support						
Consumer Benefits	\$ 542,604	\$ 60,860	\$ 24,202	\$ 1,438	\$ 2,978,363	\$ 9,820	\$ 6,276	\$ 3,623,563			\$ 3,623,563	\$ 3,337,754
Salaries	1,373,758	587,210	95,909	159,988	254,778	307,828	33,075	2,812,546	\$ 608,990	\$ 128,982	3,550,518	3,648,357
Employee Benefits	264,804	92,186	20,378	23,533	39,025	52,617	6,381	498,924	138,619	25,316	662,859	726,031
Contract Services	63,723	32,756	10,546	13,223	29,725	11,595	4,629	166,197	52,327	14,703	233,227	222,700
Insurance	31,073	20,316	1,526	480	17,310	3,293	7,043	81,041	27,554	1,243	109,838	108,718
Repairs and Maintenance	20,154	12,588	1,192	772	15,111	3,282	6,553	59,652	4,486	1,361	65,499	72,542
Event Expense										60,426	60,426	
Supplies	17,288	7,681	2,523	1,415	2,801	2,887	925	35,520	15,954	7,867	59,341	43,016
Vehicle Expense	26,462	1,315	22,833	1,634	23	2,790	40	55,097	2,076		57,173	60,122
Telephone	9,307	4,734	1,910	517	5,058	2,605	340	24,471	4,288	696	29,455	34,635
Utilities	7,212	990	752	318	4,846	2,352	1,674	18,144	5,037	1,001	24,182	31,563
Dues Subscriptions & Misc	6,103	2,461	1,310	1,123	2,697	2,234	289	16,217	3,912	4,039	24,168	23,645
Meetings & Conferences	5,109	2,542	1,093	1,034	6,874	1,147	159	17,958	1,852	378	20,188	32,122
Advertising & Public Relations	8,803	3,944		50	1,756	528	5	15,086	3,150	100	18,336	10,524
Printing & Publications	1,009	310	632	173	687	2,376	50	5,237	1,908	10,341	17,486	14,705
Taxes & Licenses	247	2,721	225	439	88	318	75	4,113	4,770	10	8,893	6,767
Postage	469	228	102	89	160	142	20	1,210	230	3,008	4,448	4,227
Mileage & Travel	58			22	666			746	596		1,342	195
Bad Debt Expense										800	800	2,060
Other									314		314	26,537
TOTAL BEFORE DEPRECIATION AND AMORTIZATION	2,378,183	832,842	185,133	206,248	3,359,968	405,814	67,534	7,435,722	876,063	260,271	8,572,056	8,406,220
Depreciation and amortization	118,201	46,052	10,805	4,289	10,610	5,273	740	195,971	12,145	2,182	210,298	219,030
TOTAL EXPENSES	\$ 2,496,384	\$ 878,894	\$ 195,938	\$ 210,537	\$ 3,370,578	\$ 411,087	\$ 68,274	\$ 7,631,693	\$ 888,208	\$ 262,453	\$ 8,782,354	
PERCENT OF TOTAL COSTS	28%	10%	2%	3%	38%	5%	1%	87%	10%	3%	100%	
COMPARATIVE 2021 EXPENSES	\$ 2,367,445	\$ 963,315	\$ 287,223	\$ 203,016	\$ 3,206,635	\$ 460,702	\$ 49,243	\$ 7,537,579	\$ 928,294	\$ 219,947		\$ 8,685,820
2021 PERCENT OF TOTAL COSTS	27%	11%	3%	3%	37%	5%	1%	87%	11%	2%		100%

See notes to financial statements.

CHEYENNE VILLAGE, INC.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2022 (with comparative totals for 2021)

	2022	2021
OPERATING ACTIVITIES		
Change in net assets	\$ 61,909	\$ 2,209,473
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	210,298	261,606
Gain on sale of land, buildings and equipment	(9,575)	(852,778)
Net realized and unrealized gains on investments	380,012	(552,151)
Change in value of beneficial interest in trust	178,664	(207,563)
Changes in operating assets and liabilities:		
Accounts receivable	(35,910)	19,771
Contributions receivable	238,162	655,667
Other assets	20,999	8,158
Accounts payable, accrued expenses and other	(5,679)	(17,163)
Refundable advance	<u>(127,376)</u>	<u>(635,924)</u>
Net cash provided by operating activities	<u>911,504</u>	<u>889,096</u>
INVESTING ACTIVITIES		
Proceeds from sales of investments	197,060	400,176
Purchases of investments	(231,014)	(339,481)
Purchases of land, buildings and equipment	(71,821)	(76,816)
Proceeds from sales of land, buildings and equipment	<u>9,575</u>	<u>1,137,571</u>
Net cash provided by (used in) investing activities	<u>(96,200)</u>	<u>1,121,450</u>
NET INCREASE IN CASH	815,304	2,010,546
CASH, Beginning of year	<u>5,978,031</u>	<u>3,967,485</u>
CASH, End of year	<u>\$ 6,793,335</u>	<u>\$ 5,978,031</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, 2021, 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 — The Organization recognizes 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 and receives payment for those services monthly. 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 years ending June 30, 2022 and 2021. Amortization of the discount is included in contribution revenue. Management believes that all contributions receivable recorded at June 30, 2022 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, 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 \$5,000 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, amounts due from banks and cash held for investment purposes 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.

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, 2022 and 2021, 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.

