



Consolidated Financial Statements  
June 30, 2014 and 2013

**Mesa Developmental Services  
dba Strive Colorado**

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## **Independent Auditor's Report**

The Board of Directors  
Mesa Developmental Services, dba Strive Colorado  
Grand Junction, Colorado

### **Report on the Financial Statements**

We have audited the accompanying consolidated financial statements of Mesa Developmental Services, dba Strive Colorado, which comprise the consolidated statements of financial position as of June 30, 2014 and 2013, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Mesa Developmental Services dba Strive Colorado, as of June 30, 2014 and 2013, and the changes in its net assets, functional expenses and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

*Eide Bailly LLP*

Greenwood Village, Colorado  
October 1, 2014

Mesa Developmental Services  
dba Strive Colorado  
Consolidated Statement of Financial Position  
June 30, 2014 and 2013

	2014	2013
Current Assets		
Cash and cash equivalents	\$ 1,836,278	\$ 3,076,088
Accounts receivable		
Fees and grants from governmental agencies, net	1,382,629	915,530
Other	154,627	114,090
Promises to give, net	57,900	59,740
Inventory	47,527	39,935
Prepaid expenses and other assets	184,465	151,143
Total current assets	3,663,426	4,356,526
Restricted cash	59,972	27,013
Promises to give - net	24,700	92,580
Property and equipment - net	6,351,892	5,779,761
Total assets	\$ 10,099,990	\$ 10,255,880
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 1,451,962	\$ 1,395,000
Notes payable	89,027	72,421
Total current liabilities	1,540,989	1,467,421
Long-Term Liabilities		
Notes payable, net of current portion	2,149,973	1,915,453
Total liabilities	3,690,962	3,382,874
Net Assets		
Unrestricted		
Investment in property and equipment, net of related debt	4,112,892	3,791,887
Undesignated	1,924,297	2,699,491
Total unrestricted	6,037,189	6,491,378
Temporarily restricted	371,839	381,628
Total net assets	6,409,028	6,873,006
Total liabilities and net assets	\$ 10,099,990	\$ 10,255,880

Mesa Developmental Services  
dba Strive Colorado  
Consolidated Statement of Activities  
Year Ended June 30, 2014

	Unrestricted	Temporarily Restricted	2014 Total
Fees and Grants from Governmental Agencies			
Fees for services			
State of Colorado			
State General Fund			
Support services	\$ 643,399	\$ -	\$ 643,399
Case management	123,384	-	123,384
Management and general	121,082	-	121,082
Special purpose	82,535	-	82,535
Medicaid	13,130,112	-	13,130,112
Part C	122,943	-	122,943
Grants and other			
County	267,976	267,937	535,913
U.S. Department of Housing and Urban Development	45,616	-	45,616
Colorado Department of Local Affairs	12,580	-	12,580
Vocational rehabilitation grant	13,490	-	13,490
	<u>14,563,117</u>	<u>267,937</u>	<u>14,831,054</u>
Residential room and board	1,042,314	-	1,042,314
Public support- contributions	239,878	124,793	364,671
Retail and service contract	228,057	-	228,057
Private pay and private health insurance	206,295	-	206,295
Food stamps	35,562	-	35,562
Other revenue	120,131	-	120,131
Net assets released from restrictions			
Satisfaction of time restrictions	273,170	(273,170)	-
Satisfaction of purpose restrictions	129,349	(129,349)	-
Total support and revenue	<u>16,837,873</u>	<u>(9,789)</u>	<u>16,828,084</u>
Expenses			
Program services			
Residential services	9,625,606	-	9,625,606
Supported employment	2,040,549	-	2,040,549
Case management	769,004	-	769,004
Early intervention	712,779	-	712,779
Transportation services	546,395	-	546,395
Medicaid supported living services	558,742	-	558,742
Behavioral services	433,601	-	433,601
State supported living services	319,228	-	319,228
Home health services	5,560	-	5,560
Family support services	96,533	-	96,533
Autism services	162,793	-	162,793
Children's extensive support	84,707	-	84,707
Parenting place	112,709	-	112,709
Elderly, blind, and disabled	44,128	-	44,128
Adult events	5,235	-	5,235
Total program services	<u>15,517,569</u>	<u>-</u>	<u>15,517,569</u>
Supporting services			
Public relations and fundraising	143,348	-	143,348
Management and general	1,631,145	-	1,631,145
Total expenses	<u>17,292,062</u>	<u>-</u>	<u>17,292,062</u>
Change in Net Assets	(454,189)	(9,789)	(463,978)
Net Assets, Beginning of Year	<u>6,491,378</u>	<u>381,628</u>	<u>6,873,006</u>
Net Assets, End of Year	<u>\$ 6,037,189</u>	<u>\$ 371,839</u>	<u>\$ 6,409,028</u>

Mesa Developmental Services  
dba Strive Colorado  
Consolidated Statement of Activities  
Year Ended June 30, 2013

	Unrestricted	Temporarily Restricted	2013 Total
Fees and Grants from Governmental Agencies			
Fees for services			
State of Colorado			
State General Fund			
Support services	\$ 543,626	\$ -	\$ 543,626
Case management	99,144	-	99,144
Management and general	95,934	-	95,934
Special purpose	26,253	-	26,253
Medicaid	12,133,531	-	12,133,531
Part C	153,993	-	153,993
Grants and other			
County	273,194	273,170	546,364
U.S. Department of Housing and Urban Development	47,045	21,500	68,545
Colorado Department of Local Affairs	25,000	-	25,000
Vocational rehabilitation grant	18,246	-	18,246
	<u>13,415,966</u>	<u>294,670</u>	<u>13,710,636</u>
Residential room and board	1,016,559	-	1,016,559
Public support- contributions	315,019	106,363	421,382
Retail and service contract	194,145	-	194,145
Private pay and private health insurance	106,949	-	106,949
Food stamps	74,162	-	74,162
Other revenue	107,098	-	107,098
Net assets released from restrictions			
Satisfaction of time restrictions	273,178	(273,178)	-
Satisfaction of purpose restrictions	79,308	(79,308)	-
Total support and revenue	<u>15,582,384</u>	<u>48,547</u>	<u>15,630,931</u>
Expenses			
Program services			
Residential services	9,079,048	-	9,079,048
Supported employment	1,833,503	-	1,833,503
Case management	756,288	-	756,288
Early intervention	701,740	-	701,740
Transportation services	504,782	-	504,782
Medicaid supported living services	461,152	-	461,152
Behavioral services	280,987	-	280,987
State supported living services	261,342	-	261,342
Home health services	112,424	-	112,424
Family support services	81,766	-	81,766
Autism services	52,964	-	52,964
Children's extensive support	52,560	-	52,560
Parenting place	51,064	-	51,064
Elderly, blind, and disabled	28,221	-	28,221
Adult events	6,207	-	6,207
Total program services	<u>14,264,048</u>	<u>-</u>	<u>14,264,048</u>
Supporting services			
Public relations and fundraising	183,229	-	183,229
Management and general	1,441,774	-	1,441,774
Total expenses	<u>15,889,051</u>	<u>-</u>	<u>15,889,051</u>
Change in Net Assets	(306,667)	48,547	(258,120)
Net Assets, Beginning of Year	<u>6,798,045</u>	<u>333,081</u>	<u>7,131,126</u>
Net Assets, End of Year	<u>\$ 6,491,378</u>	<u>\$ 381,628</u>	<u>\$ 6,873,006</u>

