

Cheyenne Regional Medical Center Foundation
Financial Statements
For the Years Ended December 31, 2023 and 2022

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Green & Associates LLC

Certified Public Accountants & Business Consultants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Cheyenne Regional Medical Center Foundation

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Cheyenne Regional Medical Center Foundation (a nonprofit organization), which comprise the statements of financial position as of December 31, 2023 and 2022, 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 financial statements present fairly, in all material respects, the financial position of Cheyenne Regional Medical Center Foundation as of December 31, 2023 and 2022, and the changes in its net assets and its cash flows for the years 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Cheyenne Regional Medical Center Foundation 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 opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 Cheyenne Regional Medical Center Foundation's, ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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Auditor's Responsibilities 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 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 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 Cheyenne Regional Medical Center Foundation'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 Cheyenne Regional Medical Center Foundation'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.



Fort Collins, Colorado
September 11, 2024

Cheyenne Regional Medical Center Foundation
Statements of Financial Position
December 31, 2023 and 2022

ASSETS

	2023	2022
Current Assets		
Cash and cash equivalents	\$ 416,895	\$ 772,858
Certificates of deposit	244,727	200,685
Pledges receivable, net of allowance	16,730	21,909
Due from related party	3,347	1,412
Cash value of life insurance	40,783	37,558
Total Current Assets	722,482	1,034,422
Noncurrent Assets		
Investments	21,974,109	19,971,960
Beneficial interest in perpetual trust	706,023	668,351
Property and equipment, net of depreciation	-	870
Total Noncurrent Assets	22,680,132	20,641,181
Total Assets	\$ 23,402,614	\$ 21,675,603

LIABILITIES

Current Liabilities		
Accounts payable	\$ 26,657	\$ 26,202
Grants payable	1,467,093	1,767,112
Pledges payable	394,000	376,000
Total Current Liabilities	1,887,750	2,169,314

NET ASSETS

Net Assets with Donor Restrictions	10,663,322	10,500,568
Net Assets without Donor Restrictions	10,851,542	9,005,721
Total Net Assets	21,514,864	19,506,289
Total Liabilities and Net Assets	\$ 23,402,614	\$ 21,675,603

Cheyenne Regional Medical Center Foundation
Statements of Activities
For the Years Ended December 31, 2023 and 2022

	without Donor Restrictions	Net Assets with Donor Restrictions	Total 2023	without Donor Restrictions	Net Assets with Donor Restrictions	Total 2022
REVENUES, GAINS AND OTHER SUPPORT						
Cheyenne Regional Medical Center - in-kind	\$ 660,912	\$ -	\$ 660,912	\$ 595,452	\$ -	\$ 595,452
Individuals and business donations	29,504	2,773,713	2,803,217	41,320	912,971	954,291
Grants	139,600	-	139,600	12,600	-	12,600
Investment income (loss), net of expenses of \$80,711 and \$84,643 for the year ended December 31, 2023 and 2022, respectively	2,807,583	72,860	2,880,443	(3,779,435)	(145,120)	(3,924,555)
In-kind - other	1,272	87,633	88,905	1,760	92,463	94,223
Net assets released from restrictions	2,771,452	(2,771,452)	-	2,319,096	(2,319,096)	-
Total Revenues	6,410,323	162,754	6,573,077	(809,207)	(1,458,782)	(2,267,989)
EXPENSES						
Program Expenses:						
Cheyenne Regional Medical Center	4,078,994	-	4,078,994	1,892,614	-	1,892,614
Supporting Services:						
Management and administrative	215,424	-	215,424	176,528	-	176,528
Fundraising	270,084	-	270,084	279,243	-	279,243
Total Expenses	4,564,502	-	4,564,502	2,348,385	-	2,348,385
CHANGE IN NET ASSETS	1,845,821	162,754	2,008,575	(3,157,592)	(1,458,782)	(4,616,374)
Net Assets, beginning of year	9,005,721	10,500,568	19,506,289	12,163,313	11,959,350	24,122,663
Net Assets, end of year	\$ 10,851,542	\$ 10,663,322	\$ 21,514,864	\$ 9,005,721	\$ 10,500,568	\$ 19,506,289

