Elderhaus Adult Day Program, Inc.

(a not-for-profit Colorado corporation)

Fort Collins, Colorado

Financial Statements

December 31, 2022 and 2021

Elderhaus Adult Day Program, Inc.

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Independent Auditor's Report

Board of Directors
Elderhaus Adult Day Program, Inc.
Fort Collins, Colorado

Opinion

We have audited the accompanying financial statements of Elderhaus Adult Day Program, Inc. (a not-for-profit Colorado corporation), which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Elderhaus Adult Day Program, Inc. as of December 31, 2022 and 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis of Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Elderhaus Adult Day Program, Inc. 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

The Organization's 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.

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 for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of 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 auditor's 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 one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is substantial likelihood that, individually or in the aggregate, they would influence the judgement 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 Elderhaus Adult Day Program, Inc.'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 Elderhaus Adult Day Program, Inc.'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.

Certified Public Accountants

Fort Collins, Colorado
December xx, 2023

Elderhaus Adult Day Program, Inc.

Statements of Financial Position

December 31	**2022**	2021
ASSETS		
Current Assets		
Cash	**$ 134,306**	$ 231,845
Investments	**180,000**	-
Funding receivable	**18,053**	19,062
Accounts receivable, net	**119,435**	95,185
Total current assets	**451,794**	346,092
Property and Equipment, net	**1,437,192**	1,489,151
Total assets	**$ 1,888,986**	$ 1,835,243
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable and accrued liabilities	**$ 500**	$ 500
Due to Medicaid	**13,874**	22,864
Refundable advances	**35,118**	-
Current maturities of long-term notes payable	**23,022**	17,839
Total current liabilities	**72,514**	41,203
Long-Term Liabilities		
Long-term notes payable	**973,919**	1,008,196
Total liabilities	**1,046,433**	1,049,399
Net Assets		
Without donor restrictions	**840,450**	783,741
With donor restrictions	**2,103**	2,103
Total net assets	**842,553**	785,844
Total liabilities and net assets	**$ 1,888,986**	$ 1,835,243

Elderhaus Adult Day Program, Inc.

Statements of Activities

Years ended December 31	2022			2021		
	Without Donor Restrictions	**With Donor Restrictions**	**Total**	Without Donor Restrictions	With Donor Restrictions	Total
Public Support and Revenue						
Public support						
Donations	**$ 47,209**	**$ -**	**$ 47,209**	$ 57,917	$ -	$ 57,917
Grants	**72,269**	**38,742**	**111,011**	62,622	28,227	90,849
Grant, Paycheck Protection Loan forgiven	**-**	**-**	**-**	51,167	-	51,167
Special events	**43,856**	**-**	**43,856**	30,662	-	30,662
Special event expenses	**(16,241)**	**-**	**(16,241)**	(1,442)	-	(1,442)
In-kind contributions	**30,277**	**-**	**30,277**	21,325	-	21,325
Total public support	**177,370**	**38,742**	**216,112**	222,251	28,227	250,478
Revenue						
Participant fees	**255,845**	**-**	**255,845**	143,067	-	143,067
Medicaid waiver fees	**517,482**	**-**	**517,482**	274,718	-	274,718
Program revenue	**34,393**	**-**	**34,393**	17,941	-	17,941
Total revenue	**807,720**	**-**	**807,720**	435,726	-	435,726
Net assets released from restrictions	**38,742**	**(38,742)**	**-**	28,227	(28,227)	-
Total public support and revenue	**1,023,832**	**-**	**1,023,832**	686,204	-	686,204
Functional Expenses						
Program services	**833,483**	**-**	**833,483**	531,522	-	531,522
Supporting services	**133,640**	**-**	**133,640**	133,620	-	133,620
Total functional expenses	**967,123**	**-**	**967,123**	665,142	-	665,142
Change in Net Assets	**56,709**	**-**	**56,709**	21,062	-	21,062
Net Assets, Beginning of Year	**783,741**	**2,103**	**785,844**	762,679	2,103	764,782
Net Assets, End of Year	**$ 840,450**	**$ 2,103**	**$ 842,553**	$ 783,741	$ 2,103	$ 785,844

The accompanying Notes are an integral part of these financial statements

Elderhaus Adult Day Program, Inc.