Mesa Developmental Services  
dba Strive Colorado  
Consolidated Statement of Functional Expenses  
Year Ended June 30, 2014

	Program Services									
	Residential services	Supported employment	Case management	Early intervention	Transportation services	Medicaid supported living services	Behavioral services	State supported living services	Home health services	Family support services
Salaries and wages	\$ 5,230,040	\$ 1,345,323	\$ 525,834	\$ 464,621	\$ 103,685	\$ 323,762	\$ 311,521	\$ 107,044	\$ 1,594	\$ 19,980
Payroll taxes	561,886	130,060	49,761	44,842	13,263	29,998	28,556	11,399	121	1,856
Employee benefits	416,034	111,425	72,381	32,752	15,945	37,680	26,188	16,172	125	2,487
Host home	1,835,556	-	-	-	-	-	-	-	-	-
Medical professional services	152,731	-	-	43,700	-	57,447	28,503	10,879	-	13,470
Professional services	55,720	16,501	794	2,939	93	12,128	1,997	8,754	-	45,190
Training and development	5,643	1,061	900	6,765	598	-	565	-	561	-
Travel	47,740	11,100	8,095	28,224	61	27,011	4,856	10,297	59	1,095
Vehicles	145	-	-	-	274,783	20	-	-	-	-
Occupancy	447,950	216,546	102,177	71,905	16,773	21,515	23,426	319	-	281
Supplies	172,665	129,116	5,316	3,965	371	14,189	4,125	5,463	-	3,851
Telephone	53,523	16,054	3,269	6,559	68	2,294	1,198	875	-	88
Dues and subscriptions	2,670	666	-	433	-	-	355	-	-	-
Food	375,352	676	-	-	-	178	-	-	-	-
Interest	48,976	11,890	-	-	-	-	-	-	-	-
Depreciation	140,125	43,209	-	3,319	112,891	-	-	-	-	-
Other	78,850	47,895	477	2,755	42,240	32,520	2,311	72,677	3,100	8,235
	9,625,606	2,081,522	769,004	712,779	580,771	558,742	433,601	243,879	5,560	96,533
Inter-program allocations	-	(40,973)	-	-	(34,376)	-	-	75,349	-	-
Total expenses included in the expense section on the statement of activities	\$ 9,625,606	\$ 2,040,549	\$ 769,004	\$ 712,779	\$ 546,395	\$ 558,742	\$ 433,601	\$ 319,228	\$ 5,560	\$ 96,533



Mesa Developmental Services  
 dba Strive Colorado  
 Consolidated Statement of Functional Expenses  
 Year Ended June 30, 2014

Program Services

	Autism services	Children's extensive support	Parenting place	Elderly, blind, and disabled	Adult activities	Total	Management and General	Fundraising and Development	2014 Total
Salaries and wages	\$ 33,923	\$ 45,225	\$ 62,419	\$ 34,296	\$ 472	\$ 8,609,739	\$ 946,522	\$ 73,115	\$ 9,629,376
Payroll taxes	2,649	3,718	6,873	3,207	46	888,235	141,823	10,407	1,040,465
Employee benefits	3,942	3,041	4,046	5,164	50	747,432	144,658	8,262	900,352
Host home	-	-	-	-	-	1,835,556	-	-	1,835,556
Medical professional services	45,834	16,837	4,480	-	-	373,881	-	-	373,881
Professional services	17,838	7,753	5,715	-	4,354	179,776	234,355	14,912	429,043
Training and development	19,764	83	714	-	-	36,654	25,297	19	61,970
Travel	510	191	2,460	1,172	-	142,871	1,800	596	145,267
Vehicles	-	-	-	-	-	274,948	-	-	274,948
Occupancy	31,076	3,351	10,691	131	-	946,141	(343,645)	7,735	610,231
Supplies	4,981	3,767	3,195	23	-	351,027	98,127	4,236	453,390
Telephone	878	89	2,836	114	-	87,845	30,400	1,073	119,318
Dues and subscriptions	50	-	395	-	-	4,569	13,556	35	18,160
Food	-	-	-	-	-	376,206	-	-	376,206
Interest	-	-	-	-	-	60,866	33,027	-	93,893
Depreciation	282	-	5,359	-	-	305,185	156,917	-	462,102
Other	1,066	652	3,526	21	313	296,638	148,308	22,958	467,904
	162,793	84,707	112,709	44,128	5,235	15,517,569	1,631,145	143,348	17,292,062
Inter-program allocations	-	-	-	-	-	-	-	-	-
Total expenses included in the expense section on the statement of activities	<u>\$ 162,793</u>	<u>\$ 84,707</u>	<u>\$ 112,709</u>	<u>\$ 44,128</u>	<u>\$ 5,235</u>	<u>\$ 15,517,569</u>	<u>\$ 1,631,145</u>	<u>\$ 143,348</u>	<u>\$ 17,292,062</u>

Mesa Developmental Services  
dba Strive Colorado  
Consolidated Statement of Functional Expenses  
Year Ended June 30, 2013

