



CHEYENNE VILLAGE, INC.

Financial Statements

For the Year Ended June 30, 2023

And

Independent Auditors' Report

CHEYENNE VILLAGE, INC.

TABLE OF CONTENTS

| | Page |
|--|-------------|
| INDEPENDENT AUDITORS' REPORT | 1 |
| FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023 | |
| Statement of Financial Position | 3 |
| Statement of Activities | 4 |
| Statement of Functional Expenses | 5 |
| Statement of Cash Flows | 6 |
| Notes to Financial Statements | 7 |

INDEPENDENT AUDITORS' REPORT

The Board of Directors
Cheyenne Village, Inc.

Opinion

We have audited the accompanying financial statements of Cheyenne Village, Inc. (the Organization) which comprise the statement of financial position as of June 30, 2023, 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 Organization as of June 30, 2023, 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 the Organization's 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 6, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Stockman Kast Ryan + Co. LLP

October 24, 2023

CHEYENNE VILLAGE, INC.

STATEMENT OF FINANCIAL POSITION JUNE 30, 2023 (with comparative totals for 2022)

| | 2023 | 2022 |
|------------------------------------|----------------------|----------------------|
| ASSETS | | |
| CURRENT ASSETS | | |
| Cash | \$ 6,374,183 | \$ 6,793,335 |
| Investments | 2,561,978 | 2,341,260 |
| Accounts receivable, net | 572,507 | 536,068 |
| Contributions receivable, net | 1,462 | 7,930 |
| Other assets | <u>101,594</u> | <u>55,141</u> |
| Total current assets | 9,611,724 | 9,733,734 |
| BENEFICIAL INTEREST IN TRUST | 922,127 | 861,990 |
| LAND, BUILDINGS AND EQUIPMENT, NET | 2,710,332 | 2,113,107 |
| CONTRIBUTIONS RECEIVABLE | | 1,083 |
| OTHER ASSETS | <u>3,784</u> | <u>24,731</u> |
| TOTAL ASSETS | <u>\$ 13,247,967</u> | <u>\$ 12,734,645</u> |
| LIABILITIES AND NET ASSETS | | |
| CURRENT LIABILITIES | | |
| Accounts payable | \$ 335,278 | \$ 296,126 |
| Accrued expenses and other | <u>377,283</u> | <u>265,864</u> |
| Total liabilities | <u>712,561</u> | <u>561,990</u> |
| NET ASSETS | | |
| Without donor restriction | 10,872,971 | 9,863,827 |
| With donor restriction | <u>1,662,435</u> | <u>2,308,828</u> |
| Total net assets | <u>12,535,406</u> | <u>12,172,655</u> |
| TOTAL LIABILITIES AND NET ASSETS | <u>\$ 13,247,967</u> | <u>\$ 12,734,645</u> |

See notes to financial statements.

CHEYENNE VILLAGE, INC.

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2023 (with comparative totals for 2022)

| | 2023 | | 2022 Total |
|---|-------------------------------|----------------------------|----------------------|
| | Without Donor Restrictions | With Donor Restrictions | |
| SUPPORT AND REVENUE | | | |
| Fees from services: | | | |
| Host home services | \$ 4,762,312 | | \$ 4,359,865 |
| Individual residential services | 2,787,013 | | 2,800,185 |
| Group residential services | 910,797 | | 961,067 |
| Supported community connections | 207,426 | | 138,829 |
| Other operating support: | | | |
| Contributions | 372,001 | \$ 112,302 | 788,774 |
| Gain on sale of land, buildings and equipment | 233,877 | | 9,575 |
| Net realized and unrealized investment gains (losses), net | 168,070 | | (380,012) |
| Supported living services | 166,272 | | 174,616 |
| Interest and dividends, net | 146,809 | | 89,086 |
| Change in value of beneficial interest in trust | | 60,137 | (178,664) |
| Other | 101,905 | | 80,942 |
| Net assets released from restrictions | 818,832 | (818,832) | |
| Total support and revenue | 10,675,314 | (646,393) | 8,844,263 |
| EXPENSES | | | |
| Program services | 8,533,319 | | 7,631,693 |
| General and administrative | 910,925 | | 888,208 |
| Fund raising | 221,926 | | 262,453 |
| Total expenses | 9,666,170 | — | 8,782,354 |
| CHANGE IN NET ASSETS | 1,009,144 | (646,393) | 61,909 |
| NET ASSETS, Beginning of year | 9,863,827 | 2,308,828 | 12,110,746 |
| NET ASSETS, End of year | \$ 10,872,971 | \$ 1,662,435 | \$ 12,172,655 |

See notes to financial statements.