Statement of Functional Expenses

Year ended December 31, 2022

	Program Services	Supporting Services			
	Adult Day Care	Management and General	Fundraising	Total	Total
Salaries	$ 508,585	$ 61,888	$ 6,061	$ 67,949	$ 576,534
Payroll taxes and employee benefits	59,130	6,532	-	6,532	65,662
Scholarship expense	53,468	-	-	-	53,468
Professional services	12,267	30,411	-	30,411	42,678
Program activities	33,514	-	-	-	33,514
Telephone and utilities	26,992	1,593	-	1,593	28,585
Interest expense	22,157	5,761	-	5,761	27,918
Food	23,698	-	-	-	23,698
Insurance	16,839	2,692	-	2,692	19,531
Supplies and office expenses	12,640	3,753	-	3,753	16,393
Maintenance and repairs	7,751	1,210	-	1,210	8,961
Bad debt expense	-	8,517	-	8,517	8,517
Travel, training and conferences	3,241	-	-	-	3,241
Advertising and marketing	839	184	-	184	1,023
Other	2,522	301		301	2,823
Total expenses before depreciation	783,643	122,842	6,061	128,903	912,546
Depreciation of buildings and equipment	49,840	4,737	-	4,737	54,577
Total expenses	$ 833,483	$ 127,579	$ 6,061	$ 133,640	$ 967,123

Elderhaus Adult Day Program, Inc.

Statement of Functional Expenses

Year ended December 31, 2021

	Program Services	Supporting Services			
	Adult Day Care	Management and General	Fundraising	Total	Total
Salaries	$ 314,852	$ 56,242	$ 4,720	$ 60,962	$ 375,814
Payroll taxes and employee benefits	33,751	4,887	-	4,887	38,638
Professional services	19	29,553	-	29,553	29,572
Interest expense	22,856	6,415	-	6,415	29,271
Scholarship expense	25,433	-	-	-	25,433
Telephone and utilities	22,646	1,448	-	1,448	24,094
Bad debt expense	-	19,947	-	19,947	19,947
Insurance	14,795	2,611	-	2,611	17,406
Program activities	13,198	-	-	-	13,198
Food	12,533	-	-	-	12,533
Maintenance and repairs	10,408	-	-	-	10,408
Supplies and office expenses	6,139	3,104	-	3,104	9,243
Travel, training and conferences	1,020	-	-	-	1,020
Advertising and marketing	600	-	-	-	600
Other	3,566	59	-	59	3,625
Total expenses before depreciation	481,816	124,266	4,720	128,986	610,802
Depreciation of buildings and equipment	49,706	4,634	-	4,634	54,340
Total expenses	$ 531,522	$ 128,900	$ 4,720	$ 133,620	$ 665,142

The accompanying Notes are an integral part of these financial statements

Elderhaus Adult Day Program, Inc.

Statements of Cash Flows

Increase (Decrease) in Cash and Cash Equivalents

Years ended December 31	**2022**	2021
Cash Flows From Operating Activities		
Change in net assets	**$ 56,709**	$ 21,062
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	**54,577**	54,340
Provision for doubtful accounts	**8,517**	19,947
Interest added to note payable	**1,484**	6,184
Gain on sale of equipment	**-**	(1,750)
Increase (decrease) from changes in assets and liabilities		
Funding receivable	**1,009**	(13,506)
Accounts receivable	**(32,767)**	(47,854)
Due to Medicaid	**(8,990)**	22,864
Refundable advances	**35,118**	(14,700)
Net cash provided by operating activities	**115,657**	46,587
Cash Flows From Investing Activities		
Proceeds from sale of equipment	**-**	1,750
Purchases of equipment	**(2,618)**	(2,355)
Purchases of certificates of deposit	**(180,000)**	-
Net cash used by investing activities	**(182,618)**	(605)
Cash Flows From Financing Activities		
Principal payments on notes payable	**(30,578)**	(30,166)
Net cash used by financing activities	**(30,578)**	(30,166)
Increase (Decrease) in Cash and Cash Equivalents	**(97,539)**	15,816
Cash and Cash Equivalents, Beginning of Year	**231,845**	216,029
Cash and Cash Equivalents, End of Year	**$ 134,306**	$ 231,845
Supplemental Information		
Cash paid for interest	**$ 27,918**	$ 29,271

The accompanying Notes are an integral part of these financial statements

Note 1 – Summary of Significant Accounting Policies

Organization and Activities. Elderhaus Adult Day Program, Inc. ("Elderhaus") is a not-for-profit corporation established to provide adult day care to individuals who require supervision and to provide relief and support to caregivers. The Organization finances its operations largely through grants and through fees charged to participants utilizing the services. It also receives proceeds from private donations. All services are provided in Fort Collins, Colorado.