Program Services										
	Residential services	Supported employment	Case management	Early intervention	Transportation services	Medicaid supported living services	Behavioral services	State supported living services	Home health services	Family support services
Salaries and wages	\$ 4,983,265	\$ 1,228,894	\$ 522,865	\$ 448,037	\$ 106,625	\$ 240,928	\$ 194,222	\$ 68,474	\$ 81,361	\$ 18,225
Payroll taxes	478,627	125,524	49,433	43,031	10,488	24,586	17,325	5,143	7,556	1,852
Employee benefits	467,724	123,422	67,967	38,892	14,213	38,459	20,783	8,046	8,823	2,373
Host home	1,733,390	-	-	-	-	-	-	-	-	-
Medical professional services	121,697	-	-	81,634	-	36,916	18,486	13,106	-	18,680
Professional services	61,527	19,944	3,739	6,543	-	14,533	1,076	48,677	-	28,036
Training and development	4,620	328	1,432	5,668	56	-	3,990	-	870	-
Travel	41,472	8,247	10,738	33,734	-	26,132	4,557	5,467	5,041	529
Vehicles	150	-	-	-	240,747	4	-	-	-	-
Occupancy	383,252	226,286	88,142	27,919	16,815	28,528	12,060	6,112	95	-
Supplies	163,849	92,094	7,945	3,320	101	14,766	4,971	2,944	4,060	5,090
Telephone	51,470	14,016	3,435	5,530	90	2,660	1,179	557	606	136
Dues and subscriptions	2,463	528	50	356	-	-	511	-	561	-
Food	345,007	-	-	-	-	-	-	-	-	-
Interest	57,000	3	-	-	-	-	-	-	-	-
Depreciation	133,084	28,632	-	2,976	108,416	-	-	-	-	-
Other	50,449	32,704	542	4,101	33,170	33,641	1,829	9,758	3,449	6,846
	9,079,048	1,900,621	756,288	701,740	530,722	461,152	280,987	168,284	112,424	81,766
Inter-program allocations	-	(67,118)	-	-	(25,940)	-	-	93,058	-	-
Total expenses included in the expense section on the statement of activities	<u>\$ 9,079,048</u>	<u>\$ 1,833,503</u>	<u>\$ 756,288</u>	<u>\$ 701,740</u>	<u>\$ 504,782</u>	<u>\$ 461,152</u>	<u>\$ 280,987</u>	<u>\$ 261,342</u>	<u>\$ 112,424</u>	<u>\$ 81,766</u>

Mesa Developmental Services  
dba Strive Colorado  
Consolidated Statement of Functional Expenses  
Year Ended June 30, 2013

	Program Services					Total	Management and General	Fundraising and Development	2013 Total
	Autism services	Children's extensive support	Parenting place	Elderly, blind, and disabled	Adult activities				
Salaries and wages	\$ 15,777	\$ 22,992	\$ 29,263	\$ 21,850	\$ 3,045	\$ 7,985,823	\$ 838,479	\$ 100,390	\$ 8,924,692
Payroll taxes	2,377	2,319	2,782	2,095	383	773,520	104,113	9,286	886,920
Employee benefits	2,145	2,341	261	3,607	474	799,532	133,172	12,917	945,621
Host home	-	-	-	-	-	1,733,390	-	-	1,733,390
Medical professional services	27,155	14,658	-	-	-	332,332	-	-	332,332
Professional services	633	8,596	2,925	124	2,269	198,623	218,540	14,680	431,843
Training and development	4,094	-	-	-	-	21,058	31,755	318	53,131
Travel	337	339	49	389	-	137,030	3,492	411	140,933
Vehicles	-	-	-	-	-	240,901	-	-	240,901
Occupancy	-	-	7,719	-	-	796,928	(307,878)	6,639	495,688
Supplies	88	367	5,007	96	-	304,697	68,754	2,649	376,100
Telephone	75	80	1,464	60	-	81,359	23,583	300	105,242
Dues and subscriptions	-	-	243	-	-	4,712	31,296	1,024	37,032
Food	-	-	-	-	-	345,007	-	-	345,007
Interest	-	-	-	-	-	57,002	37,531	-	94,533
Depreciation	-	-	396	-	-	273,504	134,560	-	408,063
Other	284	868	954	-	36	178,631	124,377	34,615	337,623
	52,964	52,560	51,064	28,221	6,207	14,264,048	1,441,774	183,229	15,889,051
Inter-program allocations	-	-	-	-	-	-	-	-	-
Total expenses included in the expense section on the statement of activities	\$ 52,964	\$ 52,560	\$ 51,064	\$ 28,221	\$ 6,207	\$ 14,264,048	\$ 1,441,774	\$ 183,229	\$ 15,889,051

Mesa Developmental Services  
dba Strive Colorado  
Consolidated Statement of Cash Flows  
Years Ended June 30, 2014 and 2013

	2014	2013
Cash Flows from Operating Activities		
Change in net assets	\$ (463,978)	\$ (258,120)
Adjustment to reconcile changes in net assets to net cash from (used for) operating activities		
Depreciation and amortization	462,102	408,063
Contributed property and equipment capitalized	-	(159,169)
(Gain) loss on disposition of property and equipment	(635)	305
Change in discount on pledges	2,000	900
Increase in uncollectible receivables	(18,000)	(15,000)
Changes in operating assets and liabilities		
Accounts receivable	(467,099)	239,107
Other receivable	(40,537)	(39,108)
Promises to give	85,720	53,790
Prepaid expenses and other assets	(33,322)	(33,548)
Inventory	(7,592)	11,183
Accounts payable and accrued expenses	56,962	5,411
Deferred revenue	-	(34,974)
Net Cash from (used for) Operating Activities	(424,379)	178,840
Cash Flows from Investing Activities		
Purchase of property and equipment	(696,328)	(602,772)
Proceeds from sale of property and equipment	2,730	2,721
Increase in restricted cash	(32,959)	(2,943)
Net Cash from (used for) investing Activities	(726,557)	(602,994)
Cash Flows from Financing Activities		
Proceeds from notes payable	-	180,750
Principal payments on notes payable	(88,874)	(65,721)
Net Cash from (used for) Financing Activities	(88,874)	115,029
Net Change in Cash and Cash Equivalents	(1,239,810)	(309,125)
Cash and Cash Equivalents, Beginning of the Year	3,076,088	3,385,213
Cash and Cash Equivalents, End of the Year	\$ 1,836,278	\$ 3,076,088
Supplemental Disclosures		
Cash paid for interest	\$ 93,893	\$ 94,533
Supplemental Disclosures for non-cash transactions:		
Donated property and equipment	\$ -	\$ 159,169
Property acquired by debt financing	\$ 340,000	\$ -

## **Note 1 - Principal Activity and Significant Accounting Policies**

### **Organization**

Mesa Developmental Services, dba Strive Colorado and Affiliate, (“Strive”) is a nonprofit organization, incorporated under the laws of the State of Colorado in 1966 for the purpose of providing a community center board to coordinate programs through interagency cooperation and local agencies to provide services to persons with developmental disabilities in Mesa County.

DD Housing, Inc. (“DDH”) was incorporated in 2000 for the purpose of holding assets purchased and constructed pursuant to grants received from the U.S. Department of Housing and Urban Development (HUD). Under HUD regulations, these assets are required to be held in a separate corporation for a period of not less than forty years. DDH is being operated as a non-profit corporation exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code.

### **Program Services**

Residential Services offers community-based living arrangements that are catered to the needs of each individual. Options include seventeen supervised group homes, host homes and congregate apartments. Minimal support staff is also available for clients living independently in homes or apartments.

Supported Employment provides workers with comprehensive vocational assessment of both skills and interests, assistance in setting employment goals, help with the job search and ongoing support as necessary to ensure the client’s success.

Case Management - each client served is assisted by a case manager in a client / family directed system of coordination and accountability regarding individual needs and preferences. Case managers are responsible for coordinating the development and implementation of individual plans, coordinating needed services, monitoring and reviewing a client’s progress toward individual program goals and providing continuous support and guidance to client and family.

Early Intervention program is for children birth to age three who have a developmental delay or disability. Services are designed around the child and family needs, and concerns and priorities related to the development of the child. Services are provided in natural learning environments and routines. Parent participation is a very important component of the program.

Transportation activities refer to “Home to Day Program transportation” services relevant to an individual’s work schedule as specified in the Individualized Plan. For these purposes, “work schedule” is defined broadly to include adult and retirement activities such as education, training, community integration and employment.

Medicaid and State Supported Living Services are for clients who are eighteen years and older, and living in their own homes or with their families. Services and support are tailored to meet the individual’s needs and circumstances and to promote independence, integration and productivity.

Behavioral Services are available to support individuals whose behavior puts them at risk of exclusion from typical community settings, services and supports, which presents a risk to the health and safety of the person or others, or inhibits the individual's ability to attain his or her personal goals and outcomes.

Home Health Services is available for any individual with special needs – elderly individuals with disabilities, individuals with chronic medical conditions or recovering from an injury. Certified staff provides assistance with personal care needs, household tasks and Respite Care services. Personal care services provide non-medical assistance with a wide range of daily tasks that individuals are unable to accomplish independently because of disability, disease, trauma or injury and / or natural aging process.

Family Support Services provides an array of supportive services to the person with a developmental disability and his/her family when the person remains within the family home, thereby preventing or delaying the need for out-of-home placement, which is unwanted by the person or the family.

Autism Services – Children and adults facing the challenges of autism can benefit from individualized intervention and support services. Each individual is unique and the approach is customized to the client, offering guidance and support to individuals with autism and their families to understand the issues related to autism and to learn new skills for communicating, problem solving, social integration and coping.

Children's Extensive Support helps families to meet the challenges of caring for their child with developmental disabilities by providing targeted services and supports to those children. Services covered include personal support supervision, home modification, community connection services, professional care / behavior services and specialized equipment and supplies.

Parenting Place provides parenting classes and services to promote nurturing families through outreach support and education through a strong community support base of volunteers and donors.

Elderly Blind & Disabled is a service performed to eligible individuals to include personal care such as grocery shopping, meal preparation, running errands, non-skilled hygiene, and accompaniment to appointments.

Adult Activities includes a variety of activities to involve participants in the community such as recycling programs, car washes and other special activities that develop throughout the year.

### **Supporting Services**

Public Relations and Fund Raising includes those activities necessary to promote the organization within the community and state in order to be able to secure adequate resources to provide for the continued growth of the Organization.

Management and General includes those activities necessary for planning, coordination and overall direction of Strive, financial administration, general board activities and other related activities indispensable to the organization's corporate existence.

### **Principles of Consolidation**

The consolidated financial statements include the accounts of Strive and DDH because Strive has both control and an economic interest in DDH. All significant intercompany accounts and transactions have been eliminated in consolidation. Unless otherwise noted, these consolidated entities are hereinafter referred to as “Strive.”

### **Cash and Cash Equivalents**

Strive considers all cash and highly liquid financial instruments with original maturities of three months or less, and which are neither held for nor restricted by donors for long-term purposes, to be cash equivalents. Cash and highly liquid financial instruments restricted to capital expenditures and/or other purposes of Strive are excluded from this definition.

### **Receivables and Credit Policies**

The majority of Strive’s accounts receivable is due from the State of Colorado. Accounts receivable are due according to contractual terms and are stated at the amounts management expects to collect from outstanding balances. Strive records any amounts of billing allowance against revenues as any reductions in the amounts received are considered to be billing adjustments. Management considers the need for an allowance for bad debts by considering a number of factors, including the length of time accounts receivable are past due and Strive’s previous collection history. Based on this analysis management believes all accounts receivable to be collectible net of a billing allowance of \$14,300 and \$2,400 as of June 30, 2014 and 2013, respectively.

### **Promises to Give**

Unconditional promises to give expected to be collected within one year are recorded at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statement of activities. Management determines the allowance for uncollectable promises to give based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectable. At both June 30, 2014 and 2013, there was an allowance for doubtful accounts of \$1,100.

### **Inventory**

Inventory is comprised of program-related merchandise held for sale in the thrift and gift shop, and is stated at the lower of cost or market determined by the first-in first-out method. Management has determined no allowance for inventory obsolescence to be necessary at June 30, 2014 or 2013.

### **Property and Equipment**

Property and equipment additions over \$1,500 are recorded at cost, or if donated, at fair value on the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets ranging from 3 to 30 years. When assets are sold or otherwise disposed of, the cost and related depreciation are removed from the accounts, and any remaining gain or loss is included in the statement of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

Strive reviews the carrying values of property and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the years ended June 30, 2014 and 2013.

### **Net Assets**

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Unrestricted Net Assets* – Net assets available for use in general operations.

*Temporarily Restricted Net Assets* – Net assets subject to donor restrictions that may or will be met by expenditures or actions of Strive and/or the passage of time.

Strive reports contributions restricted by donors as increases in unrestricted net assets if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

*Permanently Restricted Net Assets* – Net assets whose use is limited by donor-imposed restrictions that neither expire by the passage of time nor can be fulfilled or otherwise removed by action of Strive. As of June 30, 2014 and 2013, Strive had no permanently restricted net assets.



### **Revenue Recognition**

Revenue is recognized when earned. Program service fees and payments under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed or expenditures are incurred, respectively. Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

### **Donated Services and In-Kind Contributions**

Volunteers contribute significant amounts of time to Strive's program services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. Contributed goods are recorded at fair value at the date of donation. Strive records donated professional services at the respective fair values of the services received. No significant donated professional services or materials were received during fiscal year 2014 or 2013.

### **Advertising**

Advertising costs are expensed as incurred, and total \$72,782 and \$68,606 for the years ended June 30, 2014 and 2013, respectively.

### **Functional Allocations of Expense**

The costs of program and other supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

### **Income Taxes**

Mesa Developmental Services and DD Housing, Inc. are organized as Colorado nonprofit corporations and have been recognized by the Internal Revenue Services (IRS) as exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code as organizations described in Section 501(c)(3), qualify for the charitable contribution deduction under Section 170(b)(1)(A)(ii) and have been determined not to be private foundations under Sections 509(a)(1) and (3) respectively. Each entity is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the entities are subject to income tax on net income that is derived from business activities that are unrelated to their exempt purpose. Each entity has determined it is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

Each entity believes that it has appropriate support for any tax positions taken affecting its annual filing requirements, and as such, does not have any uncertain tax positions that are material to the financial statements. The entities would recognize future accrued interest and penalties related to the unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred.

**Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates, and those differences could be material.

**Financial Instruments and Credit Risk**

Strive manages deposit concentration risk by placing cash, money market accounts, and certificates of deposit with financial institutions believed by management to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, Strive has not experienced losses in any of these accounts. Credit risk associated with accounts receivable and promises to give is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from governmental agencies and individuals supportive of Strive’s mission.

**Subsequent Events**

Strive has evaluated subsequent events through September 30, 2014, the date the financial statements were available to be issued.

**Note 2 - Fees and Grants from Governmental Agencies**

Amounts due from governmental agencies are as follows at June 30, 2014 and 2013:

	2014	2013
State of Colorado		
General Fund	\$ 186,404	\$ 123,302
Medicaid, net of billing allowance	889,189	507,780
Other	39,099	11,278
	1,114,692	642,360
Mesa County	267,937	273,170
Total	\$ 1,382,629	\$ 915,530

**Note 3 - Restricted Cash**

Restricted cash consists of cash restricted for DDH's HUD operations of \$29,958 and \$27,013 as of June 30, 2014 and 2013, respectively. Restricted cash also includes cash restricted as collateral for a note payable of \$30,014 and \$0 as of June 30, 2014 and 2013, respectively.

**Note 4 - Promises to Give**

Unconditional promises to give are estimated to be collected as follows at June 30, 2014 and 2013:

	2014	2013
Within one year	\$ 57,900	\$ 59,740
In one to five years	26,200	97,480
	84,100	157,220
Less discount to present value (at 3.52%)	(1,500)	(4,900)
	\$ 82,600	\$ 152,320

At June 30, 2014 and 2013, three donors accounted for 77% and 64% of total promises to give, respectively.

**Note 5 - Property and Equipment**

Property and equipment consist of the following at June 30, 2014 and 2013:

	2014	2013
Building and improvements	\$ 8,017,520	\$ 7,406,112
Furniture and equipment	1,188,738	992,217
Vehicles	1,255,517	1,178,070
	10,461,775	9,576,399
Less accumulated depreciation and amortization	5,116,930	4,698,585
	5,344,845	4,877,814
Land	1,007,047	901,947
	\$ 6,351,892	\$ 5,779,761

**Note 6 - Notes Payable**

Notes payable consist of the following:

	2014	2013
Note payable dated June 10, 2010 requiring monthly payments of \$13,165, including interest, to June 1, 2030. Interest is set at 4.98% until June 10, 2020 at which point interest will adjust to LIBOR plus 6%. Secured by four real estate locations.	\$ 1,733,379	\$ 1,807,944
Note payable dated April 10, 2013 requiring monthly payments of \$986, including interest, to March 10, 2023. A balloon payment of \$130,723 is due on April 10, 2023. Interest is fixed at 4.25% until April 10, 2018 at which point interest will adjust to Prime plus 1%. Secured by a real estate location.	174,791	179,930
Note payable dated August 27, 2013 requiring monthly payments of \$2,106, including interest, to August 27, 2033. Interest is variable at Prime plus 1% (4.25% at June 30, 2014). Secured by a real estate location.	330,830	-
Current portion of notes payable	2,239,000 89,027	1,987,874 72,421
Long-term portion of notes payable	\$ 2,149,973	\$ 1,915,453

Future maturities of notes payable are as follows:

Years Ending June 30,	
2015	89,027
2016	93,084
2017	97,999
2018	102,714
2019	107,811
Thereafter	1,748,365
Total	\$ 2,239,000

**Note 7 - Lease Commitments**

Strive leases building space and residential facilities on a month-to-month basis. Rental expense for property under operating leases was \$77,698 and \$103,704 for the years ended June 30, 2014 and 2013, which also includes month-to-month operating leases for apartments in which residential clients reside.

Future maturities of rental payments under a non-cancelable operating leases for a retail store are as follows:

<u>Years Ending June 30,</u>		
2015	\$	30,504
2016		30,504
2017		31,004
2018		31,604
2019		5,284
Total minimum lease payments	\$	128,900

**Note 8 - Retirement Plan**

Strive has adopted a tax deferred annuity plan in which all employees are eligible to participate. Strive matches employee contributions up to 3% of the employee’s gross salary after two years of employment. The retirement plan expense totaled \$101,799 and \$106,804 for the years ended June 30, 2014 and 2013, respectively.

**Note 9 - Deferred Compensation**

In August 2007, Strive entered into a deferred compensation agreement with a key executive. The agreement provides for certain postretirement benefits, contingent on certain conditions. Strive has recorded a liability and asset of \$119,100 and \$89,547 as of June 30, 2014 and 2013, respectively, related to this agreement. All plan assets were distributed subsequent to year-end.

**Note 10 - Self-Insured Employee Health Plan**

Strive’s employee health benefit coverage consists of a self-insured medical plan. As of June 30, 2014 and 2013 Strive has recorded a liability of \$42,000 and \$99,754, respectively, which represents the estimated amount of medical claims incurred but not reported as of year-end. This liability has been included in accounts payable and accrued liabilities in the statement of financial position. Claims are filed directly with a third-party administrator (“TPA”) for processing. The TPA dispenses funds to and on behalf of participants for covered medical claims. Strive carries specific stop-loss insurance coverage for payment of eligible participant claims in excess of certain limits. The individual stop-loss claim deductible per participant is \$80,000. The stop-loss insurance has an aggregate stop-loss limit of approximately \$1,207,000 as of June 30, 2014.

**Note 11 - Temporarily Restricted Net Assets**

Temporarily restricted net assets as of June 30, 2014 and 2013 consist of the following:

	2014	2013
Purpose restricted		
Residential services	\$ 37,880	\$ 38,683
Children's extensive support	30,000	40,000
Family support services	24,819	2,750
Parenting Place	2,000	10,500
Home health services	1,612	2,933
Supported employment	-	8,342
Early intervention	7,591	2,750
Autism services	-	2,500
Time restricted	267,937	273,170
	\$ 371,839	\$ 381,628

Net assets were released from restrictions as follows during the years ended June 30, 2014 and 2013:

Satisfaction of purpose restrictions		
Family support services	\$ 41,957	\$ 30,823
Autism services	23,703	-
Residential services	20,471	6,812
Parenting place	10,500	11,000
Children's extensive support	10,000	-
Early intervention	9,660	10,442
Supported employment	8,343	-
Home health services	4,715	9,569
Other	-	10,662
	\$ 129,349	79,308
Expiration of time restrictions	273,170	273,178
	\$ 402,519	\$ 352,486

## **Note 12 - Commitments and Contingencies**

### U. S. Department of Housing and Urban Development Capital Advance

Strive received a capital advance of \$694,238 from HUD under agreements dated May 1, 2001. The terms of the agreements specify that the advance including any interest thereon is not required to be repaid so long as the housing remains available for a period of 40 years to eligible very low income persons with disabilities in accordance with Section 811 of the National Affordable Housing Act. The capital advance is subject to compliance with a Regulatory Agreement and other requirements and conditions identified in the agreements.

In the event of noncompliance under the provisions of the agreements before the maturity date of February 1, 2042, the capital advance would be payable. The advance is secured by a deed of trust on the property, which has a carrying value of \$715,602 and \$726,920 at June 30, 2014 and 2013, respectively. If payable, the advance would bear interest at the rate of 6.0% per annum. Accrued interest through June 30, 2014 and 2013 totaling approximately \$489,190 and \$451,826, respectively, is not recorded as a liability in the financial statements since it is only payable as a penalty in the event of default under the provisions of the agreements.

### Colorado Division of Housing Grant

Strive is contingently liable to the State of Colorado, Department of Local Affairs, Division of Housing, for the funding of construction in the amount of \$150,000 as of June 30, 2014 and 2013. The grant contract provides that as long as the facilities are used to provide housing for low and moderate income persons at affordable rents for a period of not less than 30 years from the date of initial occupancy, Strive will not be required to repay any portion of the grant. If any default occurs, the grant becomes immediately payable in full, but bears no interest.

### Colorado Department of Local Affairs Grant

Strive is contingently liable to the Colorado Department of Local Affairs for funding of an addition to one of the group homes in the amount of \$39,000 in HOME grant funds. The grant agreement provides that, as long as the facility is used to provide housing for people with very low and low incomes for 20 years from the date of contract execution, Strive will not be required to repay any portion of the grant. The usage restriction will end in 2027. If there is a change in use, Strive, its successors and assignees, grantees or lessees shall be required to repay the State the grant funds attributed to this property, unless the State authorizes the transfer of repaid funds to one or more public housing entities or private nonprofit corporations.

Strive is contingently liable to the Colorado Department of Local Affairs for funding of the construction of three group homes in the amount of \$307,171 in Home Investment Partnerships Program (HOME) grant funds. The grant agreement provides that, as long as the facility is used to provide housing for people with very low and low incomes for 30 years from the date of contract execution, Strive will not be required to repay any portion of the grant. The usage restriction will end in 2041. If there is a change in use, Strive, its successors and assignees, grantees or lessees shall be required to repay the State the grant funds attributed to this property, unless the State authorizes the transfer of repaid funds to one or more public housing entities or private nonprofit corporations.

Strive is contingently liable to the Colorado Department of Local Affairs for funding of the construction of three group homes in the amount of \$292,829 in Housing Development Grant (HDG) funds. The grant agreement provides that, as long as the facility is used to provide housing for people with very low, low and moderate income persons for 40 years from the date of project closeout which was April, 2010, Strive will not be required to repay any portion of the grant. The usage restriction will end in 2042. If there is a change in use, Strive, its successors and assignees, heirs, grantees or lessees shall be required to repay the State the grant funds attributed to this property. In lieu of repayment, the State may authorize Strive, its successors and assignees, heirs, grantees or lessees to retain such funds for other projects or repay the funds to one or more public housing entities or private non-profit corporations.

#### Clear Energy Group

On October 31, 2011, Strive signed a contract with Clear Energy (a solar energy equipment company) who installed solar energy equipment on approximately 75% of Strive's facilities. Energy generated by Clear Energy equipment is required to be purchased by Strive at varying rates and management expects energy costs to decline as the result of this contract.

The equipment is owned and maintained by Clear Energy and installation was at no cost to Strive. Strive has been granted an option to purchase the equipment after the first five years of operation. If this option is exercised, the purchase price will be equal to the greater of the fair market value of the equipment or a buyout price as stated in the agreement, which declines over time.

The agreement expires 240 months from the date the equipment came online, which was July 12, 2012. If Strive terminates the agreement prior to the expiration date, Strive will owe an amount which is equal to the greater of the fair market value of the equipment or a termination cost as stated in the agreement, which declines over time and approximates the option price discussed above. As of June 30, 2014 the termination cost per the agreement is \$1,857,570.





Supplementary Information  
June 30, 2014

# Mesa Developmental Services dba Strive Colorado



## Independent Auditor's Report on Supplementary Information

The Board of Directors  
Mesa Developmental Services, dba Strive Colorado  
Grand Junction, Colorado

We have audited the consolidated financial statements of Mesa Developmental services, dba Strive Colorado ("Strive") as of and for the year ended June 30, 2014, and our report thereon dated September 30, 2014, which expressed an unmodified opinion on those consolidated financial statements appears on page 1. Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The schedules on pages 24 to 31 are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in our audit of the consolidated financial statements and certain other additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

A handwritten signature in cursive script that reads "Eide Bailly LLP".

Greenwood Village, Colorado  
October 1, 2014

Mesa Developmental Services  
dba Strive Colorado  
Statement of Case Management Services  
Year Ended June 30, 2014

	<u>Targeted Case Management</u>	<u>Other Case Management</u>	<u>Total</u>
Fees and Grants from Government Agencies			
Fees for services			
State of Colorado			
State general fund			
Comprehensive and state SLS	\$ -	\$ 19,761	\$ 19,761
Adult supported living	-	47,500	47,500
Children and families	-	75,884	75,884
Medicaid			
Comprehensive	914,019	-	914,019
Adult supported living	224,388	-	224,388
Children Extensive Support	18,527	-	18,527
Children and families	72,242	49,967	122,209
Counties	-	11,822	11,822
Grants and other	-	-	-
Total fees and grants from governmental agencies	<u>1,229,176</u>	<u>204,934</u>	<u>1,434,110</u>
Expenses			
Salaries			
Direct care	506,031	187,162	693,193
Payroll taxes	51,291	18,970	70,261
Employee benefits	65,300	24,152	89,452
Total personnel services	<u>622,622</u>	<u>230,284</u>	<u>852,906</u>
Other professional services	7,617	2,817	10,434
Staff development	1,006	372	1,378
Staff travel	8,315	3,076	11,391
Occupancy			
Maintenance	515	190	705
Utilities	4,592	1,699	6,291
Supplies - other	20,622	7,627	28,249
Telephone	6,415	2,373	8,788
Dues and subscriptions	741	274	1,015
Insurance	6,519	2,411	8,930
Interest	3,185	1,178	4,363
Other			
Total direct program expenses	<u>682,149</u>	<u>252,301</u>	<u>934,450</u>
Depreciation	<u>17,927</u>	<u>6,631</u>	<u>24,558</u>
Total expenses	<u>700,076</u>	<u>258,932</u>	<u>959,008</u>
Income (loss) before allocated management and general	<u>\$ 529,100</u>	<u>\$ (53,998)</u>	<u>\$ 475,102</u>

Mesa Developmental Services  
 dba Strive Colorado  
 Statement of Case Management Services  
 Year Ended June 30, 2013

	Targeted Case Management	Other Case Management	Total
Fees and Grants from Government Agencies			
Fees for services			
State of Colorado			
State general fund			
Comprehensive and state SLS	\$ -	\$ 7,062	\$ 7,062
Adult supported living	-	39,278	39,278
Children and families	-	59,866	59,866
Medicaid			
Comprehensive	782,228	-	782,228
Adult supported living	247,019	-	247,019
Children Extensive Support	32,674	-	32,674
Children and families	68,760	37,734	106,494
Counties	-	27,318	27,318
Grants and other	-	19	19
Total fees and grants from governmental agencies	<u>1,130,681</u>	<u>171,277</u>	<u>1,301,958</u>
Expenses			
Salaries			
Direct care	480,737	173,327	654,064
Payroll taxes	45,003	16,226	61,229
Employee benefits	58,244	20,999	79,243
Total personnel services	<u>583,984</u>	<u>210,552</u>	<u>794,536</u>
Other professional services	11,153	4,021	15,174
Staff development	1,347	486	1,833
Staff travel	12,473	4,497	16,970
Occupancy			
Maintenance	2,201	794	2,995
Utilities	5,689	2,051	7,740
Supplies - other	14,115	5,089	19,204
Telephone	6,085	2,194	8,279
Dues and subscriptions	3,140	1,132	4,272
Insurance	6,077	2,191	8,268
Interest	4,331	1,562	5,893
Other	104	38	142
Total direct program expenses	<u>650,699</u>	<u>234,607</u>	<u>885,306</u>
Purchased services	-	-	-
Total program expenses before depreciation	<u>650,699</u>	<u>234,607</u>	<u>885,306</u>
Depreciation	<u>15,777</u>	<u>5,688</u>	<u>21,465</u>
Total expenses	<u>666,476</u>	<u>240,295</u>	<u>906,771</u>
Income (loss) before allocated management and general	<u>\$ 464,205</u>	<u>\$ (69,018)</u>	<u>\$ 395,187</u>

**Mesa Developmental Services**  
**dba Strive Colorado**  
 Statement of Case Management Services  
 Year Ended June 30, 2014

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	Targeted Case Management	Other Case Management	Total
Statistical Data (Unaudited)			
Unduplicated number of individuals	562	208	770
Cost per client served	\$ 1,246	\$ 1,245	1,245
Full-time equivalents	\$ 14.67	\$ 5.42	20.09

**Mesa Developmental Services**  
**dba Strive Colorado**  
 Statement of Case Management Services  
 Year Ended June 30, 2014

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	Targeted Case Management	Other Case Management	Total
Statistical Data (Unaudited)			
Unduplicated number of individuals	504	182	686
Cost per client served	\$ 1,322	\$ 1,320	\$ 1,322
Full-time equivalents	\$ 13.69	\$ 4.93	\$ 18.62

Mesa Developmental Services  
 dba Strive Colorado  
 Consolidating Statement of Financial Position  
 June 30, 2014

	Mesa Developmental Services	DD Housing, Inc.	Eliminations	Consolidated
<b>Current Assets</b>				
Cash and cash equivalents	\$ 1,825,224	\$ 11,054	\$ -	\$ 1,836,278
Accounts receivable				
Fees and grants from governmental agencies, net	1,382,629	-	-	1,382,629
Other	369,873	-	(215,246)	154,627
Promises to give, net	57,900	-	-	57,900
Inventory	47,527	-	-	47,527
Prepaid expenses and other assets	184,465	-	-	184,465
Total current assets	<u>3,867,618</u>	<u>11,054</u>	<u>(215,246)</u>	<u>3,663,426</u>
Restricted cash	30,014	29,958	-	59,972
Promises to give, net	24,700	-	-	24,700
Property and equipment, net	5,636,290	715,602	-	6,351,892
Total assets	<u>\$ 9,558,622</u>	<u>\$ 756,614</u>	<u>\$ (215,246)</u>	<u>\$ 10,099,990</u>
<b>Liabilities and Net Assets</b>				
<b>Current Liabilities</b>				
Accounts payable and accrued liabilities	\$ 1,451,962	\$ 215,246	\$ (215,246)	\$ 1,451,962
Notes payable	89,027	-	-	89,027
Total current liabilities	<u>1,540,989</u>	<u>215,246</u>	<u>(215,246)</u>	<u>1,540,989</u>
<b>Long-Term Liabilities</b>				
Notes payable, net of current portion	2,149,973	-	-	2,149,973
Total liabilities	<u>3,690,962</u>	<u>215,246</u>	<u>(215,246)</u>	<u>3,690,962</u>
<b>Net Assets</b>				
<b>Unrestricted</b>				
Investment in property and equipment, net	3,397,290	715,602	-	4,112,892
Undesignated	2,098,531	(174,234)	-	1,924,297
Total unrestricted	<u>5,495,821</u>	<u>541,368</u>	<u>-</u>	<u>6,037,189</u>
Temporarily restricted	371,839	-	-	371,839
Total net assets	<u>5,867,660</u>	<u>541,368</u>	<u>-</u>	<u>6,409,028</u>
Total liabilities and net assets	<u>\$ 9,558,622</u>	<u>\$ 756,614</u>	<u>\$ (215,246)</u>	<u>\$ 10,099,990</u>

Mesa Developmental Services  
 dba Strive Colorado  
 Consolidating Statement of Financial Position  
 June 30, 2013

	Mesa Developmental Services	DD Housing, Inc.	Eliminations	Consolidated
<b>Current Assets</b>				
Cash and cash equivalents	\$ 3,061,415	\$ 14,673	\$ -	\$ 3,076,088
Accounts receivable				
Fees and grants from governmental agencies, net	915,530	-	-	915,530
Other	323,570	-	(209,480)	114,090
Promises to give - net	59,740	-	-	59,740
Inventory	39,935	-	-	39,935
Prepaid expenses and other assets	151,143	-	-	151,143
Total current assets	<u>4,551,333</u>	<u>14,673</u>	<u>(209,480)</u>	<u>4,356,526</u>
Restricted cash	-	27,013	-	27,013
Promises to give - net	92,580	-	-	92,580
Property and equipment - net	5,052,841	726,920	-	5,779,761
Total assets	<u>\$ 9,696,754</u>	<u>\$ 768,606</u>	<u>\$ (209,480)</u>	<u>\$ 10,255,880</u>
<b>Liabilities and Net Assets</b>				
<b>Current Liabilities</b>				
Accounts payable and accrued liabilities	\$ 1,395,000	\$ 209,480	\$ (209,480)	\$ 1,395,000
Notes payable	72,421	-	-	72,421
Total current liabilities	<u>1,467,421</u>	<u>209,480</u>	<u>(209,480)</u>	<u>1,467,421</u>
<b>Long-Term Liabilities</b>				
Notes payable, net of current portion	1,915,453	-	-	1,915,453
Total liabilities	<u>3,382,874</u>	<u>209,480</u>	<u>(209,480)</u>	<u>3,382,874</u>
<b>Net Assets</b>				
<b>Unrestricted</b>				
Investment in property and equipment, net	3,064,967	726,920	-	3,791,887
Undesignated	2,867,285	(167,794)	-	2,699,491
Total unrestricted	<u>5,932,252</u>	<u>559,126</u>	<u>-</u>	<u>6,491,378</u>
Temporarily restricted	381,628	-	-	381,628
Total net assets	<u>6,313,880</u>	<u>559,126</u>	<u>-</u>	<u>6,873,006</u>
Total liabilities and net assets	<u>\$ 9,696,754</u>	<u>\$ 768,606</u>	<u>\$ (209,480)</u>	<u>\$ 10,255,880</u>