	2022	2021
Cash	\$ 6,793,335	\$ 5,978,031
Investments	2,341,260	2,687,318
Contributions receivable	9,013	247,175
Accounts receivable	<u>536,068</u>	<u>500,158</u>
Total financial assets	9,679,676	9,412,682
Less amounts unavailable for general expenditures within one year, due to:		
Restricted by donors with purpose and time restrictions	<u>(1,446,838)</u>	<u>(1,374,693)</u>
Total financial assets available to management to meet cash needs for general expenditures within one year	<u>\$ 8,232,838</u>	<u>\$ 8,037,989</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 equivalents 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 which represents management's estimate of specific accounts receivable balances that they believe are uncollectible. As of June 30, 2022 and 2021, management estimates that all accounts receivable are fully collectible and accordingly no allowance for doubtful accounts has been recorded. Medicaid receivables accounted for approximately 92% of total net receivables at June 30, 2022 and 2021.

5. CONTRIBUTIONS RECEIVABLE

Contributions receivable are as follows:

	2022	2021
Due in one year	\$ 10,100	\$ 264,313
Due in two to five years	<u>1,250</u>	<u>23,000</u>
Total	11,350	287,313
Less unamortized discount	<u>(2,337)</u>	<u>(40,138)</u>
Total	9,013	247,175
Less current portion	<u>(7,930)</u>	<u>(226,761)</u>
Long-term portion	<u>\$ 1,083</u>	<u>\$ 20,414</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 \$861,990 and \$1,040,654 at June 30, 2022 and 2021, respectively. The fair value of 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 \$50,695 and \$38,737 in distributions from the trust during the years ended June 30, 2022 and 2021, 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)
2022:				
Investments:				
Exchange traded funds:				
Domestic equity	\$ 575,169	\$ 575,169		
International equity	51,698	51,698		
Fixed Income	72,072	72,072		
Mutual funds:				
Fixed income	515,186	515,186		
International equity	389,035	389,035		
Domestic equity	52,735	52,735		
Common stock:				
Domestic	393,189	393,189		
International	17,492	17,492		
Corporate bonds	26,115		\$ 26,115	
Money market accounts	<u>248,569</u>	<u>248,569</u>		
Total	<u>\$ 2,341,260</u>	<u>\$ 2,315,145</u>	<u>\$ 26,115</u>	<u>\$ —</u>
Beneficial interest in				
perpetual trust	<u>\$ 861,990</u>	<u>\$ —</u>	<u>\$ 861,990</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)
2021:				
Investments:				
Exchange traded funds:				
Domestic equity	\$ 743,152	\$ 743,152		
International equity	36,896	36,896		
Fixed Income	24,030	24,030		
Mutual funds:				
Fixed income	593,633	593,633		
International equity	548,114	548,114		
Domestic equity	123,509	123,509		
Common stock:				
Domestic	394,834	394,834		
International	20,574	20,574		
Corporate bonds	54,963		\$ 54,963	
Money market accounts	<u>147,613</u>	<u>147,613</u>		
Total	<u>\$ 2,687,318</u>	<u>\$ 2,632,355</u>	<u>\$ 54,963</u>	<u>\$ —</u>
Beneficial interest in perpetual trust	<u>\$ 1,040,654</u>	<u>\$ —</u>	<u>\$ 1,040,654</u>	<u>\$ —</u>

8. REFUNDABLE ADVANCES

During the year ended June 30, 2020, Cheyenne Village received a \$763,300 Paycheck Protection Program (PPP) Loan established by the CARES Act and 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, 2021, Cheyenne Village met the conditions and the PPP was fully forgiven. The PPP was recognized as revenue and is included in contributions in the accompanying statements of activities.

During the year ended June 30, 2021, Cheyenne Village received a \$127,376 refundable advance pursuant to the Provider Relief Fund 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 incurring expenditures related to preventing, preparing for, or responding to COVID-19. If conditions are met, the amount of the refundable advance will be recognized as revenue. As of June 30, 2022, Cheyenne Village has met the conditions and the Provider Relief Funds are recognized as revenue and included in contributions in the accompanying statements of activities.

9. LAND, BUILDINGS AND EQUIPMENT

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

	2022	2021
Buildings and improvements	\$ 3,064,185	\$ 3,032,085
Vehicles and equipment	1,267,789	1,315,160
Land	<u>339,603</u>	<u>339,603</u>
Total	4,671,577	4,686,848
Less accumulated depreciation	<u>(2,558,470)</u>	<u>(2,435,264)</u>
Land, buildings and equipment, net	<u>\$ 2,113,107</u>	<u>\$ 2,251,584</u>

10. EMPLOYEE BENEFIT PLANS

Cheyenne Village 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 \$94,430 and \$96,773 for the years ended June 30, 2022 and 2021, respectively.

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, 2022 and 2021, Cheyenne Village received approximately 80% and 62% of its revenues from the State of Colorado, respectively, and received approximately 11% and 8%, respectively, of its revenues from Federal Social Security and other assistance programs.

13. VOLUNTEER SERVICES

During the years ended June 30, 2022 and 2021, Cheyenne Village received 554 and 480 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:

	2022	2021
Future neighborhood expansion	\$ 1,044,902	\$ 1,007,804
Beneficial interest (see Note 6)	861,990	1,040,654
Resident needs	98,204	116,441
Professional care	96,837	77,167
Building and equipment	90,509	57,724
Andy and Peggy Marshall Fund	71,872	66,872
Outreach	25,366	17,067
Expanded SLS/healthcare	6,831	19,301
Wellness Project	5,383	5,383
Specialized Habilitation	4,871	4,871
Technology	<u>2,063</u>	<u>2,063</u>
Total	<u>\$ 2,308,828</u>	<u>\$ 2,415,347</u>