Cheyenne Regional Medical Center Foundation
Statements of Functional Expenses
For the Year Ended December 31, 2023

	<u>Program Expenses</u>	<u>Supporting Services</u>		
	Cheyenne Regional Medical Center	Management and Administrative	Fundraising	Total 2023
Salaries and benefits	177,159	163,122	143,760	484,041
Payroll taxes	12,996	11,967	10,546	35,509
Advertising	5,752	5,296	4,668	15,716
Bank service fees	-	7,240	-	7,240
Books and educational materials	2,196	2,022	1,782	6,000
Customer relations	2,795	2,573	2,268	7,636
Depreciation	319	293	258	870
Outreach and events	95,865	-	95,865	191,730
Supplies and equipment	605	557	491	1,653
Meals	2,338	2,153	1,898	6,389
Miscellaneous	4,009	3,691	3,253	10,953
CRMC program support	3,707,398	-	-	3,707,398
Postage	1,976	1,819	1,603	5,398
Printing and reproduction	2,738	2,521	2,222	7,481
Purchased services	61,365	10,804	267	72,436
Software costs	1,483	1,366	1,203	4,052
Total functional expenses	<u>\$ 4,078,994</u>	<u>\$ 215,424</u>	<u>\$ 270,084</u>	<u>\$ 4,564,502</u>

Cheyenne Regional Medical Center Foundation
Statements of Functional Expenses
For the Year Ended December 31, 2022

	<u>Program Expenses</u>	<u>Supporting Services</u>		
	<u>Cheyenne Regional Medical Center</u>	<u>Management and Administrative</u>	<u>Fundraising</u>	<u>Total 2022</u>
Salaries and benefits	148,361	121,031	121,031	390,423
Payroll taxes	11,234	9,165	9,165	29,564
Advertising	17,248	-	17,248	34,496
Bank service fees	-	7,602	-	7,602
Books and educational materials	11,429	-	-	11,429
Customer relations	19,811	-	-	19,811
Depreciation	330	269	269	868
Outreach and events	104,264	-	104,264	208,528
Supplies and equipment	298	243	243	784
Meals	4,098	3,343	3,343	10,784
Miscellaneous	11,589	10,245	9,450	31,284
CRMC program support	1,499,747	-	-	1,499,747
Other program costs	14,704	-	-	14,704
Uncollectible pledges	-	500	-	500
Postage	1,744	1,423	1,423	4,590
Printing and reproduction	2,655	2,166	2,166	6,987
Purchased services	32,059	9,900	-	41,959
Software costs	13,020	10,622	10,622	34,264
Travel	23	19	19	61
Total functional expenses	<u>\$ 1,892,614</u>	<u>\$ 176,528</u>	<u>\$ 279,243</u>	<u>\$ 2,348,385</u>

Cheyenne Regional Medical Center Foundation
Statements of Cash Flows
For the Years Ended December 31, 2023 and 2022

	2023	2022
Cash Flows From Operating Activities		
Change in net assets	\$ 2,008,575	\$ (4,616,374)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities		
Depreciation expense	870	868
Uncollectible pledges	-	500
Unrealized (gain) / loss	(2,134,443)	4,433,586
(Increase) decrease in operating assets:		
Pledges receivable	5,179	(22,409)
Due to / from related party	(1,935)	3,890
Cash value of life insurance	(3,225)	6,475
(Increase) decrease in operating liabilities:		
Accounts payable	455	(13,787)
Grants payable	(300,019)	523,136
Pledges payable	18,000	(102,000)
Net cash provided (used) from operating activities	(406,543)	213,885
Cash Flows From Investing Activities		
Investment income reinvested, net of management fees	(740,045)	(507,780)
Purchase of Certificates of deposit	(44,042)	(631)
Purchases of investments	(204,064)	-
Sales of investments	1,038,731	-
Net cash provided (used) by investing activities	50,580	(508,411)
Net Change in Cash	(355,963)	(294,526)
Cash and cash equivalents, beginning of year	772,858	1,067,384
Cash and cash equivalents, end of year	\$ 416,895	\$ 772,858
Non-cash disclosures		
Unrealized gain (loss) on investments	\$ 2,134,443	\$ (4,433,586)