CHEYENNE VILLAGE, INC.

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2023 (with comparative totals for 2022)**

| | 2023 | | | | | | | | | | 2022 Total | |
|---|---------------------------------------|----------------------------------|---------------------------------------|---------------------------------|---------------|--------------------|---------------|------------------------------|-------------------------------|-----------------|---------------|--------------|
| | Program Services | | | | | | | Total Program Services | General and Administrative | Fund Raising | | Total |
| | Individual Residential Services | Group Residential Services | Supported Community Connections | Supported Living Services | Host Homes | Program Support | CAMP House | | | | | |
| EXPENSES | | | | | | | | | | | | |
| Consumer benefits | \$ 607,079 | \$ 204,761 | \$ 10,489 | \$ 2,384 | \$ 3,361,997 | \$ 4,534 | \$ 5,176 | \$ 4,196,420 | | | \$ 4,196,420 | \$ 3,623,563 |
| Salaries | 1,644,754 | 491,057 | 115,525 | 179,115 | 300,236 | 400,750 | 28,407 | 3,159,844 | \$ 628,541 | \$ 140,656 | 3,929,041 | 3,550,518 |
| Employee benefits | 286,925 | 83,317 | 12,907 | 25,932 | 45,067 | 60,932 | 4,641 | 519,721 | 135,954 | 28,426 | 684,101 | 662,859 |
| Contract services | 57,126 | 28,454 | 10,609 | 13,645 | 18,231 | 10,825 | 2,968 | 141,858 | 58,486 | 10,573 | 210,917 | 233,227 |
| Insurance | 33,895 | 25,950 | 1,654 | 520 | 14,830 | 3,773 | 7,851 | 88,473 | 30,769 | 1,347 | 120,589 | 109,838 |
| Vehicle expense | 37,283 | 937 | 18,070 | 3,843 | 2,817 | 7,037 | | 69,987 | 1,877 | | 71,864 | 57,173 |
| Repairs and maintenance | 15,509 | 15,774 | 914 | 679 | 7,052 | 2,832 | 4,329 | 47,089 | 5,471 | 1,225 | 53,785 | 65,499 |
| Supplies | 12,430 | 3,237 | 1,855 | 888 | 2,773 | 2,374 | 504 | 24,061 | 7,795 | 3,220 | 35,076 | 59,341 |
| Telephone | 11,512 | 5,540 | 2,367 | 633 | 4,762 | 3,122 | 333 | 28,269 | 4,651 | 1,237 | 34,157 | 29,455 |
| Utilities | 8,168 | 562 | 838 | 530 | 5,645 | 2,621 | 1,574 | 19,938 | 6,892 | 1,115 | 27,945 | 24,182 |
| Dues subscriptions | 6,236 | 1,740 | 1,290 | 1,056 | 2,863 | 2,850 | 295 | 16,330 | 4,019 | 3,862 | 24,211 | 24,168 |
| Event expense | | | | | | | | | | 24,186 | 24,186 | 60,426 |
| Meetings and conferences | 3,804 | 1,078 | 776 | 723 | 5,179 | 667 | 112 | 12,339 | 6,050 | 611 | 19,000 | 20,188 |
| Advertising and public relations | 5,575 | 1,941 | 1,688 | 213 | 2,038 | 207 | | 11,662 | 2,909 | 195 | 14,766 | 18,336 |
| Printing and publications | 1,429 | 224 | 642 | 205 | 1,079 | 2,669 | 111 | 6,359 | 2,339 | 3,660 | 12,358 | 17,486 |
| Taxes and licenses | 243 | 1,329 | 4 | 3 | 90 | 28 | 77 | 1,774 | 2,605 | 6 | 4,385 | 8,893 |
| Postage | 728 | 433 | 149 | 142 | 141 | 125 | 21 | 1,739 | 203 | 543 | 2,485 | 4,448 |
| Mileage and travel | 60 | | 2 | | | | | 62 | 6 | | 68 | 1,342 |
| Bad debt expense | | | | | | | | | | | | 800 |
| Other | | | | | | | | | 319 | | 319 | 314 |
| TOTAL BEFORE DEPRECIATION AND AMORTIZATION | 2,732,756 | 866,334 | 179,779 | 230,511 | 3,774,800 | 505,346 | 56,399 | 8,345,925 | 898,886 | 220,862 | 9,465,673 | 8,572,056 |
| Depreciation and amortization | 112,259 | 46,344 | 4,012 | 2,434 | 12,329 | 2,900 | 7,116 | 187,394 | 12,039 | 1,064 | 200,497 | 210,298 |
| TOTAL EXPENSES | \$ 2,845,015 | \$ 912,678 | \$ 183,791 | \$ 232,945 | \$ 3,787,129 | \$ 508,246 | \$ 63,515 | \$ 8,533,319 | \$ 910,925 | \$ 221,926 | \$ 9,666,170 | |
| PERCENTAGE OF TOTAL | 29% | 9% | 2% | 2% | 39% | 5% | 1% | 87% | 11% | 2% | 100% | |
| TOTAL EXPENSES - 2022 | \$ 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 |
| PERCENTAGE OF TOTAL - 2022 | 28% | 10% | 2% | 3% | 38% | 5% | 1% | 87% | 10% | 3% | | 100% |

