



Consolidated Financial Statements  
June 30, 2016 and 2015

**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, 2016 and 2015, 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 audits. We conducted our audits 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, 2016 and 2015, and the changes in its net assets, functional expenses and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## **Report on Supplementary Information**

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.

*Eide Sully LLP*

Greenwood Village, Colorado  
September 27, 2016

Mesa Developmental Services  
dba Strive Colorado  
Consolidated Statements of Financial Position  
June 30, 2016 and 2015

	2016	2015
Assets		
Current Assets		
Cash and cash equivalents	\$ 2,148,731	\$ 2,164,255
Accounts receivable		
Fees and grants from governmental agencies, net	1,065,832	1,002,872
Other	263,971	119,311
Promises to give, net	9,900	21,200
Inventory	21,415	21,443
Prepaid expenses and other assets	138,985	63,071
Total current assets	3,648,834	3,392,152
Restricted cash	111,551	142,027
Promises to give, net	-	9,700
Assets held for sale, net	268,036	289,353
Construction in process	107,860	-
Property and equipment, net	5,536,062	5,896,788
Total assets	\$ 9,672,343	\$ 9,730,020
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 935,205	\$ 1,155,732
Notes payable	76,859	93,256
Total current liabilities	1,012,064	1,248,988
Long-Term Liabilities		
Notes payable, net of current portion	1,506,366	2,056,668
Total liabilities	2,518,430	3,305,656
Net Assets		
Unrestricted		
Undesignated	3,238,865	2,595,900
Invested in property and equipment, net of related debt	3,576,941	3,457,511
Total unrestricted	6,815,806	6,053,411
Temporarily restricted	338,107	370,953
Total net assets	7,153,913	6,424,364
Total liabilities and net assets	\$ 9,672,343	\$ 9,730,020

Mesa Developmental Services  
dba Strive Colorado  
Consolidated Statement of Activities  
Year Ended June 30, 2016

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Fees and Grants from Governmental Agencies			
Fees for services			
State of Colorado			
State General Fund			
Support services	\$ 771,071	\$ -	\$ 771,071
Case management	128,117	-	128,117
Management and general	118,814	-	118,814
Special purpose	72,937	-	72,937
Medicaid	13,881,414	-	13,881,414
Part C	157,781	-	157,781
Grants and other			
Mesa County	269,456	267,957	537,413
U.S. Department of Housing and Urban Development	4,815	-	4,815
State of Colorado	129,076	-	129,076
Vocational rehabilitation grant	18,142	-	18,142
	<u>15,551,623</u>	<u>267,957</u>	<u>15,819,580</u>
Residential room and board	1,053,106	-	1,053,106
Public support - contributions	165,882	78,502	244,384
Retail and service contract	189,552	-	189,552
Private pay and private health insurance	351,659	-	351,659
Food stamps	13,394	-	13,394
Other revenue	151,034	-	151,034
Gain on sale of property	567,597	-	567,597
Net assets released from restrictions			
Satisfaction of time restrictions	267,956	(267,956)	-
Satisfaction of purpose restrictions	91,349	(91,349)	-
Total support, revenue and gains	<u>18,403,152</u>	<u>(12,846)</u>	<u>18,390,306</u>
Expenses and losses			
Program services			
Residential services	9,208,665	-	9,208,665
Supported employment	2,124,959	-	2,124,959
Case management	1,029,378	-	1,029,378
Early intervention	353,567	-	353,567
Early intervention case management	238,712	-	238,712
Transportation services	476,426	-	476,426
Medicaid supported living services	808,506	-	808,506
Behavioral services	360,269	-	360,269
State supported living services	316,489	-	316,489
Home health services	25,320	-	25,320
Family support services	227,053	-	227,053
Autism services	251,103	-	251,103
Children's extensive support	263,175	-	263,175
Parenting place	61,280	-	61,280
Elderly, blind, and disabled	3,316	-	3,316
Independent living arrangement services	72,187	-	72,187
Adult events	35	-	35
Total program services	<u>15,820,440</u>	<u>-</u>	<u>15,820,440</u>
Supporting services			
Management and general	1,643,199	-	1,643,199
Public relations and fundraising	177,111	-	177,111
Total supporting services expenses	<u>1,820,310</u>	<u>-</u>	<u>1,820,310</u>
Loss on uncollectable promises to give	-	20,000	20,000
Total expenses and losses	<u>17,640,750</u>	<u>20,000</u>	<u>17,660,750</u>
Change in Net Assets	762,402	(32,846)	729,556
Net Assets, Beginning of Year	6,053,404	370,953	6,424,357
Net Assets, End of Year	<u>\$ 6,815,806</u>	<u>\$ 338,107</u>	<u>\$ 7,153,913</u>