Cheyenne Regional Medical Center Foundation
Notes to Financial Statements
December 31, 2023 and 2022

Note 1 Organization and Summary of Significant Accounting Policies

Organization

This summary of significant accounting policies of Cheyenne Regional Medical Center Foundation (the Foundation) is presented to assist in understanding the Organization's financial statements. The accounting policies conform to accounting principles generally accepted in the United States of America and have been applied to the preparation of the financial statements. The Foundation is a Wyoming not-for-profit corporation organized to advance and assist in the development, growth and operation of the Cheyenne Regional Medical Center (CRMC). The Foundation is supported primarily through donor contributions.

Basis of Accounting

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

Basis of Presentation

Financial statement presentation follows the recommendation of the Financial Accounting Standards Board in its Financial Accounting Standards (FASB ASC 958-205-45), Financial Statements of Non-for-Profit Organizations. The organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets with donor restrictions and net assets without donor restrictions. As of December 31, 2023, net assets with donor restrictions consisted of net assets whose use by the Foundation have been limited by donors to either later periods of time, or specified purposes. Restricted net assets consisted of donations to be used in support of CRMC in the amount of \$10,663,322 and \$10,500,568 at December 31, 2023 and 2022, respectively.

Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-02, Leases (Topic 842), which requires a lessee to recognize assets and liabilities for leases with lease terms of more than twelve months. The recognition, measurement, and presentation of expenses and cash flows arising from a lease by a lessee primarily will depend on its classification as a financing or operating lease. Topic 842 requires both financing and operating leases to be recognized on the statement of financial position. Various subsequent accounting standards have been issued by the FASB that clarify, modify, or expand the guidance for Topic 842.

Cumulative Effect of ASC Topic 842 Adoption and Policy Elections—The Foundation elected the optional transition method and adopted ASU No. 2016-02 as of January 1, 2022, using the modified retrospective method permitted under ASU No. 2018-11 for all existing leases, which does not include retrospectively adjusting prior periods presented in the financial statements. As allowed under the new accounting standard, the Foundation elected to apply practical expedients to carry forward the original lease determinations, leases classifications and accounting of initial direct costs for all asset classes at the time of adoption. The Foundation also elected not to separate lease components from non-lease components and to exclude short-term leases from its statement of financial

Cheyenne Regional Medical Center Foundation
Notes to Financial Statements (Continued)
December 31, 2023 and 2022

Note 1 Organization and Summary of Significant Accounting Policies (Continued)

position. The Foundation's implementation of Topic 842 did not result in the recognition of a right-of-use asset or lease liability.

In September 2020, FASB issued ASU No. 2020-07, Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets. The objective of this ASU is to increase transparency of contributed nonfinancial assets for not-for-profit (NFP) entities through enhancements to presentation and disclosure. The amendments in this ASU apply to NFPs that receive contributed nonfinancial assets. Contribution revenue may be presented in the financial statements using different terms (for example, gifts, donations, grants, gifts-in-kind, donated services, or other terms). The term nonfinancial asset includes fixed assets (such as land, buildings, and equipment), use of fixed assets or utilities, materials and supplies, intangible assets, services, and unconditional promises of those assets. The amendments in this ASU will improve financial reporting by providing new presentation and disclosure requirements about contributed nonfinancial assets for NFPs, including additional disclosure requirements for recognized contributed services. The amendments will not change the recognition and measurement requirements. The Foundation has implemented ASU 2020-07 and has adjusted the presentation in these financial statements accordingly. The amendments have been applied retrospectively to all periods presented. There is no effect on the Foundation's previously reported net assets.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Foundation considers restricted and unrestricted petty cash, deposits in bank accounts and certificates of deposit which mature within 90 days of purchase to be cash equivalents.