See notes to financial statements.

CHEYENNE VILLAGE, INC.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2023 (with comparative totals for 2022)

| | 2023 | 2022 |
|---|---------------------|---------------------|
| OPERATING ACTIVITIES | | |
| Change in net assets | \$ 362,751 | \$ 61,909 |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: | | |
| Depreciation and amortization | 200,497 | 210,298 |
| Gain on sale of land, buildings and equipment | (233,877) | (9,575) |
| Net realized and unrealized (gains) losses on investments | (168,070) | 380,012 |
| Change in value of beneficial interest in trust | (60,137) | 178,664 |
| Changes in operating assets and liabilities: | | |
| Accounts receivable | (36,439) | (35,910) |
| Contributions receivable | 7,551 | 238,162 |
| Other assets | (46,453) | 20,999 |
| Accounts payable, accrued expenses and other | 150,571 | (5,679) |
| Refundable advance | | (127,376) |
| Net cash provided by operating activities | <u>176,394</u> | <u>911,504</u> |
| INVESTING ACTIVITIES | | |
| Proceeds from sales of investments | 310,902 | 197,060 |
| Purchases of investments | (363,550) | (231,014) |
| Purchases of land, buildings and equipment | (797,722) | (71,821) |
| Proceeds from sale of land held for sale | 251,674 | |
| Proceeds from sales of land, buildings and equipment | <u>3,150</u> | <u>9,575</u> |
| Net cash used in investing activities | <u>(595,546)</u> | <u>(96,200)</u> |
| NET INCREASE (DECREASE) IN CASH | (419,152) | 815,304 |
| CASH, Beginning of year | <u>6,793,335</u> | <u>5,978,031</u> |
| CASH, End of year | <u>\$ 6,374,183</u> | <u>\$ 6,793,335</u> |

See notes to financial statements.

CHEYENNE VILLAGE, INC.

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cheyenne Village, Inc. (the Organization) 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 the Organization will require their services throughout the course of their lives; many have been with the Organization 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 the Organization's financial statements for the year ended June 30, 2022, from which the summarized information was derived.

The Organization 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 the Organization is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Organization.

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.

The Organization 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, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization 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.

The Organization's contract revenue is recognized pursuant to contracts under which the Organization typically transfers services to the customer over time and receives payment for those services monthly. The Organization 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. Amortization of the discount is included in contribution revenue. Management believes that all contributions receivable recorded at June 30, 2023 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. The Organization capitalizes property and equipment purchases which exceed \$5,000 and have a useful life in excess of one year.

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

Tax Status — The Organization 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.

The Organization 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, the Organization considers cash on hand, amounts due from banks and cash held for investment purposes as cash.

Use of Estimates — The preparation of the Organization'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 — The Organization 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, 2023 and 2022, 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.

| | 2023 | 2022 |
|--|---------------------|---------------------|
| Cash | \$ 6,374,183 | \$ 6,793,335 |
| Investments | 2,561,978 | 2,341,260 |
| Accounts receivable | 572,507 | 536,068 |
| Contributions receivable | <u>1,462</u> | <u>7,930</u> |
| Total financial assets | 9,510,130 | 9,678,593 |
| Less amounts unavailable for general expenditures within one year, due to: | | |
| Restricted by donors with purpose and time restrictions | <u>(740,308)</u> | <u>(1,446,838)</u> |
| Total financial assets available to management to meet cash needs for general expenditures within one year | <u>\$ 8,769,822</u> | <u>\$ 8,231,755</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 programs 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 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, 2023 and 2022, management estimates that all accounts receivable are fully collectible and accordingly no allowance for doubtful accounts has been recorded. Medicaid receivables accounted for approximately 94% and 92% of total net receivables at June 30, 2023 and 2022, respectively.