Mesa Developmental Services  
dba Strive Colorado  
Consolidating Statement of Activities  
Year Ended June 30, 2014

	Mesa Developmental Services	DD Housing, Inc.	Eliminations	Consolidated
Fees and Grants from Governmental Agencies				
Fees for services				
State of Colorado				
State general fund				
Support services	\$ 643,399	\$ -	\$ -	\$ 643,399
Case management	123,384	-	-	123,384
Management and general	121,082	-	-	121,082
Special purpose	82,535	-	-	82,535
Medicaid	13,130,112	-	-	13,130,112
Part C	122,943	-	-	122,943
Grants and other				
County	535,913	-	-	535,913
U.S. Department of Housing and Urban Development	3,950	41,666	-	45,616
Colorado Department of Local Affairs	12,580	-	-	12,580
Vocational rehabilitation grant	13,490	-	-	13,490
	<u>14,789,388</u>	<u>41,666</u>	<u>-</u>	<u>14,831,054</u>
Residential room and board	1,006,733	35,581	-	1,042,314
Public support- contributions	364,671	-	-	364,671
Retail and service contract	228,057	-	-	228,057
Private pay and private health insurance	206,295	-	-	206,295
Food stamps	35,562	-	-	35,562
Other revenue	120,123	8	-	120,131
Total support and revenue	<u>16,750,829</u>	<u>77,255</u>	<u>-</u>	<u>16,828,084</u>
Expenses				
Program services				
Residential services	9,530,593	95,013	-	9,625,606
Supported employment	2,040,549	-	-	2,040,549
Case management	769,004	-	-	769,004
Early intervention	712,779	-	-	712,779
Transportation services	546,395	-	-	546,395
Medicaid supported living services	558,742	-	-	558,742
Behavioral services	433,601	-	-	433,601
State supported living services	319,228	-	-	319,228
Home health services	5,560	-	-	5,560
Family support services	96,533	-	-	96,533
Autism services	162,793	-	-	162,793
Children's extensive support	84,707	-	-	84,707
Parenting place	112,709	-	-	112,709
Elderly, blind, and disabled	44,128	-	-	44,128
Adult activities	5,235	-	-	5,235
Total program services	<u>15,422,556</u>	<u>95,013</u>	<u>-</u>	<u>15,517,569</u>
Supporting services				
Public relations and fundraising	143,348	-	-	143,348
Management and General	1,631,145	-	-	1,631,145
Total expenses	<u>17,197,049</u>	<u>95,013</u>	<u>-</u>	<u>17,292,062</u>
Change in Net Assets	(446,220)	(17,758)	-	(463,978)
Net Assets, Beginning of Year	<u>6,313,880</u>	<u>559,126</u>	<u>-</u>	<u>6,873,006</u>
Net Assets, End of Year	<u>\$ 5,867,660</u>	<u>\$ 541,368</u>	<u>\$ -</u>	<u>\$ 6,409,028</u>

Mesa Developmental Services  
 dba Strive Colorado  
 Consolidating Statement of Activities  
 Year Ended June 30, 2013

	Mesa Developmental Services	DD Housing, Inc.	Eliminations	Consolidated
Fees and Grants from Governmental Agencies				
Fees for services				
State of Colorado				
State general fund				
Support services	\$ 543,626	\$ -	\$ -	\$ 543,626
Case management	99,144	-	-	99,144
Management and general	95,934	-	-	95,934
Special purpose	26,253	-	-	26,253
Medicaid	12,133,531	-	-	12,133,531
Part C	153,993	-	-	153,993
Grants and other				
County	546,364	-	-	546,364
U.S. Department of Housing and Urban Development	25,186	43,359	-	68,545
Colorado Department of Local Affairs	25,000	-	-	25,000
Vocational rehabilitation grant	18,246	-	-	18,246
	<u>13,667,277</u>	<u>43,359</u>	<u>-</u>	<u>13,710,636</u>
Residential room and board	980,142	36,417	-	1,016,559
Public support- contributions	421,382	-	-	421,382
Retail and service contract	194,145	-	-	194,145
Private pay and private health insurance	106,949	-	-	106,949
Food stamps	74,162	-	-	74,162
Other revenue	107,092	6	-	107,098
Total support and revenue	<u>15,551,149</u>	<u>79,782</u>	<u>-</u>	<u>15,630,931</u>
Expenses				
Program services				
Residential services	8,987,389	91,659	-	9,079,048
Supported employment	1,833,503	-	-	1,833,503
Case management	756,288	-	-	756,288
Early intervention	701,740	-	-	701,740
Transportation services	504,782	-	-	504,782
Medicaid supported living services	461,152	-	-	461,152
Behavioral services	280,987	-	-	280,987
State supported living services	261,342	-	-	261,342
Home health services	112,424	-	-	112,424
Family support services	81,766	-	-	81,766
Autism Services	52,964	-	-	52,964
Children's extensive support	52,560	-	-	52,560
Parenting Place	51,064	-	-	51,064
Elderly, blind, and disabled	28,221	-	-	28,221
Adult events	6,207	-	-	6,207
Total program services	<u>14,172,389</u>	<u>91,659</u>	<u>-</u>	<u>14,264,048</u>
Supporting services				
Public relations and fundraising	183,229	-	-	183,229
Management and General	1,441,774	-	-	1,441,774
Total expenses	<u>15,797,392</u>	<u>91,659</u>	<u>-</u>	<u>15,889,051</u>
Change in Net Assets	(246,243)	(11,877)	-	(258,120)
Net Assets, Beginning of Year	<u>6,560,123</u>	<u>571,003</u>	<u>-</u>	<u>7,131,126</u>
Net Assets, End of Year	<u>\$ 6,313,880</u>	<u>\$ 559,126</u>	<u>\$ -</u>	<u>\$ 6,873,006</u>