Restricted and Unrestricted Revenue Support

Contributions received and unconditional promises to give are measured at their fair value and are recorded as an increase in net assets with donor restrictions and net assets without donor restrictions, depending on the nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires (when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions. During the year there were \$2,771,452 and \$2,319,096 released from restriction relating to support of CRMC at December 31, 2023 and 2022, respectively.

The Foundation uses the allowance method to determine uncollectible pledges receivable. Based on management experience, the Foundation has set up an allowance for uncollectible pledges receivable of \$1,000 and \$1,000 for the year ended December 31, 2023 and 2022, respectively.

Cheyenne Regional Medical Center Foundation
Notes to Financial Statements (Continued)
December 31, 2023 and 2022

Note 1 Organization and Summary of Significant Accounting Policies (Continued)
Investments

Under U.S GAAP, investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statements of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in net assets without restrictions if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized. Fair Value Measurements FASB ASC Topic 820, Fair Value Measurement, provides a framework 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 under FASB ASC Topic 820 are described below:

Level 1: Quoted prices available in active markets for indicated investments as of the reporting date. The type of investments which would generally be included in Level 1 include listed equity securities and listed derivatives.

Level 2: Pricing inputs are observable for the investments, either directly or indirectly, as of the reporting date, but are not the same as those used in Level 1. Fair value is determined through the use of models or other valuation methodologies. The types of investments which would generally be included in this category include publicly-traded securities with restrictions on disposition.

Level 3: Pricing inputs are unobservable for the investment and include situations where there is little, if any, market activity for the investment. The inputs in to the determination of fair value require significant judgment or estimation by the Investment Manager. The types of investments which would generally be included in this category include debt and equity securities issued by private entities.

The asset or liability'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. There have been no changes in the methodologies used during the year ended December 31, 2023. A description of the valuation methodologies used for assets measured at fair value follows.

Mutual funds, corporate stocks and other assets: Valued at the net asset value of shares held by the Foundation at year end, based on unadjusted quoted market prices for identical assets in active markets.

Corporate bonds: Valued at the net asset value of bonds held by the Foundation at year end, based on unadjusted quoted market prices for identical assets in active markets.

Cheyenne Regional Medical Center Foundation
Notes to Financial Statements (Continued)
December 31, 2023 and 2022

Note 1 Organization and Summary of Significant Accounting Policies (Continued)

The preceding methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future values. Furthermore, although the Foundation believes its valuation methods are appropriate and consistent, 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.

Property, Equipment and Depreciation

The Foundation follows the practice of capitalizing expenditures for furniture and equipment, at cost or fair market value if the asset is donated to the Foundation, that exceed the threshold value of \$1,000. 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 Foundation reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. Depreciation is provided using the straight-line method over the estimated useful lives of the assets which range from 5-15 years.

Lease Accounting

The Foundation determines whether to account for its leases as operating or financing leases depending on the underlying terms of the lease agreement. This determination of classification is complex and requires significant judgment relating to certain information including the estimated fair value and remaining economic life of the leased asset, the Foundation's cost of funds, minimum lease payments and other lease terms. The Foundation records the value of the right-of-use asset at the present value of future lease payments, discounted at the Foundation's estimated risk-free borrowing rate, and any direct costs related to the lease. Total lease payments are recognized on a straight-line basis over the term of the lease. The related lease liability is recorded at the present value of any unpaid lease payments.

In-Kind Contributions

The Foundation's policy related to in-kind contributions is to utilize the assets given to carry out the mission of the Foundation. If an asset is provided that does not allow the Foundation to utilize it in its normal course of business, the asset will be sold at its fair market value as determined by appraisal or specialist depending on the type of asset.

Donations of investments are recorded as contributions at their estimated fair value using Level 1 inputs of the fair value hierarchy and donations of goods and services are recorded as contributions at their estimated fair value using Level 3 inputs of the fair value hierarchy. Additionally, the Foundation receives a significant amount of donated services from unpaid volunteers who respond to the scene of domestic violence incidents, and who perform a variety of administrative, office and fundraising duties. Donated services and materials are reflected as contributions in the accompanying financial statements at their estimated fair values at the date of receipt determined using Level 3 inputs of the fair value hierarchy. Donated services are recognized in the financial statements if the services enhance or create non-financial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by

Cheyenne Regional Medical Center Foundation
Notes to Financial Statements (Continued)
December 31, 2023 and 2022

Note 1 Organization and Summary of Significant Accounting Policies (Continued)

donation. These hours are not recognized in the statement of activities because the criteria for recognition have not been satisfied.

