



Consolidated Financial Statements
June 30, 2015 and 2014

**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, 2015 and 2014, 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, 2015 and 2014, 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.

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

Greenwood Village, Colorado
September 30, 2015

Mesa Developmental Services
 dba Strive Colorado
 Consolidated Statements of Financial Position
 June 30, 2015 and 2014

	2015	2014
Assets		
Current Assets		
Cash and cash equivalents	\$ 2,273,375	\$ 1,836,278
Accounts receivable		
Fees and grants from governmental agencies, net	1,002,872	1,382,629
Other	119,311	154,627
Promises to give, net	21,200	57,900
Inventory	21,443	47,527
Prepaid expenses and other assets	63,071	184,465
Total current assets	3,501,272	3,663,426
Restricted cash	32,907	59,972
Promises to give, net	9,700	24,700
Assets held for sale, net	289,353	-
Property and equipment, net	5,896,788	6,351,892
Total assets	\$ 9,730,020	\$ 10,099,990
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 1,155,732	\$ 1,451,962
Notes payable	93,256	89,027
Total current liabilities	1,248,988	1,540,989
Long-Term Liabilities		
Notes payable, net of current portion	2,056,668	2,149,973
Total liabilities	3,305,656	3,690,962
Net Assets		
Unrestricted		
Investment in property and equipment, net of related debt	3,457,511	4,112,892
Undesignated	2,595,900	1,924,297
Total unrestricted	6,053,411	6,037,189
Temporarily restricted	370,953	371,839
Total net assets	6,424,364	6,409,028
Total liabilities and net assets	\$ 9,730,020	\$ 10,099,990

Mesa Developmental Services
dba Strive Colorado
Consolidated Statement of Activities
Year Ended June 30, 2015

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2015 Total</u>
Fees and Grants from Governmental Agencies			
Fees for services			
State of Colorado			
State General Fund			
Support services	\$ 788,955	\$ -	\$ 788,955
Case management	125,793	-	125,793
Management and general	137,845	-	137,845
Special purpose	124,501	-	124,501
Medicaid	13,674,231	-	13,674,231
Part C	115,897	-	115,897
Grants and other			
County	267,957	267,956	535,913
U.S. Department of Housing and Urban Development	40,348	-	40,348
Vocational rehabilitation grant	23,398	-	23,398
	<u>15,298,925</u>	<u>267,956</u>	<u>15,566,881</u>
Residential room and board	1,032,870	-	1,032,870
Public support- contributions	126,297	105,935	232,232
Retail and service contract	227,122	-	227,122
Private pay and private health insurance	285,371	-	285,371
Food stamps	17,159	-	17,159
Other revenue	85,973	-	85,973
Net assets released from restrictions			
Satisfaction of time restrictions	267,937	(267,937)	-
Satisfaction of purpose restrictions	106,840	(106,840)	-
Total support and revenue	<u>17,448,494</u>	<u>(886)</u>	<u>17,447,608</u>
Expenses			
Program services			
Residential services	9,310,909	-	9,310,909
Supported employment	2,007,580	-	2,007,580
Case management	855,175	-	855,175
Early intervention	470,582	-	470,582
Early intervention case management	194,076	-	194,076
Transportation services	480,192	-	480,192
Medicaid supported living services	692,217	-	692,217
Behavioral services	605,792	-	605,792
State supported living services	370,800	-	370,800
Home health services	4,360	-	4,360
Family support services	221,922	-	221,922
Autism services	6,602	-	6,602
Children's extensive support	299,087	-	299,087
Parenting place	96,929	-	96,929
Elderly, blind, and disabled	58,666	-	58,666
Adult events	2,131	-	2,131
Total program services	<u>15,677,020</u>	<u>-</u>	<u>15,677,020</u>
Supporting services			
Public relations and fundraising	169,497	-	169,497
Management and general	1,585,755	-	1,585,755
Total expenses	<u>17,432,272</u>	<u>-</u>	<u>17,432,272</u>
Change in Net Assets	16,222	(886)	15,336
Net Assets, Beginning of Year	<u>6,037,189</u>	<u>371,839</u>	<u>6,409,028</u>
Net Assets, End of Year	<u>\$ 6,053,411</u>	<u>\$ 370,953</u>	<u>\$ 6,424,364</u>