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

Basis of Presentation. The financial statements have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

Net Asset Classification. Elderhaus distinguishes between contributions received for each net asset category in accordance with donor-imposed restrictions. The Organization complies with established standards for external reporting by not-for-profit organizations, which requires that resources be classified for reporting purposes into two net asset categories according to externally (donor) imposed restrictions. The two net asset categories are as follows:

> *Net Assets Without Donor Restrictions.* Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of Elderhaus' management and the board of directors.
>
> *Net Assets With Donor Restrictions.* Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of Elderhaus or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity. Elderhaus currently does not have any net assets maintained in perpetuity.

Contributions are recognized when the donation is received. Donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities. Contributions and grants that are restricted by the donor or grantor are reported as increases in net assets without donor restrictions if the restrictions expire in the same fiscal year in which the contributions are recognized.

Cash and Cash Equivalents. For purpose of the statement of cash flows, Elderhaus considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Note 1 – Summary of Significant Accounting Policies (continued)

Receivables and Allowance for Doubtful Accounts. Funding receivable represents unconditional grants awarded that have not been received, and uncollected billings for services performed pursuant to grant agreements. The grants are generally receivable in the near term and are not subject to discounting.

Accounts receivable represents uncollateralized amounts due for services provided to participants. Accounts over 30 days old are considered delinquent. Management estimates the allowance for doubtful accounts based on a review of outstanding balances and other factors pertaining to collectability. An allowance of $12,000 and $30,000 was provided for doubtful accounts at December 31, 2022 and 2021, respectively.

Investments. Elderhaus' investments consist of certificates of deposit and are stated at face value, which approximates fair value due to the short duration of the term. The certificates of deposit are subject to early withdrawal penalties.

Fair Value Measurements. Elderhaus reports using fair value measurements, which among other things requires enhanced disclosures about investments and other transactions that are measured and reported at fair value and establishes a framework for measuring fair value. The 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 — Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that Elderhaus has the ability to access.

Level 2 — 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 — Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset, liability, or transaction 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 measurements. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Note 1 – Summary of Significant Accounting Policies (continued)

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while Elderhaus believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

In general, investments are exposed to various risks, such as interest rate, credit and overall market volatility risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of the investments will occur in the near term and that such changes could materially affect the investment balances and the amounts reported in the statements of financial position.

Depreciation and Amortization. Property and equipment are recorded at cost for purchased assets and at estimated fair market value at the date of acquisition for donated assets. Elderhaus provides for depreciation using the straight-line method over the estimated useful lives of property and equipment as follows:

Building	15 to 40 years
Land improvements	10 to 15 years
Vehicles	3 to 8 years
Equipment	5 to 10 years
Furniture and fixtures	10 to 15 years

Revenue Recognition. Elderhaus applies the provisions of Financial Accounting Standards Board ("FASB") ASU No. 2014-09 (Topic 606) - *Revenue from Contracts With Customers,* which provides guidance for revenue recognition. Under ASU 2014-09, revenue is recognized when promised goods or services are transferred to customers in an amount that reflects the consideration to which the Organization expects to be entitled in exchange for those goods and services.

Contributions. Contributions are recognized when the donation is received. Donor-restricted contributions are reported as increases in net assets with restrictions upon receipt of the pledge or contribution. When a restriction expires, net assets with restrictions are reclassified to net assets without restrictions. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the same fiscal year in which the contributions are recognized.

Refundable Advances. Grant funding received in advance of incurring related expenses are considered refundable advances and are deferred upon receipt. Revenue is recognized as the related costs are incurred.

In-Kind Contributions. Contributions of donated noncash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received.

Note 1 – Summary of Significant Accounting Policies (continued)

Functional Allocation of Expenses. The costs of providing the adult day care program and other activities have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the program services and supporting services.

Advertising and Marketing. Elderhaus expenses the cost of advertising and marketing as incurred. Advertising and marketing totaled $1,023 in 2022 and $1,330 in 2021, including amounts charged to special event expense.

Income Taxes. Elderhaus is a nonprofit organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes.

Elderhaus utilizes the provisions of ASC 740, pertaining to accounting for uncertainty in income taxes. The pronouncement requires the use of a more-likely-than-not recognition criteria before and separate from the measurement of a tax position. An entity shall initially recognize the financial statement effects of a tax position when it is more likely than not, based on the technical merits, that the position will be sustained upon examination. With respect to Elderhaus, this would primarily relate to the determination of unrelated business taxable income and to the maintenance of its tax exempt status.

Management has evaluated the adopted policies and procedures that have been implemented to provide assurance that income is properly characterized and activities that jeopardize its tax exempt status are within limits established under existing tax code and regulations. Management has determined the effects of uncertain tax positions are not material to Elderhaus for recognition or disclosure in the accompanying financial statements and, accordingly, no income tax liability has been recorded for uncertain income tax positions in the accompanying financial statements.

All income tax years open for examination are subject to taxation at corporate tax rates. Additionally, penalties and interest may be assessed on income taxes that are delinquent.

Concentrations. Certain participants served by Elderhaus are eligible for Medicaid waiver assistance. During 2022 and 2021, Elderhaus recognized $517,482 and $274,718 of revenue from Medicaid waiver participants, respectively. At December 31, 2022 and 2021, Elderhaus had receivables of $40,744 and $37,976 from Medicaid, respectively.

Additionally, at December 31, 2022 and 2021, Elderhaus had receivables from a U.S. government agency totaling $6,096 and $45,285 for services provided to veterans.

Subsequent Events. Management evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements. Subsequent events have been evaluated through December xx, 2023, which is the date the financial statements were available to be issued.

Note 2 – Availability and Liquidity

The following represents Elderhaus' financial assets available to meet general expenditures for the next twelve months for the years ended December 31:

	2022	2021
Financial assets at year end		
Cash	$ 134,306	$ 231,845
Investments	180,000	-
Funding receivable	18,053	19,062
Accounts receivable, net	119,435	95,185
	451,794	346,092
Less amounts not available to be used within one year for general expenditures		
Donor restricted net assets	2,103	2,103
Financial assets available to meet general expenditures over the next twelve months	$ 449,691	$ 343,989

Elderhaus has financial assets to meet approximately six months of operating expenses at full operations. The Organization relies on significant grants and contributions, income from private pay and Medicaid waiver participants, and promises to give that are central to its annual operations.

Note 3 – Fair Value Measurements

The following table summaries Elderhaus' fair value measurements on a recurring basis by fair value hierarchy as of December 31, 2022:

	Level 1	Level 2	Level 3	Total
Certificates of deposit	$ -	$ 180,000	$ -	$ 180,000
In-kind services	-	30,277	-	30,277
	$ -	$ 210,277	$ -	$ 210,277

The following table summaries Elderhaus' fair value measurements on a recurring basis by fair value hierarchy as of December 31, 2021:

	Level 1	Level 2	Level 3	Total
In-kind services	$ -	$ 21,325	$ -	$ 21,325

Note 4 – Property and Equipment

Property and equipment consisted of the following at December 31:

	2022	2021
Building	**$ 1,706,282**	$ 1,706,282
Land improvements	**5,749**	5,749
Vehicles	**100,300**	100,300
Equipment	**39,923**	37,305
Furniture and fixtures	**23,228**	23,228
	1,875,482	1,872,864
Less accumulated depreciation	**(438,290)**	(383,713)
Net property and equipment	**$ 1,437,192**	$ 1,489,151

Note 5 – Line of Credit

The Organization has a line of credit agreement with Independent Financial, with available borrowings of $60,000. There was no outstanding balance at December 31, 2022 and 2021. The agreement bears interest at the *Wall Street Journal* prime rate plus 2%, subject to a floor of 5.25% and a ceiling of 21.0%, and has been renewed to mature in February 2024. The agreement is collateralized by the property owned by Elderhaus.

Note 6 – Long-Term Notes Payable

Long-term notes payable consisted of the following at December 31:

	2022	2021
<u>Financial Institution</u> Note payable bearing interest at 4.5% with monthly principal and interest installments of $3,168. Starting in July 2020, the interest rate changed to a variable rate based on the Federal Home Loan Bank of Topeka Five (5) Year Fixed Advance Rate, plus a margin of 2.5 percentage points with a floor of 4.5% (4.5% at December 31, 2022). The note was paid in full in October 2023. The note was collateralized by the real property owned by Elderhaus.	**$ 478,334**	$ 494,198
<u>City of Fort Collins, Colorado</u> Note payable provided by a Community Development Block Grant administered through the City of Fort Collins, Colorado, bears a 5.0% charge on the entire principal and is due at the earliest of the sale or transfer of the property, default under the terms of the note agreement, commitment of fraud in obtaining funding, or during June 2104.	**302,400**	302,400

Note 6 – Long-Term Notes Payable (continued)

<u>U.S. Small Business Administration</u> Note payable provided by U.S. Small Business Administration (SBA), bears interest at 2.75% with monthly interest and principal payment of $999 beginning in April 2022. This note is collateralized by all tangible and intangible personal property.	**216,207**	229,437
	996,941	1,026,035
Less current maturities	**(23,022)**	(17,839)
	$ 973,919	$ 1,008,196

Scheduled future maturities of long-term debt are as follows at December 31, 2022:

Year	Amount
2023	$ 23,022
2024	23,969
2025	450,161
2026	6,625
2027	6,810
Thereafter	486,354
	$ 996,941

During March 2021, Elderhaus received a Paycheck Protection Program loan totaling $50,936 from Independent Financial. The loan was guaranteed by the U.S. Small Business Administration. Under the terms of the agreement, the loan was forgivable if spent for allowable purposes and other requirements were met. The loan was forgiven in September 2021, and was recognized as grant income, together with accrued interest, in the 2021 financial statements.

Note 7 – Commitments and Contingencies

During 2022, Elderhaus was notified by Medicaid that funding from previous periods was overpaid, and Medicaid intended to process claims for reimbursement. Elderhaus contested the amounts attributed to certain participants, but has accrued a liability for the entire amount claimed, $22,864, due to the estimated probability that repayment would be required. The amount of the accrued claims has been netted against Medicaid waiver fees for 2021 in the accompanying statement of activities. During 2022, claims totaling $8,990 were settled and the remaining $13,874 was settled in 2023.

The City of Fort Collins owns an easement for full public access on land at Elderhaus' facilities Elderhaus would be liable for damage to an existing ditch that crosses the easement. Elderhaus may be required to provide a bridge over the ditch in the future in the event that the City of Fort Collins exercises its rights to use the easement for full public access.

Note 8 – Restrictions on Net Assets

The balances of net assets with donor restrictions at December 31, 2022 and 2021 are as follows:

Restricted Purpose	January 1, 2022 Balance	Additions	Releases	December 31, 2022 Balance
Heart spun	$ 1,558	$ -	$ -	$ 1,558
Garden train	545	-	-	545
Scholarships	-	38,742	(38,742)	-
Totals	$ 2,103	$ 38,742	$ (38,742)	$ 2,103

Restricted Purpose	January 1, 2021 Balance	Additions	Releases	December 31, 2021 Balance
Heart spun	$ 1,558	$ -	$ -	$ 1,558
Garden train	545	-	-	545
Scholarships	-	19,182	(19,182)	-
Building repair	-	4,800	(4,800)	-
Food program	-	4,245	(4,245)	-
Totals	$ 2,103	$ 28,227	$ (28,227)	$ 2,103

Note 9 – In-Kind Contributions

In-kind contributions received are as follows for the years ended December 31:

	2022	2021
Professional services		
Program	$ 10,670	$ -
Management and general	19,607	21,325
	$ 30,277	$ 21,325

Note 10 – Subsequent Event

During 2023, the American Baptist Church in Fort Collins terminated its operations disposed of its assets. Upon the sale of its building, the church donated the proceeds, totaling $580,300, to Elderhaus in October 2023. Elderhaus used a portion of the donation to pay the remainder owed on the mortgage note for its building.