The Foundation received the following gifts in-kind for the year ended December 31:

	<u>2023</u>	<u>2022</u>
Salaries and benefits	\$484,041	\$390,423
Payroll taxes	35,509	29,563
Advertising	15,716	34,496
Books and educational materials	5,999	11,429
Customer relations	7,636	19,811
Outreach and events	60,774	79,519
Supplies and equipment	1,654	1,580
Meals	6,389	10,785
Miscellaneous	14,601	9,764
CRMC program support	28,130	14,704
Postage	5,398	4,391
Printing and reproduction	7,482	6,988
Purchased services	72,436	41,959
Software costs	4,052	34,263
Total In-kind contributions	<u>\$749,817</u>	<u>\$689,675</u>

Income Taxes

The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income taxes has been presented in these financial statements. Due to the Foundation's non-profit qualification, donors may be entitled to a charitable deduction for amounts contributed to the Foundation. There are no unrelated business activities subject to income taxes. The tax returns for December 31, 2023, 2022 and 2021 remain open for examination.

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Expense Allocation

The financial statements report certain categories of expenses that are attributable to one or more program or supporting functions. The expenses include compensation, occupancy, professional services and certain other expenses. Compensation and professional services are allocated based on management's estimate of the relative

Note 1 Organization and Summary of Significant Accounting Policies (Continued)

attention and effort exerted towards specific functional areas. Occupancy costs are allocated similarly to compensation as occupancy costs relate to providing workspace for employees rather than specific functions.

Cheyenne Regional Medical Center Foundation
Notes to Financial Statements (Continued)
December 31, 2023 and 2022

Note 2 Investments and Beneficial Interest in Perpetual Trust

At December 31, 2023 and 2022, the Foundation had the following investments within the fair value hierarchy:

Investment Type	Level 1	Level 2	Level 3	Total
U.S. equities	11,009,077	\$ -	\$ -	\$ 11,009,077
International equities	3,307,561	-	-	3,307,561
Taxable fixed income	6,513,438	-	-	6,513,438
Real assets	1,253,662	-	-	1,253,662
Money Markets	596,394	-	-	596,394
Certificates of deposit	-	244,727	-	244,727
Total	<u>\$ 22,680,132</u>	<u>\$ 244,727</u>	<u>\$ -</u>	<u>\$ 22,924,859</u>

Investment income is as follows for the year ended December 31, 2022

Interest and dividends on investments	\$ 978,666
Interest on cash and cash equivalents	5,955
Unrealized gains	2,134,443
Realized gains and losses	(157,910)
Investment management fees	(80,711)
Net investment income	<u>\$ 2,880,443</u>

Investment Type	Level 1	Level 2	Level 3	Total
U.S. equities	9,863,436	\$ -	\$ -	\$ 9,863,436
International equities	3,719,317	-	-	3,719,317
Taxable fixed income	5,705,206	-	-	5,705,206
Exchange-traded funds	1,267,894	-	-	1,267,894
Money Markets	84,458	-	-	84,458
Certificates of deposit	-	200,685	-	200,685
Total	<u>\$ 20,640,311</u>	<u>\$ 200,685</u>	<u>\$ -</u>	<u>\$ 20,840,996</u>

Investment income is as follows for the year ended December 31, 2022

Interest and dividends on investments	\$ 369,259
Interest on cash and cash equivalents	1,251
Unrealized gains and losses	(4,433,586)
Realized gains and losses	223,164
Investment management fees	(84,643)
Net investment income	<u>\$ (3,924,555)</u>

Cheyenne Regional Medical Center Foundation
Notes to Financial Statements (Continued)
December 31, 2023 and 2022