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

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2014 Total</u>
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 Functional Expenses
Year Ended June 30, 2015

Program Services											
	Residential services	Supported employment	Case management	Early intervention	Early intervention case management	Transportation services	Medicaid supported living services	Behavioral services	State supported living services	Home health services	Family support services
Salaries and wages	\$ 4,830,259	\$ 1,367,563	\$ 578,832	\$ 291,688	\$ 129,709	\$ 118,305	\$ 382,583	\$ 341,417	\$ 111,674	\$ 3,945	\$ 19,070
Payroll taxes	499,227	146,310	58,831	28,439	13,235	11,771	43,103	35,149	8,216	138	1,685
Employee benefits	446,510	95,602	78,133	24,187	17,314	16,033	62,504	32,144	11,914	244	1,557
Host home	2,137,156	-	-	-	-	-	-	-	-	-	-
Medical professional services	140,780	-	-	38,961	-	-	77,104	79,503	14,655	-	63,346
Professional services	56,031	20,423	12,837	9,656	-	99	12,809	20,800	9,044	-	89,133
Training and development	2,566	439	2,426	8,161	35	2,290	67	12,786	13	-	193
Travel	33,100	15,224	12,394	25,436	2,812	1,302	47,162	5,087	8,990	33	231
Vehicles	90	131	-	-	-	210,230	13	-	2	-	-
Occupancy	397,962	159,790	93,080	26,605	30,521	7,736	11,472	65,593	2,186	-	-
Supplies	133,366	173,962	9,137	6,645	35	776	12,042	8,672	2,389	-	2,287
Telephone	53,210	11,704	2,939	5,285	340	87	3,599	1,134	686	-	30
Dues and subscriptions	2,571	762	-	-	75	-	-	243	-	-	183
Food	340,435	52	-	-	-	-	603	-	115	-	-
Interest	44,581	13,838	-	-	-	-	-	-	-	-	-
Depreciation	138,747	50,842	-	675	-	90,149	-	-	-	-	-
Purchased services	2,314	-	-	-	-	-	-	-	60,245	-	-
Assistive tech and modifications	71	-	-	3,861	-	-	15,317	-	-	-	27,733
Insurance	13,867	4,701	-	-	-	-	-	-	-	-	-
Other	38,066	24,331	6,566	983	-	68,385	23,839	3,264	15,606	-	16,474
	<u>9,310,909</u>	<u>2,085,674</u>	<u>855,175</u>	<u>470,582</u>	<u>194,076</u>	<u>527,163</u>	<u>692,217</u>	<u>605,792</u>	<u>245,735</u>	<u>4,360</u>	<u>221,922</u>
Inter-program allocations	-	(78,094)	-	-	-	(46,971)	-	-	125,065	-	-
Total expenses included in the expense section on the statement of activities	<u>\$ 9,310,909</u>	<u>\$ 2,007,580</u>	<u>\$ 855,175</u>	<u>\$ 470,582</u>	<u>\$ 194,076</u>	<u>\$ 480,192</u>	<u>\$ 692,217</u>	<u>\$ 605,792</u>	<u>\$ 370,800</u>	<u>\$ 4,360</u>	<u>\$ 221,922</u>

Mesa Developmental Services
dba Strive Colorado
Consolidated Statement of Functional Expenses
Year Ended June 30, 2015

Program Services

	Autism services	Children's extensive support	Parenting place	Elderly, blind, and disabled	Adult activities	Total	Management and General	Fundraising and Development	2015 Total
Salaries and wages	\$ 2,772	\$ 156,523	\$ 35,949	\$ 44,504	\$ -	\$ 8,414,793	\$ 875,496	\$ 73,636	\$ 9,363,925
Payroll taxes	289	14,960	3,989	4,808	-	870,150	125,485	8,163	1,003,798
Employee benefits	580	23,458	4,425	4,979	-	819,584	109,584	7,808	936,976
Host home	-	-	-	-	-	2,137,156	-	-	2,137,156
Medical professional services	1,316	42,689	-	-	-	458,354	-	-	458,354
Professional services	184	26,210	20,821	-	2,131	280,178	212,480	13,025	505,683
Training and development	-	1,056	928	-	-	30,960	30,480	24	61,464
Travel	-	4,839	1,232	4,134	-	161,976	6,595	1,340	169,911
Vehicles	-	-	-	-	-	210,466	3,848	-	214,314
Occupancy	-	4,625	9,575	-	-	809,145	(283,904)	13,217	538,458
Supplies	125	2,959	5,387	149	-	357,931	97,343	5,408	460,682
Telephone	875	755	3,145	80	-	83,869	34,756	1,187	119,812
Dues and subscriptions	-	-	-	-	-	3,834	22,654	606	27,094
Food	-	124	-	-	-	341,329	-	-	341,329
Interest	-	-	-	-	-	58,419	27,639	-	86,058
Depreciation	461	-	6,955	-	-	287,829	167,784	-	455,613
Purchased services	-	-	-	-	-	62,559	-	-	62,559
Assistive tech and modifications	-	20,119	-	-	-	67,101	-	-	67,101
Insurance	-	-	895	-	-	19,463	62,715	-	82,178
Other	-	770	3,628	12	-	201,924	92,800	45,083	339,807
	6,602	299,087	96,929	58,666	2,131	15,677,020	1,585,755	169,497	17,432,272
Inter-program allocations	-	-	-	-	-	-	-	-	-
Total expenses included in the expense section on the statement of activities	\$ 6,602	\$ 299,087	\$ 96,929	\$ 58,666	\$ 2,131	\$ 15,677,020	\$ 1,585,755	\$ 169,497	\$ 17,432,272

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
	<u>9,625,606</u>	<u>2,081,522</u>	<u>769,004</u>	<u>712,779</u>	<u>580,771</u>	<u>558,742</u>	<u>433,601</u>	<u>243,879</u>	<u>5,560</u>	<u>96,533</u>
Inter-program allocations	-	(40,973)	-	-	(34,376)	-	-	75,349	-	-
Total expenses included in the expense section on the statement of activities	<u>\$ 9,625,606</u>	<u>\$ 2,040,549</u>	<u>\$ 769,004</u>	<u>\$ 712,779</u>	<u>\$ 546,395</u>	<u>\$ 558,742</u>	<u>\$ 433,601</u>	<u>\$ 319,228</u>	<u>\$ 5,560</u>	<u>\$ 96,533</u>

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 Statements of Cash Flows
Years Ended June 30, 2015 and 2014

	2015	2014
Cash Flows from Operating Activities		
Change in net assets	\$ 15,336	\$ (463,978)
Adjustment to reconcile changes in net assets to net cash from (used for) operating activities		
Depreciation and amortization	463,491	462,102
(Gain) loss on disposition of property and equipment	3,359	(635)
Change in discount on promises to give	1,200	2,000
Change in allowance for doubtful accounts	(26,243)	(18,000)
Changes in operating assets and liabilities		
Accounts receivable	379,757	(467,099)
Other receivable	35,316	(40,537)
Promises to give	76,743	85,720
Prepaid expenses and other assets	121,394	(33,322)
Inventory	26,084	(7,592)
Accounts payable and accrued expenses	(296,230)	56,962
Net Cash from (used for) Operating Activities	800,207	(424,379)
Cash Flows from Investing Activities		
Purchase of property and equipment	(301,599)	(696,328)
Proceeds from sale of property and equipment	500	2,730
Increase in restricted cash	27,065	(32,959)
Net Cash from (used for) investing Activities	(274,034)	(726,557)
Cash Flows from Financing Activities		
Principal payments on notes payable	(89,076)	(88,874)
Net Cash from (used for) Financing Activities	(89,076)	(88,874)
Net Change in Cash and Cash Equivalents	437,097	(1,239,810)
Cash and Cash Equivalents, Beginning of the Year	1,836,278	3,076,088
Cash and Cash Equivalents, End of the Year	\$ 2,273,375	\$ 1,836,278
Supplemental Disclosures		
Cash paid for interest	\$ 83,173	\$ 93,893
Supplemental Disclosures for non-cash transactions:		
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 fourteen 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 services - 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

Accounts receivable consist primarily of noninterest-bearing amounts due from the State of Colorado. Management determines the allowance for uncollectable accounts receivable based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Accounts receivable are written off when deemed uncollectable. At June 30, 2015 and 2014, the allowance was \$30,200 and \$14,300, 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 June 30, 2015 and 2014, the allowance for doubtful accounts was \$1,500 and \$1,100, respectively.

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, 2015 and 2014.

Assets Held for Sale

Assets held for sale are carried at net book value as the expected selling price exceeds this amount. If the expected selling price were lower than net book value, the carrying value would be reduced by an impairment charge.

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, 2015 and 2014.

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 as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements 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, 2015 and 2014, 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 contributions of such goods or services were received during the years ended June 30, 2015 and 2014.

Advertising

Advertising costs are expensed as incurred, and total \$68,847 and \$72,782 during the years ended June 30, 2015 and 2014, respectively.

Functional Allocation 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. The entities' Forms 990 and other income tax filings required by state, local, or non-U.S. tax authorities are no longer subject to tax examination for years before 2012.

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.

Note 2 - Fees and Grants from Governmental Agencies

Amounts due from governmental agencies are as follows at June 30, 2015 and 2014:

	2015	2014
State of Colorado		
General Fund	\$ 289,810	\$ 186,404
Medicaid, net of billing allowance	415,197	889,189
Other	29,909	39,099
	734,916	1,114,692
Mesa County	267,956	267,937
Total	\$ 1,002,872	\$ 1,382,629

Note 3 - Restricted Cash

Restricted cash for DDH's HUD operations consists of cash restricted of \$32,907 and \$29,958 as of June 30, 2015 and 2014, respectively.

Restricted cash for Strive consists of cash restricted as collateral for a note payable of \$0 and \$30,014 as of June 30, 2015 and 2014, respectively.

Note 4 - Promises to Give

Unconditional promises to give are estimated to be collected as follows at June 30, 2015 and 2014:

	2015	2014
Within one year	\$ 21,200	\$ 57,900
In one to five years	10,000	26,200
	31,200	84,100
Less discount to present value (at 3.25%)	(300)	(1,500)
	\$ 30,900	\$ 82,600

At June 30, 2015 and 2014, three donors accounted for 97% and 77% of total promises to give, respectively.

Note 5 - Property and Equipment

Property and equipment consist of the following at June 30, 2015 and 2014:

	2015	2014
Land	\$ 935,047	\$ 1,007,047
Building and improvements	7,806,221	8,017,520
Furniture and equipment	964,181	1,188,738
Vehicles	1,259,743	1,255,517
	10,965,192	11,468,822
Less accumulated depreciation and amortization	(5,068,404)	(5,116,930)
Total	\$ 5,896,788	\$ 6,351,892

Assets held for sale as of June 30, 2015 consist of three buildings and parcels of land previously used as group homes. Subsequent to year end, Strive sold one of the properties and entered into a lease-to-sell agreement on another. See details at Note 13.

Note 6 - Notes Payable

Notes payable consist of the following:

	2015	2014
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.	\$ 1,660,111	\$ 1,733,379
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.	170,415	174,791
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.	319,398	330,830
	2,149,924	2,239,000
Current portion of notes payable	93,256	89,027
Long-term portion of notes payable	\$ 2,056,668	\$ 2,149,973

Future maturities of notes payable are as follows:

<u>Years Ending June 30,</u>	
2016	93,256
2017	96,689
2018	102,605
2019	107,699
2020	112,877
Thereafter	1,636,798
Total	\$ 2,149,924

Note 7 - Lease Commitments

Strive leases building space and residential facilities on a month-to-month basis and also has a non-cancelable operating lease for a retail store expiring in 2019.

Rental expense for property under operating leases was \$65,666 and \$77,698 for the years ended June 30, 2015 and 2014.

Future minimum lease payments for the non-cancelable operating lease are as follows:

Years ending June 30,			
2016	\$	30,504	
2017		31,004	
2018		31,604	
2019		5,284	
		98,396	\$
		98,396	

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 \$82,849 and \$101,799 for the years ended June 30, 2015 and 2014, respectively.

Note 9 - Deferred Compensation

In August 2007, Strive entered into a deferred compensation agreement with a key executive. The agreement provided for certain postretirement benefits, contingent on certain conditions. All plan assets were distributed during the year ended June 30, 2015. Strive recorded a liability and asset \$119,100 related to this agreement as of June 30, 2014.

Note 10 - Self-Insured Employee Health Plan

Strive’s employee health benefit coverage consists of a self-insured medical plan. As of June 30, 2015 and 2014 Strive has recorded a liability of approximately \$39,000 and \$42,000, respectively, which represents the estimated amount of medical claims incurred but not reported as of year-end. This liability is 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 \$993,000 as of June 30, 2015.

Note 11 - Temporarily Restricted Net Assets

Temporarily restricted net assets as of June 30, 2015 and 2014 consist of the following:

	<u>2015</u>	<u>2014</u>
Purpose restricted		
Residential services	\$ 34,451	\$ 37,880
Children's extensive support	20,000	30,000
Family support services	20,422	24,819
Parenting Place	17,123	2,000
Home health services	2,076	1,612
Supported employment	1,334	-
Early intervention	7,591	7,591
Time restricted	<u>267,956</u>	<u>267,937</u>
	<u>\$ 370,953</u>	<u>\$ 371,839</u>

Net assets were released from restrictions as follows during the years ended June 30, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Satisfaction of purpose restrictions		
Family support services	\$ 35,218	\$ 41,957
Autism services	16,191	23,703
Residential services	30,957	20,471
Parenting place	7,327	10,500
Children's extensive support	10,500	10,000
Early intervention	2,424	9,660
Supported employment	1,691	8,343
Home health services	2,532	4,715
	<u>\$ 106,840</u>	<u>129,349</u>
Expiration of time restrictions	<u>267,937</u>	<u>273,170</u>
	<u>\$ 374,777</u>	<u>\$ 402,519</u>

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 \$692,416 and \$715,602 at June 30, 2015 and 2014, respectively. If payable, the advance would bear interest at the rate of 6.0% per annum. Accrued interest through June 30, 2015 and 2014 totaling approximately \$526,031 and \$489,190 respectively, is not recorded as a liability in the financial statements as 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, 2015 and 2014. 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, 2015 the termination cost per the agreement is \$1,571,790.

Note 13 - Subsequent Events

Strive has evaluated subsequent events through September 30, 2015, the date the financial statements were available to be issued.

On August 5, 2015, Strive sold a building and parcel of land for \$185,000. The assets had a net book value of approximately \$40,600 as of June 30, 2015.

On June 1, 2015, Strive entered into a lease-for-sale agreement to dispose of a building and parcel of land. Agreement terms include various deadlines during the coming months with closing set for May 31, 2016 at a price of \$250,000. The assets had a net book value of approximately \$238,000 as of June 30, 2015. As all terms of the agreement have not been met as of June 30, 2015 the sale of this property has not been reflected in the accompanying financial statements.



Supplementary Information
June 30, 2015 and 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 years ended June 30, 2015 and 2014 and our report thereon dated September 30, 2015, 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 25 to 32 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
September 30, 2015

Mesa Developmental Services
 dba Strive Colorado
 Schedule of Case Management Services
 Year Ended June 30, 2015

	<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			
State PASARR and Special Purpose	\$ -	\$ 100,520	\$ 100,520
Adult supported living	-	50,738	50,738
Children and families	-	75,055	75,055
Medicaid			
Comprehensive	903,819	-	903,819
Adult supported living	290,293	-	290,293
Children Extensive Support	47,353	-	47,353
Children and families	144,998		144,998
Part C IDEA	-	7,862	7,862
Grants and other	-	6,274	6,274
Total fees and grants from governmental agencies	<u>1,386,463</u>	<u>240,449</u>	<u>1,626,912</u>
Expenses			
Salaries			
Direct care	529,386	207,920	737,306
Payroll taxes	51,743	20,323	72,066
Employee benefits	68,531	26,916	95,447
Total personnel services	<u>649,660</u>	<u>255,159</u>	<u>904,819</u>
Other professional services	16,430	6,453	22,883
Legal services	-	2,545	2,545
Staff development	2,369	930	3,299
Staff travel	10,918	4,288	15,206
Occupancy			
Maintenance	4,897	1,924	6,821
Utilities	4,875	1,914	6,789
Supplies - other	18,285	7,181	25,466
Telephone	6,608	2,596	9,204
Dues and subscriptions	2,448	961	3,409
Taxes, licenses, fees	34	14	48
Insurance	7,622	2,994	10,616
Interest	3,013	1,184	4,197
Other	51	20	71
Bad debts	4,028	1,582	5,610
Total direct program expenses	<u>731,238</u>	<u>289,745</u>	<u>1,020,983</u>
Depreciation	<u>20,297</u>	<u>7,972</u>	<u>28,269</u>
Total expenses	<u>751,535</u>	<u>297,717</u>	<u>1,049,252</u>
Income (loss) before allocated management and general	<u>\$ 634,928</u>	<u>\$ (57,268)</u>	<u>\$ 577,660</u>

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

	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	\$ -	\$ 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>
Purchased services	-	-	-
Total program expenses before depreciation	<u>682,149</u>	<u>252,301</u>	<u>934,450</u>
Depreciation	17,927	6,631	24,558
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
 Schedule of Case Management Services
 Year Ended June 30, 2015

	Targeted Case Management	Other Case Management	Total
Statistical Data (Unaudited)			
Unduplicated number of individuals	610	239	849
Cost per client served	\$ 1,232	\$ 1,235	\$ 1,236
Full-time equivalents	\$ 15.15	\$ 5.95	\$ 21.10

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

	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
 Consolidating Schedule of Financial Position
 June 30, 2015

Assets	Mesa Developmental Services	DD Housing, Inc.	Eliminations	Consolidated
Current Assets				
Cash and cash equivalents	\$ 2,263,946	\$ 9,429	\$ -	\$ 2,273,375
Accounts receivable				
Fees and grants from governmental agencies, net	1,002,872	-	-	1,002,872
Other	155,633	-	(36,322)	119,311
Promises to give, net	21,200	-	-	21,200
Inventory	21,443	-	-	21,443
Prepaid expenses and other assets	63,071	-	-	63,071
Total current assets	<u>3,528,165</u>	<u>9,429</u>	<u>(36,322)</u>	<u>3,501,272</u>
Restricted cash	-	32,907	-	32,907
Promises to give, net	9,700	-	-	9,700
Assets held for sale, net	289,353	-	-	289,353
Property and equipment, net	5,204,372	692,416	-	5,896,788
Total assets	<u>\$ 9,031,590</u>	<u>\$ 734,752</u>	<u>\$ (36,322)</u>	<u>\$ 9,730,020</u>
Liabilities and Net Assets				
Current Liabilities				
Accounts payable and accrued liabilities	\$ 1,155,732	\$ 36,322	\$ (36,322)	\$ 1,155,732
Notes payable	93,256	-	-	93,256
Total current liabilities	<u>1,248,988</u>	<u>36,322</u>	<u>(36,322)</u>	<u>1,248,988</u>
Long-Term Liabilities				
Notes payable, net of current portion	2,056,668	-	-	2,056,668
Total liabilities	<u>3,305,656</u>	<u>36,322</u>	<u>(36,322)</u>	<u>3,305,656</u>
Net Assets				
Unrestricted				
Investment in property and equipment, net	2,765,095	692,416	-	3,457,511
Undesignated	2,589,886	6,014	-	2,595,900
Total unrestricted	<u>5,354,981</u>	<u>698,430</u>	<u>-</u>	<u>6,053,411</u>
Temporarily restricted	370,953	-	-	370,953
Total net assets	<u>5,725,934</u>	<u>698,430</u>	<u>-</u>	<u>6,424,364</u>
Total liabilities and net assets	<u>\$ 9,031,590</u>	<u>\$ 734,752</u>	<u>\$ (36,322)</u>	<u>\$ 9,730,020</u>