See Notes to Consolidated Financial Statements

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

	Unrestricted	Temporarily Restricted	2015 Total
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
	15,298,925	267,956	15,566,881
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	17,448,494	(886)	17,447,608
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	15,677,020	-	15,677,020
Supporting services			
Management and general	1,585,755	-	1,585,755
Public relations and fundraising	169,497	-	169,497
Total expenses	17,432,272	-	17,432,272
Change in Net Assets	16,222	(886)	15,336
Net Assets, Beginning of Year	6,037,189	371,839	6,409,028
Net Assets, End of Year	\$ 6,053,411	\$ 370,953	\$ 6,424,364

Mesa Developmental Services  
dba Strive Colorado  
Consolidated Statement of Functional Expenses  
Year Ended June 30, 2016

	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	Crisis Center
Salaries and wages	\$ 4,405,612	\$ 1,512,162	\$ 711,028	\$ 229,940	\$ 168,469	\$ 101,564	\$ 519,778	\$ 275,818	\$ 62,406	\$ 3,790
Payroll taxes	441,962	153,708	67,157	24,276	15,156	9,275	49,554	29,185	9,630	25
Employee benefits	494,624	135,916	98,316	14,680	18,716	5,995	71,821	26,823	13,956	669
Host home	2,644,952	-	-	-	-	-	-	-	-	-
Medical professional services	56,934	-	1,795	24,112	-	-	35,812	24,306	7,160	-
Professional services	39,374	17,204	13,652	14,333	-	-	14,604	1,231	7,806	20,000
Training and development	1,602	25	4,481	525	-	-	468	119	91	-
Travel	33,034	8,048	13,710	16,430	2,357	31	36,696	4,101	7,130	631
Vehicles	8	-	65	-	-	203,635	41	-	8	-
Occupancy	397,364	128,226	105,836	21,984	32,476	13	34,876	4,826	6,777	-
Supplies	171,256	176,737	7,550	723	317	741	12,952	750	2,518	-
Telephone	35,165	10,368	4,520	2,832	1,221	56	3,361	1,173	653	205
Dues and subscriptions	2,217	497	-	50	-	-	-	99	-	-
Food	299,449	24	-	-	-	-	109	-	21	-
Interest	42,980	11,760	-	-	-	-	-	-	-	-
Depreciation	123,648	52,484	-	553	-	70,606	-	-	-	-
Purchased services	-	-	-	-	-	-	-	-	62,537	-
Assistive tech and modifications	195	-	-	2,686	-	-	11,380	-	1,178	-
Insurance	10,177	3,313	-	-	-	-	-	-	-	-
Other	8,112	14,609	1,268	443	-	92,760	17,054	1,440	16,644	-
	9,208,665	2,225,081	1,029,378	353,567	238,712	484,676	808,506	369,871	198,515	25,320
Inter-program allocations	-	(100,122)	-	-	-	(8,250)	-	(9,602)	117,974	-
Total expenses included in the expense section on the statement of activities	<u>\$ 9,208,665</u>	<u>\$ 2,124,959</u>	<u>\$ 1,029,378</u>	<u>\$ 353,567</u>	<u>\$ 238,712</u>	<u>\$ 476,426</u>	<u>\$ 808,506</u>	<u>\$ 360,269</u>	<u>\$ 316,489</u>	<u>\$ 25,320</u>



Mesa Developmental Services  
dba Strive Colorado  
Consolidated Statement of Functional Expenses  
Year Ended June 30, 2016

Program Services

	Autism services	Children's extensive support	Parenting place	Elderly, blind, and disabled	Independent living arrangement services	Adult activities	Total	Management and General	Public Relations and Fundraising	Total
Salaries and wages	\$ 46,333	\$ 134,645	\$ 16,382	\$ 750	\$ 45,137	\$ -	\$ 8,256,078	\$ 880,538	\$ 67,074	\$ 9,203,690
Payroll taxes	4,573	12,911	1,579	242	4,035	-	826,597	114,089	7,268	947,954
Employee benefits	8,911	16,777	944	968	3,655	-	914,736	124,806	8,478	1,048,020
Host home	-	-	-	-	-	-	2,644,952	-	-	2,644,952
Medical professional services	74,226	34,955	820	-	-	-	346,342	-	-	346,342
Professional services	28,811	19,624	16,859	-	339	35	276,075	245,644	12,026	533,745
Training and development	37,706	1,396	159	-	115	-	46,872	38,815	551	86,238
Travel	1,804	6,490	110	1,301	686	-	133,419	8,978	60	142,457
Vehicles	-	-	-	-	-	-	203,757	17	-	203,774
Occupancy	39,470	10,584	9,070	-	12,901	-	804,403	(286,794)	11,124	528,733
Supplies	8,272	2,363	5,023	-	1,695	-	391,263	106,308	23,361	520,932
Telephone	134	1,519	2,111	-	302	-	63,707	22,828	720	87,255
Dues and subscriptions	180	-	-	-	-	-	3,043	31,215	1,170	35,428
Food	-	716	-	55	3,090	-	303,464	-	-	303,464
Interest	-	-	-	-	-	-	54,740	25,086	-	79,826
Depreciation	462	-	7,168	-	-	-	254,921	164,821	-	419,742
Purchased services	-	-	-	-	-	-	62,537	-	-	62,537
Assistive tech and modifications	-	20,961	-	-	-	-	60,473	-	-	60,473
Insurance	-	-	667	-	-	-	14,157	60,009	-	74,166
Other	221	234	388	-	232	-	158,904	106,839	45,279	311,022
	251,103	263,175	61,280	3,316	72,187	35	15,820,440	1,643,199	177,111	17,640,750
Inter-program allocations	-	-	-	-	-	-	-	-	-	-
Total expenses included in the expense section on the statement of activities	\$ 251,103	\$ 263,175	\$ 61,280	\$ 3,316	\$ 72,187	\$ 35	\$ 15,820,440	\$ 1,643,199	\$ 177,111	\$ 17,640,750

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
	9,310,909	2,085,674	855,175	470,582	194,076	527,163	692,217	605,792	245,735	4,360	221,922
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								Total
	Autism services	Children's extensive support	Parenting place	Elderly, blind, and disabled	Adult activities	Management and General	Public Relations and Fundraising		
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 Statements of Cash Flows  
Years Ended June 30, 2016 and 2015

	2016	2015
Cash Flows from Operating Activities		
Change in net assets	\$ 729,556	\$ 15,336
Adjustment to reconcile changes in net assets to net cash from (used for) operating activities		
Depreciation	419,742	455,613
(Gain) loss on disposition of property and equipment	(567,597)	3,359
Change in discount on promises to give	300	1,200
Changes in operating assets and liabilities		
Accounts receivable	(62,960)	353,514
Other receivable	(144,660)	35,316
Promises to give, net	20,700	76,743
Inventory	28	26,084
Prepaid expenses and other assets	(75,914)	121,394
Accounts payable and accrued liabilities	(220,530)	(296,230)
Net Cash from (used for) Operating Activities	98,665	792,329
Cash Flows from Investing Activities		
Purchases of property and equipment	(333,032)	(293,721)
Proceeds from sale of property and equipment	258,233	500
Change in restricted cash	30,476	(82,055)
Net Cash from (used for) investing Activities	(44,323)	(375,276)
Cash Flows from Financing Activities		
Principal payments on notes payable	(69,866)	(89,076)
Net Cash from (used for) Financing Activities	(69,866)	(89,076)
Net Change in Cash and Cash Equivalents	(15,524)	327,977
Cash and Cash Equivalents, Beginning of the Year	2,164,255	1,836,278
Cash and Cash Equivalents, End of the Year	\$ 2,148,731	\$ 2,164,255
Supplemental Disclosures		
Cash paid for interest	\$ 78,382	\$ 83,173
Proceeds from sale of assets to repay outstanding debt	\$ 496,833	\$ -

## **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 individuals 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 support, 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.

Independent Living Arrangement Services includes services and support tailored around the residential assistance of high needs individuals.

Adult Events 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.

Crisis Care Services is a pilot program sponsored by the State of Colorado that began in June 2016. As participants in the program, Strive provides critical behavioral crisis care for those individuals that have a dual diagnosis of an intellectual and developmental disability and a mental or behavioral health diagnosis.

### **Supporting Services**

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.

Public Relations and Fundraising 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.

### **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 and Mesa County. 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, 2016 and 2015, the allowance was \$33,700 and \$30,200, 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, 2016 and 2015, the allowance for doubtful accounts was \$300.

### **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 net realizable value determined by the first-in first-out method. Management has determined no allowance for inventory obsolescence to be necessary at June 30, 2016 and 2015.

### **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, 2016 and 2015.

## **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 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, 2016 and 2015, 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 public relations and fundraising 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, 2016 and 2015.

### **Advertising**

Advertising costs are expensed as incurred, and totaled \$52,682 and \$68,847 for the years ended June 30, 2016 and 2015, 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.

### **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, 2016 and 2015:

	2016	2015
State of Colorado		
General Fund	\$ 132,450	\$ 289,810
Medicaid, net of billing allowance	633,653	415,197
Other	31,772	29,909
	797,875	734,916
Mesa County	267,957	267,956
Total	\$ 1,065,832	\$ 1,002,872

**Note 3 - Restricted Cash**

Restricted cash for DDH’s HUD operations consists of cash restricted of \$35,857 and \$32,907 as of June 30, 2016 and 2015, respectively.

Restricted cash for Strive consists of cash restricted as collateral for a note payable as well as cash held on behalf of clients of \$75,694 and \$109,120 as of June 30, 2016 and 2015, respectively.

**Note 4 - Promises to Give**

Unconditional promises to give are estimated to be collected as follows at June 30, 2016 and 2015:

	2016	2015
Within one year	\$ 10,200	\$ 21,200
In one to five years	-	10,000
	10,200	31,200
Less allowance for uncollectible accounts	(300)	(300)
	\$ 9,900	\$ 30,900

At June 30, 2016 and 2015, two donors accounted for 100% and 33% of total promises to give, respectively.

**Note 5 - Property and Equipment**

Property and equipment consists of the following at June 30, 2016 and 2015:

	2016	2015
Land	\$ 900,047	\$ 935,047
Building and improvements	7,505,259	7,806,221
Furniture and equipment	1,015,968	964,181
Vehicles	1,241,369	1,259,743
	10,662,643	10,965,192
Less accumulated depreciation	(5,126,577)	(5,068,404)
Total	\$ 5,536,066	\$ 5,896,788

Assets held for sale as of June 30, 2016 consist of two buildings and parcels of land previously used as group homes. Subsequent to year end, Strive sold one of the properties. See details at Note 12.

**Note 6 - Notes Payable**

Notes payable consist of the following:

	2016	2015
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.	\$ 1,583,225	\$ 1,660,111
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
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
Current portion of notes payable	1,583,225 76,859	2,149,924 93,256
Long-term portion of notes payable	\$ 1,506,366	\$ 2,056,668

Future maturities of notes payable are as follows:

Years Ending June 30,	
2017	\$ 76,859
2018	111,805
2019	114,918
2020	118,068
2021	121,454
Thereafter	1,040,121
Total	\$ 1,583,225

Subsequent to year end the organization refinanced its outstanding note payable. See details at Note 12.

**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 \$81,414 and \$65,666 for the years ended June 30, 2016 and 2015, respectively.

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

Years ending June 30,		
2017	\$	57,339
2018		31,604
2019		5,284
	\$	94,227

**Note 8 - Retirement Plan**

Strive has adopted a tax deferred annuity plan in which all employees are eligible to participate. The Plan includes mandatory contributions in which Strive matches employee contributions up to 3% of the employee’s gross salary after two years of employment. The retirement plan expense totaled \$72,422 and \$82,849 for the years ended June 30, 2016 and 2015, respectively.

**Note 9 - Self-Insured Employee Health Plan**

Strive’s employee health benefit coverage consists of a self-insured medical plan. As of June 30, 2016 and 2015 Strive has recorded a liability of approximately \$76,000 and \$39,000, 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 \$1,217,000 as of June 30, 2016.

**Note 10 - Temporarily Restricted Net Assets**

Temporarily restricted net assets as of June 30, 2016 and 2015 consist of the following:

	<u>2016</u>	<u>2015</u>
Purpose restricted		
Residential services	\$ 24,392	\$ 34,451
Children's extensive support	500	20,000
Family support services	22,481	20,422
Parenting Place	12,213	17,123
Home health services	482	2,076
Supported employment	2,491	1,334
Early intervention	7,591	7,591
Time restricted	<u>267,957</u>	<u>267,956</u>
	<u>\$ 338,107</u>	<u>\$ 370,953</u>

Net assets were released from restrictions as follows during the years ended June 30, 2016 and 2015:

	<u>2016</u>	<u>2015</u>
Satisfaction of purpose restrictions		
Family support services	\$ 13,340	\$ 35,218
Autism services	200	16,191
Residential services	27,844	30,957
Parenting place	19,910	7,327
Children's extensive support	-	10,500
Early intervention	-	2,424
Supported employment	-	1,691
Home health services	2,529	2,532
Other	<u>27,526</u>	<u>-</u>
	<u>\$ 91,349</u>	<u>106,840</u>
Expiration of time restrictions	<u>267,956</u>	<u>267,937</u>
	<u>\$ 359,305</u>	<u>\$ 374,777</u>

## **Note 11 - 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 \$669,229 and \$692,416 at June 30, 2016 and 2015, respectively. If payable, the advance would bear interest at the rate of 6.0% per annum. Accrued interest through June 30, 2016 and 2015 totaling approximately \$557,600 and \$526,031 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 both June 30, 2016 and 2015. 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 Investment Partnerships Program (HOME) grant funds as of June 30, 2016 and 2015. 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 grant funds as of June 30, 2016 and 2015. 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, 2016 the termination cost per the agreement is \$1,428,900.

#### **Note 12 - Subsequent Events**

In July 2016, Strive refinanced its outstanding note payable (\$1,583,225 at June 30, 2016). The note has an original principal balance of \$1,530,000 and requires monthly payments of \$12,503, including interest, through August 2028 at a fixed interest rate of 2.75%. The note is secured by the first Deed of Trust on Strive's administrative office building.

On August 22, 2016, Strive sold land and a building for \$179,000. The assets had a net book value of approximately \$37,000 as of June 30, 2016.

Strive has evaluated subsequent events through September 27, 2016, the date the financial statements were available to be issued.





Supplementary Information  
June 30, 2016 and 2015

# Mesa Developmental Services dba Strive Colorado

Mesa Developmental Services  
dba Strive Colorado  
Schedule of Case Management Services  
Year Ended June 30, 2016

	<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	\$ -	\$ 53,419	\$ 53,419
Adult supported living	-	50,036	50,036
Children and families	-	78,081	78,081
Medicaid			
Comprehensive	1,029,095	-	1,029,095
Adult supported living	337,976	-	337,976
Children Extensive Support	82,328	-	82,328
Children and families	-	101,744	101,744
Part C IDEA	-	19,750	19,750
Grants and other	-	2,307	2,307
Total fees and grants from governmental agencies	<u>1,449,399</u>	<u>305,337</u>	<u>1,754,736</u>
Public support	-	5,254	5,254
Total fees, grants, and support	<u>1,449,399</u>	<u>310,591</u>	<u>1,759,990</u>
Expenses			
Salaries			
Direct care	673,262	229,311	902,573
Payroll taxes	61,626	21,093	82,719
Employee benefits	87,190	29,843	117,033
Total personnel services	<u>822,078</u>	<u>280,247</u>	<u>1,102,325</u>
Other professional services	25,185	8,621	33,806
Staff development	3,338	1,143	4,481
Staff retention	915	313	1,228
Staff travel	11,970	4,097	16,067
Staff screening	25	9	34
Occupancy			
Maintenance	3,981	1,363	5,344
Utilities	6,381	2,184	8,565
Supplies - other	19,960	6,832	26,792
Telephone	7,674	2,626	10,300
Dues and subscriptions	4,632	1,586	6,218
Insurance	9,675	3,311	12,986
Interest	3,808	1,303	5,111
Other	4	2	6
Restricted donations	1,760	603	2,363
Total direct program expenses	<u>921,386</u>	<u>314,240</u>	<u>1,235,626</u>
Depreciation	<u>24,186</u>	<u>8,278</u>	<u>32,464</u>
Total expenses	<u>945,572</u>	<u>322,518</u>	<u>1,268,090</u>
Income (loss) before allocated management and general	<u>\$ 503,827</u>	<u>\$ (11,927)</u>	<u>\$ 491,900</u>

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, 2016

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	<u>Targeted Case Management</u>	<u>Other Case Management</u>	<u>Total</u>
Statistical Data (Unaudited)			
Unduplicated number of individuals	669	229	898
Cost per client served	\$ 1,408	\$ 1,408	\$ 1,408
Full-time equivalents	\$ 17.42	\$ 5.96	\$ 23.38

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

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	<u>Targeted Case Management</u>	<u>Other Case Management</u>	<u>Total</u>
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  
 Consolidating Schedule of Financial Position  
 June 30, 2016

	Mesa Developmental Services	DD Housing, Inc.	Eliminations	Consolidated
<b>Assets</b>				
<b>Current Assets</b>				
Cash and cash equivalents	\$ 2,141,847	\$ 6,884	\$ -	\$ 2,148,731
Accounts receivable				
Fees and grants from governmental agencies, net	1,065,832	-	-	1,065,832
Other	299,019	-	(35,048)	263,971
Promises to give, net	9,900	-	-	9,900
Inventory	21,415	-	-	21,415
Prepaid expenses and other assets	138,985	-	-	138,985
Total current assets	<u>3,676,998</u>	<u>6,884</u>	<u>(35,048)</u>	<u>3,648,834</u>
Restricted cash	75,694	35,857	-	111,551
Promises to give, net	-	-	-	-
Assets held for sale, net	268,036	-	-	268,036
Construction in process	107,860	-	-	107,860
Property and equipment, net	4,866,837	669,225	-	5,536,062
Total assets	<u>\$ 8,995,425</u>	<u>\$ 711,966</u>	<u>\$ (35,048)</u>	<u>\$ 9,672,343</u>
<b>Liabilities and Net Assets</b>				
<b>Current Liabilities</b>				
Accounts payable and accrued liabilities	\$ 935,205	\$ 35,048	\$ (35,048)	\$ 935,205
Notes payable	76,859	-	-	76,859
Total current liabilities	<u>1,012,064</u>	<u>35,048</u>	<u>(35,048)</u>	<u>1,012,064</u>
<b>Long-Term Liabilities</b>				
Notes payable, net of current portion	1,506,366	-	-	1,506,366
Total liabilities	<u>2,518,430</u>	<u>35,048</u>	<u>(35,048)</u>	<u>2,518,430</u>
<b>Net Assets</b>				
<b>Unrestricted</b>				
Undesignated	3,231,172	7,693	-	3,238,865
Invested in property and equipment, net	2,907,716	669,225	-	3,576,941
Total unrestricted	<u>6,138,888</u>	<u>676,918</u>	<u>-</u>	<u>6,815,806</u>
Temporarily restricted	338,107	-	-	338,107
Total net assets	<u>6,476,995</u>	<u>676,918</u>	<u>-</u>	<u>7,153,913</u>
Total liabilities and net assets	<u>\$ 8,995,425</u>	<u>\$ 711,966</u>	<u>\$ (35,048)</u>	<u>\$ 9,672,343</u>

Mesa Developmental Services  
dba Strive Colorado  
Consolidating Schedule of Financial Position  
June 30, 2015

	Mesa Developmental Services	DD Housing, Inc.	Eliminations	Consolidated
<b>Assets</b>				
<b>Current Assets</b>				
Cash and cash equivalents	\$ 2,154,826	\$ 9,429	\$ -	\$ 2,164,255
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>3,419,045</u>	<u>9,429</u>	<u>(36,322)</u>	<u>3,392,152</u>
Restricted cash	109,120	32,907	-	142,027
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>
<b>Liabilities and Net Assets</b>				
<b>Current Liabilities</b>				
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>
<b>Long-Term Liabilities</b>				
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>
<b>Net Assets</b>				
<b>Unrestricted</b>				
Undesignated	2,589,886	6,014	-	2,595,900
Invested in property and equipment, net	2,765,095	692,416	-	3,457,511
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 Activities  
 Year Ended June 30, 2016

	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	\$ 771,071	\$ -	\$ -	\$ 771,071
Case management	128,117	-	-	128,117
Management and general	118,814	-	-	118,814
Special purpose	72,937	-	-	72,937
Medicaid	13,881,414	-	-	13,881,414
Part C	157,781	-	-	157,781
Grants and other				
Mesa County	537,413	-	-	537,413
U.S. Department of Housing and Urban Development	4,815	-	-	4,815
State of Colorado	129,076	-	-	129,076
Vocational rehabilitation grant	18,142	-	-	18,142
	<u>15,819,580</u>	<u>-</u>	<u>-</u>	<u>15,819,580</u>
Residential room and board	975,481	77,625	-	1,053,106
Public support - contributions	244,384	-	-	244,384
Retail and service contract	189,552	-	-	189,552
Private pay and private health insurance	351,659	-	-	351,659
Food stamps	13,394	-	-	13,394
Other revenue	151,016	18	-	151,034
Gain on sale of property	567,597	-	-	567,597
Total revenue, support, and gains	<u>18,312,663</u>	<u>77,643</u>	<u>-</u>	<u>18,390,306</u>
Expenses and losses				
Program services				
Residential services	9,133,798	74,867	-	9,208,665
Supported employment	2,124,959	-	-	2,124,959
Case management	1,029,378	-	-	1,029,378
Early intervention	353,567	-	-	353,567
Early intervention case management	238,712	-	-	238,712
Transportation services	476,426	-	-	476,426
Medicaid supported living services	808,506	-	-	808,506
Behavioral services	360,269	-	-	360,269
State supported living services	316,489	-	-	316,489
Home health services	25,320	-	-	25,320
Family support services	227,053	-	-	227,053
Autism services	251,103	-	-	251,103
Children's extensive support	263,175	-	-	263,175
Parenting place	61,280	-	-	61,280
Elderly, blind, and disabled	3,316	-	-	3,316
Independent living arrangement services	72,187	-	-	72,187
Adult activities	35	-	-	35
Total program services	<u>15,745,573</u>	<u>74,867</u>	<u>-</u>	<u>15,820,440</u>
Supporting services				
Management and general	1,618,918	24,281	-	1,643,199
Public relations and fundraising	177,111	-	-	177,111
Total supporting services	<u>1,796,029</u>	<u>24,281</u>	<u>-</u>	<u>1,820,310</u>
Loss on uncollectable promises to give	20,000	-	-	20,000
Total expenses and losses	<u>17,561,602</u>	<u>99,148</u>	<u>-</u>	<u>17,660,750</u>
Change in Net Assets	751,061	(21,505)	-	729,556
Net Assets, Beginning of Year	<u>5,725,934</u>	<u>698,423</u>	<u>-</u>	<u>6,424,357</u>
Net Assets, End of Year	<u>\$ 6,476,995</u>	<u>\$ 676,918</u>	<u>\$ -</u>	<u>\$ 7,153,913</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 events	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				
Management and general	1,761,018	-	(175,263)	1,585,755
Public relations and fundraising	169,497	-	-	169,497
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>541,361</u>	<u>-</u>	<u>6,409,021</u>
Net Assets, End of Year	<u>\$ 5,725,934</u>	<u>\$ 698,423</u>	<u>\$ -</u>	<u>\$ 6,424,357</u>