Note 3 Capital Assets

A summary of changes to capital assets for 2023 and 2022 is as follows:

	Balance at 12/31/2022	Additions	Deletions	Balance at 12/31/2023
Equipment	\$ 30,388	\$ -	\$ -	\$ 30,388
Leasehold improvements	13,019	-	-	13,019
Total	43,407	-	-	43,407
Less Accumulated Depreciation	(42,537)	(870)	-	(43,407)
Net Capital Assets	<u>\$ 870</u>	<u>\$ (870)</u>	<u>\$ -</u>	<u>\$ -</u>

	Balance at 12/31/2021	Additions	Deletions	Balance at 12/31/2022
Equipment	\$ 30,388	\$ -	\$ -	\$ 30,388
Leasehold improvements	13,019	-	-	13,019
Total	43,407	-	-	43,407
Less Accumulated Depreciation	(41,669)	(868)	-	(42,537)
Net Capital Assets	<u>\$ 1,738</u>	<u>\$ (868)</u>	<u>\$ -</u>	<u>\$ 870</u>

Note 4 Cash Value of Life Insurance

The Foundation is the policy owner and beneficiary of a life insurance policy which was designated by donor intent to the Davis Hospice pledge campaign. The policy has a fixed death benefit of \$100,000 plus the policy cash value at the time of death. The cash value of the contract was \$40,783 and \$37,558 as of December 31, 2023 and 2022, respectively.

Note 5 Liquidity

The Foundation monitors its liquidity so that it is able to meet its operating needs and other commitments while maximizing the investment of its excess operating cash and cash equivalents. The Foundation has the following financial assets that could readily be made available within one year of the statement of financial position date to fund expenses without limitations:

	2023	2022
Cash and investments	\$ 416,895	\$ 772,858
Certificates of deposit	244,727	200,685
Due from related party	3,347	1,412
Total	<u>\$ 664,969</u>	<u>\$ 974,955</u>

In addition to financial assets available to meet general expenditures over the year, The Foundation generally operates with a balanced budget for operations and anticipates covering its general expenditures by collecting contributions and other revenues, that are intended to support normal operations and access to prior year operating surpluses that are available in current assets. The statement of cash flows identifies the sources and uses of the Foundation's cash and cash equivalents and shows a net (decrease) / increase in cash and cash equivalents provided (used) by operations of \$(406,543) and \$213,885 for the fiscal year ending December 31, 2023 and 2022, respectively.

Cheyenne Regional Medical Center Foundation
Notes to Financial Statements (Continued)
December 31, 2023 and 2022

Note 6 Commitments

The Foundation has agreed to certain levels of contributions to the Cheyenne Regional Medical Center during the year. These commitments will be paid to the Hospital upon their request. The Organization considers these commitments to be a payable at the time they have agreed to provide the funds. Commitments outstanding as of December 31, 2023 and 2022 were \$1,467,093 and \$1,767,112 respectively, and are shown on the Statement of Financial Position as Grants Payable.

Note 7 Concentrations of Credit Risk

The cash balance for the checking account held at ANB and the investment account held at RBC are insured by the Federal Deposit Insurance Corporation (FDIC). The Foundations' account balances at these institutions at times during the year ended December 31, 2023 and 2022 exceeded FDIC Limits. Management does not consider this to be a risk and has not experienced any losses in this account.

Note 8 Net Assets

Net assets with donor restrictions are funds which are restricted for use by the donor. The assets are reclassified when the specific use of the funds are fulfilled. Net assets with donor restrictions are available for the following purposes:

Cheyenne Regional Medical Center Foundation
Notes to Financial Statements (Continued)
December 31, 2023 and 2022

Note 8 Net Assets (Continued)