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

Assets	Mesa Developmental Services	DD Housing, Inc.	Eliminations	Consolidated
Current Assets				
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>
Liabilities and Net Assets				
Current Liabilities				
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>
Long-Term Liabilities				
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>
Net Assets				
Unrestricted				
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 Schedule of Activities
 Year Ended June 30, 2015

	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	\$ 788,955	\$ -	\$ -	\$ 788,955
Case management	125,793	-	-	125,793
Management and general	137,845	-	-	137,845
Special purpose	124,501	-	-	124,501
Medicaid	13,674,231	-	-	13,674,231
Part C	115,897	-	-	115,897
Grants and other				
County	535,913	-	-	535,913
U.S. Department of Housing and Urban Development	3,590	36,758	-	40,348
Vocational rehabilitation grant	23,398	-	-	23,398
	<u>15,530,123</u>	<u>36,758</u>	<u>-</u>	<u>15,566,881</u>
Residential room and board	993,528	39,342	-	1,032,870
Public support- contributions	232,232	175,263	(175,263)	232,232
Retail and service contract	227,122	-	-	227,122
Private pay and private health insurance	285,371	-	-	285,371
Food stamps	17,159	-	-	17,159
Other revenue	85,956	17	-	85,973
Total support and revenue	<u>17,371,491</u>	<u>251,380</u>	<u>(175,263)</u>	<u>17,447,608</u>
Expenses				
Program services				
Residential services	9,216,591	94,318	-	9,310,909
Supported employment	2,007,580	-	-	2,007,580
Case management	855,175	-	-	855,175
Early intervention	470,582	-	-	470,582
Early intervention case management	194,076	-	-	194,076
Transportation services	480,192	-	-	480,192
Medicaid supported living services	692,217	-	-	692,217
Behavioral services	605,792	-	-	605,792
State supported living services	370,800	-	-	370,800
Home health services	4,360	-	-	4,360
Family support services	221,922	-	-	221,922
Autism services	6,602	-	-	6,602
Children's extensive support	299,087	-	-	299,087
Parenting place	96,929	-	-	96,929
Elderly, blind, and disabled	58,666	-	-	58,666
Adult activities	2,131	-	-	2,131
Total program services	<u>15,582,702</u>	<u>94,318</u>	<u>-</u>	<u>15,677,020</u>
Supporting services				
Public relations and fundraising	169,497	-	-	169,497
Management and General	1,761,018	-	(175,263)	1,585,755
Total expenses	<u>17,513,217</u>	<u>94,318</u>	<u>(175,263)</u>	<u>17,432,272</u>
Change in Net Assets	(141,726)	157,062	-	15,336
Net Assets, Beginning of Year	<u>5,867,660</u>	<u>541,368</u>	<u>-</u>	<u>6,409,028</u>
Net Assets, End of Year	<u>\$ 5,725,934</u>	<u>\$ 698,430</u>	<u>\$ -</u>	<u>\$ 6,424,364</u>

Mesa Developmental Services
 dba Strive Colorado
 Consolidating Schedule 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 events	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>