5. **BENEFICIAL INTEREST IN TRUST**

The Organization is a 6% beneficiary of the Jacqueline Grace Archer Trust, the principal of which is to be held in perpetuity at a bank. The Organization's share of the fair market value of this trust was \$922,127 and \$861,990 at June 30, 2023 and 2022, respectively. The fair value of the trust is determined based on the Organization'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. The Organization received \$47,399 and \$50,695 in distributions from the trust during the years ended June 30, 2023 and 2022, respectively.

6. **INVESTMENTS AND FAIR VALUE MEASUREMENTS**

The Organization 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 the Organization 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; and
- 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, the Organization'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) |
|------------------------|---------------------|--|---|--|
| 2023: | | | | |
| Investments: | | | | |
| Exchange traded funds: | | | | |
| Domestic equity | \$ 616,149 | \$ 616,149 | | |
| International equity | 83,637 | 83,637 | | |
| Fixed Income | 48,651 | 48,651 | | |
| Mutual funds: | | | | |
| Fixed income | 519,881 | 519,881 | | |
| International equity | 362,241 | 362,241 | | |
| Domestic equity | 88,098 | 88,098 | | |
| Common stock: | | | | |
| Domestic | 458,440 | 458,440 | | |
| International | 18,366 | 18,366 | | |
| Corporate bonds | 23,246 | | \$ 23,246 | |
| U.S. Treasury notes | 149,385 | | 149,385 | |
| Money market accounts | <u>194,154</u> | <u>194,154</u> | | |
| Total | <u>\$ 2,561,978</u> | <u>\$ 2,389,347</u> | <u>\$ 172,631</u> | <u>\$ —</u> |
| Beneficial interest | | | | |
| in perpetual trust | <u>\$ 922,127</u> | <u>\$ —</u> | <u>\$ 922,127</u> | <u>\$ —</u> |
| 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> |

7. LAND, BUILDINGS AND EQUIPMENT

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

| | 2023 | 2022 |
|------------------------------------|---------------------|-----------------------------|
| Buildings and improvements | \$ 3,146,423 | \$ 3,064,185 |
| Vehicles and equipment | 1,344,508 | 1,267,789 |
| Land | 339,603 | 339,603 |
| Construction in progress | <u>601,301</u> | <u> </u> |
| Total | 5,431,835 | 4,671,577 |
| Less accumulated depreciation | <u>(2,721,503)</u> | <u>(2,558,470)</u> |
| Land, buildings and equipment, net | <u>\$ 2,710,332</u> | <u>\$ 2,113,107</u> |

8. EMPLOYEE BENEFIT PLANS

The Organization 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 the Organization matches 100% of the first 3% and 50% of the next 2% of employee contributions. The Organization made contributions to the profit-sharing plan of \$96,804 and \$94,430 for the years ended June 30, 2023 and 2022, respectively.

9. CONCENTRATIONS OF CREDIT RISK

The Organization maintains its cash in bank deposit accounts which, at times, exceed federally insured limits. The Organization has not experienced any losses in such accounts.

The Organization 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. The Organization 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 the Organization's financial statements.

10. CONCENTRATIONS OF REVENUE

During the years ended June 30, 2023 and 2022, the Organization received approximately 74% and 80% its revenues from the State of Colorado, respectively, and received approximately 9% and 11%, respectively, of its revenues from Federal Social Security and other assistance programs.

11. VOLUNTEER SERVICES

During the years ended June 30, 2023 and 2022, the Organization received 481 and 554 hours, respectively, of donated services to support its programs and services. Volunteers provide essential services that the Organization 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.

12. NET ASSETS WITH DONOR RESTRICTION

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

| | 2023 | 2022 |
|----------------------------------|---------------------|---------------------|
| Beneficial interest (see Note 5) | \$ 922,127 | \$ 861,990 |
| Future neighborhood expansion | 445,349 | 1,044,902 |
| Professional care | 96,538 | 96,837 |
| Andy and Peggy Marshall Fund | 71,872 | 71,872 |
| Resident needs | 66,160 | 98,204 |
| Building and equipment | 43,771 | 90,509 |
| Expanded SLS/healthcare | 6,364 | 6,831 |
| Wellness project | 5,383 | 5,383 |
| Specialized habilitation | 4,871 | 4,871 |
| Outreach | | 25,366 |
| Technology | | <u>2,063</u> |
| Total | <u>\$ 1,662,435</u> | <u>\$ 2,308,828</u> |