<u>Subject to expenditure for a specific purpose</u>	<u>2023</u>	<u>2022</u>
Davis Hospice Center Endowment	\$ 2,134,094	\$ 2,133,969
Milstead Endowment	706,023	740,590
Gerald & Jessie Chambers Endowment	21,314	21,314
Thomas J Smith Endowment	330,000	330,000
Nursing Education Endowment	385,958	385,958
Original Endowment	340,920	340,920
Curie Fund Endowment	201,366	198,366
Davis Hospice Capital	3,517,895	3,745,360
Cardiac Services	492,557	545,506
Cancer	669,626	341,194
Emergency Medical Services	10,433	16,733
Denim and Diamonds	79,896	99,619
Home Care Services	702	702
Hospice	922,516	910,955
Injury Prevention	41,628	64,597
Neonatal	99,287	97,300
OB-GYN 7 Women's Health	3,154	3,154
Robertson Trust	163,624	-
Patient & Family Transportation	4,055	4,055
Other Specified Donations	203,436	203,934
Nichols History	12,004	32,034
Intensive Care Unit	4,214	4,214
Merrell Scholarship Fund	45,000	-
Chaplain Fund	11,886	11,886
Murray Family	5,393	5,393
Education	32,428	22,587
Reading is Key	46,345	41,472
Employee Care Fund	10,675	8,610
Phillips Medical Scholarship	86,084	90,584
Cardiac Rehab	49,016	68,272
Fran Cadez Memorial Scholarship	31,793	31,290
Total Net Assets with Donor Restrictions	<u>\$ 10,663,322</u>	<u>\$ 10,500,568</u>

The Foundation maintains several net asset accounts with donor restrictions from which the income can be used in support of specified hospital activities. Endowments were created from donor restricted funds and consist solely of investments. As required by U.S. GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Cheyenne Regional Medical Center Foundation
Notes to Financial Statements (Continued)
December 31, 2023 and 2022

Note 8 Net Assets (Continued)

Interpretation of Relevant Law

Effective March 12, 2009, the State of Wyoming enacted the Uniform Prudent Management of Institutional Funds Act (UPMIFA). The Foundation Board has interpreted UPMIFA as requiring the preservation of the value of the original gifts as of the gift date of the donor restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classified the following as net assets with restrictions:

- The original value of gifts donated to the permanent endowment
- The original value of the subsequent gifts donated to the permanent endowment
- Accumulations to the net assets with donor restrictions made in accordance with the direction of the applicable donor gift instrument at the time of the accumulation.

Any remaining portion of the donor-restricted endowment fund are classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard prescribed by UPMIFA. In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the Foundation and the donor-restricted endowment fund
- Required annual distribution of the endowment based on donor stipulations
- General economic conditions
- The expected total return from the income and appreciation of investments
- Other resources of the Foundation
- The investment policies of the Foundation

The Foundation currently does not have any endowments that are classified as net assets without donor restrictions.

Return Objectives and Risk Parameters

The Foundation has adopted investment and spending policies for endowment assets with the primary objectives to have real growth of capital, meet or exceed the rate of inflation as measured by the Consumer Price Index (CPI) by 4.0% and meet or exceed a normal policy risk benchmark of 60% SP 500 and 40% Barclays Aggregate Bond Index on a risk adjusted basis. The Foundation has set an annual spending policy which will generally not exceed 5% of the value of the principal, calculated over a 16 rolling quarters moving average of year-end market values.

Strategies Employed for Achieving Objectives

The Foundation relies on a long-term total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation to focus on long-term performance within the constraints of risk and return. The Foundation has adopted a target asset allocation policy of 20% fixed income, 45% equities, and 35% hedge funds and real assets. Specific guidelines for each allocation are included in the investment policy and are expected to be followed by the investment committee and investment advisors.

Cheyenne Regional Medical Center Foundation
Notes to Financial Statements (Continued)
December 31, 2023 and 2022

Note 8 Net Assets (Continued)

Spending Policy and Investment Objectives in Relation to the Spending Policy

The Foundation's spending policy for the endowment funds is structured around each individual endowment fund and the donor's intent. Endowments with specified spending policies typically require a distribution each year equal to the greater of (1) 5% to 8% of the beginning endowment value as outlined in the endowment agreement or (2) 50% of the current year investment earnings. These distributions are to be used for the purposes outlined by the donor at the time of the original gift. In order to meet these requirements, the Foundation employs the strategies described above to achieve a long-term preservation of capital but to allow for adequate capital necessary for annual disbursement. Since the required annual disbursement(s) are based on a two-tiered formula, the Foundation's investment strategy must take into account that the portfolio(s) have a realistic return in comparison to the market but also balance risk and return objectives so that the endowments are not depleted.

Funds with Deficiencies

On occasion, it is possible that the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the organization to retain as a fund of perpetual duration. These deficiencies typically arise from unfavorable market fluctuations. For the year Ended December 31, 2023 the Foundation's fair value of the investment portfolio was adequate to support the donor value of the endowment funds without deficiencies. Net endowment activity consists of the following:

<u>December 31,</u>	<u>2023</u>	<u>2022</u>
Individuals and businesses	\$ 3,125	\$ 3,000
Reclassifications	(107,427)	-
Investment income	17,630	14,830
Unrealized gains and (losses)	58,360	(137,725)
realized gains and (losses)	6,963	(15,466)
Investment management fees	<u>(10,093)</u>	<u>(10,875)</u>
Net Change in Endowments	(31,442)	(146,236)
Endowments, beginning of year	<u>4,151,117</u>	<u>4,297,353</u>
Endowments, end of year	<u>\$ 4,119,675</u>	<u>\$ 4,151,117</u>

Cheyenne Regional Medical Center Foundation
Notes to Financial Statements (Continued)
December 31, 2023 and 2022

Note 8 Net Assets (Continued)

The endowment consists of net assets with donor restrictions for the following purposes:

December 31,	2023	2022
Davis Hospice Center	\$ 2,134,094	\$ 2,133,969
Milstead Endowment	706,023	740,590
Gerald & Jessie Chambers Endowment	21,314	21,314
Nursing Education Endowment	385,958	385,958
Curie Fund	201,366	198,366
Original Endowment	340,920	340,920
Thomsas J. Smith Endowment	330,000	330,000
Total Endowments	\$ 4,119,675	\$ 4,151,117

Note 9 Unconditional Promises to Give

During the year ended December 31, 2012, the Foundation began a pledge campaign to raise additional funds in support of the construction of the new cancer center. Donors were not restricted as to the amount they could pledge nor were they restricted as to the duration of their pledge. Additionally, there are several other small balances for other pledge campaigns included in pledge receivables.

The balances due on pledges were as follows:

December 31,	2023	2022
Pledges receivable	\$ 19,000	\$ 25,000
Discount on pledges receivable	(1,270)	(2,091)
Less: allowance for uncollectible accounts	(1,000)	(1,000)
Net pledges receivable	\$ 16,730	\$ 21,909

Note 10 Related Party Transactions

The Foundation was established for healthcare purposes and to advance and assist in the growth, development and operations of the Cheyenne Regional Medical Center. The Foundation's bylaws provide that all funds raised or received from individual contributions be distributed for the benefit of the Hospital and any organization operated by it. The Foundation contributed funds to the Cheyenne Regional Medical Center in the amount of \$3,707,398 and \$1,499,747 for the Year Ended December 31, 2023 and 2022, respectively.

The Cheyenne Regional Medical Center provided \$660,912 and \$595,452 to the Foundation as operating support during the Year Ended December 31, 2023 and 2022, respectively. Included in this support is the value of salaries and related payroll expenses paid to the Foundation staff by the Hospital in the amounts of \$519,550 and \$419,986 for the year Ended December 31, 2023. The Hospital also provides accounting services, equipment and office space to the Foundation which is not recorded on the financial statements due to the nominal amount of these transactions. In addition, the Foundation has a receivable from Cheyenne Regional Medical Center in the amount of \$3,347 and \$1,412 for the year ending December 31, 2023 and 2022, respectively.

Cheyenne Regional Medical Center Foundation
Notes to Financial Statements (Continued)
December 31, 2023 and 2022

Note 10 Reclassifications

Certain items have been reclassified from the previous year to conform with the presentation of the current year's financial statements.

Note 11 Subsequent Events

Management has evaluated subsequent events through September 10, 2024, the date the financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure.