



Consolidated Financial Statements
June 30, 2017 and 2016

**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, 2017 and 2016, 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 consolidated 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, 2017 and 2016, 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 23 to 29 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 on pages 24 to 29 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.

The image shows a handwritten signature in cursive script that reads "Eide Bailly LLP". The signature is written in black ink and is positioned to the left of the date and location text.

Denver, Colorado
September 26, 2017

Mesa Developmental Services
dba Strive Colorado
Consolidated Statements of Financial Position
June 30, 2017 and 2016

	2017	2016
Assets		
Current Assets		
Cash and cash equivalents	\$ 3,360,242	\$ 2,148,731
Accounts receivable		
Fees and grants from governmental agencies, net	1,264,978	1,065,832
Other	282,772	263,971
Promises to give, net	-	9,900
Inventory	17,602	21,415
Prepaid expenses and other assets	86,786	138,985
Total current assets	5,012,380	3,648,834
Restricted cash	112,895	111,551
Assets held for sale, net	99,149	268,036
Construction in process	-	107,860
Property and equipment, net	5,251,855	5,536,062
Total assets	\$ 10,476,279	\$ 9,672,343
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 955,642	\$ 935,205
Deferred revenue	221,590	-
Notes payable	110,053	76,859
Total current liabilities	1,287,285	1,012,064
Long-Term Liabilities		
Notes payable, net of current portion	1,303,134	1,506,366
Total liabilities	2,590,419	2,518,430
Net Assets		
Unrestricted		
Undesignated	3,719,915	3,238,865
Invested in property and equipment, net of related debt	3,838,668	3,576,941
Total unrestricted	7,558,583	6,815,806
Temporarily restricted	327,277	338,107
Total net assets	7,885,860	7,153,913
Total liabilities and net assets	\$ 10,476,279	\$ 9,672,343

Mesa Developmental Services
dba Strive Colorado
Consolidated Statement of Activities
Year Ended June 30, 2017

	Unrestricted	Temporarily Restricted	Total
Fees and Grants from Governmental Agencies			
Fees for services			
State of Colorado			
State General Fund			
Support services	\$ 832,064	\$ -	\$ 832,064
Case management	133,772	-	133,772
Management and general	148,427	-	148,427
Special purpose	57,991	-	57,991
Medicaid	13,140,918	-	13,140,918
Part C	213,459	-	213,459
QA/UR	255,954	-	255,954
Grants and other			
Mesa County	-	535,913	535,913
State of Colorado	723,531	-	723,531
	15,506,116	535,913	16,042,029
Residential room and board	1,014,796	-	1,014,796
Public support - contributions	118,863	87,092	205,955
Retail and service contract	167,971	-	167,971
Private pay and private health insurance	323,506	-	323,506
Other revenue	84,457	-	84,457
Gain on sale of property	115,273	-	115,273
Net assets released from restrictions			
Satisfaction of time restrictions	535,913	(535,913)	-
Satisfaction of purpose restrictions	97,922	(97,922)	-
Total support, revenue and gains	17,964,817	(10,830)	17,953,987
Expenses			
Program services	15,555,709	-	15,555,709
Supporting services			
Management and general	1,546,609	-	1,546,609
Public relations and fundraising	119,722	-	119,722
Total expenses	17,222,040	-	17,222,040
Change in Net Assets	742,777	(10,830)	731,947
Net Assets, Beginning of Year	6,815,806	338,107	7,153,913
Net Assets, End of Year	\$ 7,558,583	\$ 327,277	\$ 7,885,860

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	13,651,903	-	13,651,903
Part C	157,781	-	157,781
UA/UR	229,511	-	229,511
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
Other revenue	164,428	-	164,428
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	15,820,440	-	15,820,440
Supporting services			
Management and general	1,643,199	-	1,643,199
Public relations and fundraising	177,111	-	177,111
	<u>17,640,750</u>	<u>-</u>	<u>17,640,750</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	<u>6,053,404</u>	<u>370,953</u>	<u>6,424,357</u>
Net Assets, End of Year	<u>\$ 6,815,806</u>	<u>\$ 338,107</u>	<u>\$ 7,153,913</u>

Mesa Developmental Services
dba Strive Colorado
Consolidated Statement of Functional Expenses
Year Ended June 30, 2017

	Program Services										
	Residential services	Supported employment	Case management	Early Intervention	Early intervention case management	Transport services	Medicaid supported living services	Behavioral services	State supported living services	Crisis Center	Family support services
Salaries and wages	\$ 4,845,618	\$ 1,501,416	\$ 735,051	244,753	\$ 166,401	\$ 112,251	\$ 511,898	\$ 236,627	\$ 45,072	\$ 29,470	\$ 15,357
Payroll taxes	452,192	137,262	66,596	22,856	15,595	8,876	50,981	24,185	4,146	1,293	1,350
Employee benefits	319,859	87,323	74,133	19,023	13,554	6,110	40,432	12,454	5,935	775	1,438
Host home	2,376,095	-	-	-	-	-	-	-	-	-	-
Medical professional services	53,144	-	-	21,372	-	-	36,887	33,791	5,321	-	84,913
Professional services	69,464	37,042	7,484	5,248	-	-	9,610	5,164	3,938	-	77,000
Training and development	11,784	615	2,735	510	-	-	570	1,701	42	-	671
Travel	36,119	4,612	10,515	16,539	3,575	144	29,278	1,568	2,168	56	76
Vehicles	1,242	-	-	-	-	178,376	-	-	-	-	-
Occupancy	532,439	123,987	165,109	32,509	17,827	1,697	14,696	20,348	10,997	-	1,926
Supplies	152,817	157,025	19,541	6,353	4,043	992	17,821	7,352	1,319	-	688
Telephone	36,619	7,918	4,487	2,307	1,647	220	2,596	1,266	192	123	160
Dues and subscriptions	2,123	961	428	50	55	-	-	315	-	-	-
Food	269,037	-	-	-	-	-	44	-	3	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-
Depreciation	119,735	53,594	-	552	-	53,140	-	-	-	-	-
Purchased services	36,174	-	-	-	-	-	-	-	11,364	-	-
Assistive tech and modifications	65	-	-	3,828	-	-	5,483	-	389	-	12,628
Insurance	11,631	4,385	-	-	-	-	-	-	-	-	-
Other	19,215	17,215	10,168	1,224	-	95,498	10,169	4,110	2,356	-	5,960
Inter-program allocations	-	(59,746)	-	-	-	(16,442)	-	(1,846)	78,034	-	-
Total expenses included in the expense section on the statement of activities	<u>\$ 9,345,373</u>	<u>\$ 2,073,610</u>	<u>\$ 1,096,248</u>	<u>\$ 377,122</u>	<u>\$ 222,697</u>	<u>\$ 440,861</u>	<u>\$ 730,465</u>	<u>\$ 347,034</u>	<u>\$ 171,275</u>	<u>\$ 31,717</u>	<u>\$ 202,166</u>

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Mesa Developmental Services
dba Strive Colorado
Consolidated Statement of Functional Expenses
Year Ended June 30, 2017

Program Services

	Autism services	Children's extensive support	Parenting place	Elderly, blind and disabled	Independent living arrangement services	Total	Management and General	Public Relations and Fundraising	Total
Salaries and wages	\$ 20,930	\$ 103,185	\$ 11,974	\$ -	\$ 79,182	\$ 8,659,184	\$ 782,607	\$ 52,719	\$ 9,494,510
Payroll taxes	1,790	10,927	1,044	-	7,941	807,035	143,677	4,719	955,431
Employee benefits	1,255	5,197	484	-	2,914	590,888	75,043	4,403	670,334
Host home	-	-	-	-	-	2,376,095	-	-	2,376,095
Medical professional services	30,518	66,164	-	-	-	332,108	-	-	332,108
Professional services	20,930	14,600	20,239	-	509	271,228	355,936	4,075	631,239
Training and development	372	-	-	-	-	18,999	48,339	334	67,672
Travel	371	1,336	49	-	14	106,418	9,942	-	116,360
Vehicles	-	-	-	-	-	179,618	-	-	179,618
Occupancy	50,354	3,915	10,603	-	15,497	1,001,903	(405,278)	10,356	606,981
Supplies	194	2,100	5,530	44	3,448	379,266	106,765	1,603	487,633
Telephone	60	1,456	1,870	-	275	61,196	20,780	129	82,106
Dues and subscriptions	1,477	-	-	-	-	5,409	32,553	436	38,398
Food	-	-	-	-	3,715	272,799	-	-	272,799
Interest	-	-	-	-	-	-	48,391	-	48,391
Depreciation	461	-	7,303	-	-	234,785	158,896	-	393,680
Purchased services	-	-	-	-	-	47,537	-	-	47,537
Assistive tech and modifications	-	4,225	-	-	-	26,618	-	-	26,618
Insurance	-	-	890	-	-	16,906	67,796	-	84,702
Other	-	115	1,559	-	128	167,716	101,163	40,948	309,827
Inter-program allocations	-	-	-	-	-	-	-	-	-
Total expenses included in the expense section on the statement of activities	\$ 128,711	\$ 213,219	\$ 61,546	\$ 44	\$ 113,622	\$ 15,555,709	\$ 1,546,609	\$ 119,722	\$ 17,222,040

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	Transport services	Medicaid supported living services	Behavioral services	State supported living services	Crisis Center	Family support services
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	\$ 22,264
Payroll taxes	441,962	153,708	67,157	24,276	15,156	9,275	49,554	29,185	9,630	25	3,329
Employee benefits	494,624	135,916	98,316	14,680	18,716	5,995	71,821	26,823	13,956	669	1,965
Host home	2,644,952	-	-	-	-	-	-	-	-	-	-
Medical professional services	56,934	-	1,795	24,112	-	-	35,812	24,306	7,160	-	86,222
Professional services	39,374	17,204	13,652	14,333	-	-	14,604	1,231	7,806	20,000	82,203
Training and development	1,602	25	4,481	525	-	-	468	119	91	-	185
Travel	33,034	8,048	13,710	16,430	2,357	31	36,696	4,101	7,130	631	860
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	-	366
Telephone	35,165	10,368	4,520	2,832	1,221	56	3,361	1,173	653	205	87
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	-	24,073
Insurance	10,177	3,313	-	-	-	-	-	-	-	-	-
Other	8,112	14,609	1,268	443	-	92,760	17,054	1,440	16,644	-	5,499
Inter-program allocations	-	(100,122)	-	-	-	(8,250)	-	(9,602)	117,974	-	-
Total expenses included in the expense section on the statement of activities	\$ 9,208,665	\$ 2,225,081	\$ 1,029,378	\$ 353,567	\$ 238,712	\$ 484,676	\$ 808,506	\$ 369,871	\$ 198,515	\$ 25,320	\$ 227,053

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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	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	35	339	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
Inter-program allocations	-	-	-	-	-	-	-	-	-
Total expenses included in the expense section on the statement of activities	<u>\$ 251,103</u>	<u>\$ 263,175</u>	<u>\$ 61,280</u>	<u>\$ 3,351</u>	<u>\$ 72,187</u>	<u>\$ 15,820,440</u>	<u>\$ 1,643,199</u>	<u>\$ 177,111</u>	<u>\$ 17,640,750</u>

Mesa Developmental Services
dba Strive Colorado
Consolidated Statements of Cash Flows
Years Ended June 30, 2017 and 2016

	2017	2016
Operating Activities		
Change in net assets	\$ 731,947	\$ 729,556
Adjustment to reconcile changes in net assets to net cash from (used for) operating activities		
Depreciation	393,680	419,742
(Gain) on sale of property	(115,273)	(567,597)
Change in allowance on promises to give	-	300
Changes in operating assets and liabilities		
Accounts receivable	(199,146)	(62,960)
Other receivables	(18,801)	(144,660)
Promises to give, net	9,900	20,700
Inventory	3,813	28
Prepaid expenses and other assets	51,383	(75,914)
Accounts payable and accrued liabilities	20,437	(220,530)
Deferred revenue	221,590	-
Net Cash from (used for) Operating Activities	1,099,530	98,665
Investing Activities		
Purchases of property and equipment	(103,063)	(333,032)
Proceeds from sale of property and equipment	386,426	258,233
Change in restricted cash	(1,344)	30,476
Net Cash from (used for) Investing Activities	282,019	(44,323)
Financing Activities		
Principal payments on notes payable	(150,771)	(69,866)
Payment of deferred financing charges	(19,267)	-
Net Cash from (used for) Financing Activities	(170,038)	(69,866)
Net Change in Cash and Cash Equivalents	1,211,511	(15,524)
Cash and Cash Equivalents, Beginning of the Year	2,148,731	2,164,255
Cash and Cash Equivalents, End of the Year	\$ 3,360,242	\$ 2,148,731
Supplemental Disclosures		
Cash paid for interest	\$ 48,391	\$ 79,826
Proceeds from sale of assets to repay outstanding debt	\$ -	\$ 496,833
Proceeds from debt used to repay outstanding loan	\$ 1,530,000	\$ -

Note 1 - Principal Activity and Significant Accounting Policies

Organization

Mesa Developmental Services, dba Strive Colorado (Strive) is a nonprofit organization, incorporated 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) is a nonprofit organization, 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.

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.”

Program Services

Residential Services offers community-based living arrangements that are catered to the needs of each individual. Options include nine supervised group homes along with 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 from 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.

Crisis Center 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.

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.

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 and Disabled is a service performed for eligible individuals including 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.

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 secure adequate resources to provide for the continued growth and stability of the Organization.

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 and cash equivalents.

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, 2017 and 2016, the allowance was \$24,045 and \$33,700, 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, 2017 and 2016, the allowance for doubtful accounts was \$0 and \$300, respectively.

Inventory

Inventory is comprised of program-related merchandise held for sale in the thrift or 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, 2017 and 2016.

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 three to thirty 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.

The carrying values of property and equipment are reviewed 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, 2017 and 2016.

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, 2017 and 2016, Strive had no permanently restricted net assets.

Revenue Recognition

Revenue is recognized when earned. Amounts received in advance of performance of the underlying services are deferred to the period in which the services are performed. Revenue consists primarily of funds received from the State of Colorado for Medicaid and other services, proceeds from mill levies in Mesa County, miscellaneous smaller grants and awards from federal, state and municipal sources. 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, 2017 and 2016.

Debt Issuance Costs

Debt issuance costs are amortized over the period the related obligation is outstanding using the straight-line method, which is a reasonable estimate of the effective interest method. Debt issuance costs are included within long-term debt in the statement of financial position. Amortization of debt issuance costs is included in interest expense in the accompanying financial statements.

Advertising

Advertising costs are expensed as incurred, and totaled \$52,763 and \$52,692 for the years ended June 30, 2017 and 2016, 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. Management has determined that each entity 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, 2017 and 2016:

	<u>2017</u>	<u>2016</u>
State of Colorado		
General Fund	\$ 233,330	\$ 132,450
Medicaid	729,154	633,653
Other	34,537	31,772
	<u>997,021</u>	<u>797,875</u>
Mesa County	<u>267,957</u>	<u>267,957</u>
Total	<u>\$ 1,264,978</u>	<u>\$ 1,065,832</u>

Note 3 - Restricted Cash

Restricted cash for Mesa Developmental Services includes cash restricted as collateral for a note payable as well as cash held on behalf of clients and totaled \$74,087 and \$75,694 as of June 30, 2017 and 2016, respectively.

Restricted cash for DDH includes cash restricted for HUD operations and totaled \$38,808 and \$35,857 as of June 30, 2017 and 2016, respectively.

Note 4 - Property and Equipment

Property and equipment consists of the following at June 30, 2017 and 2016:

	<u>2017</u>	<u>2016</u>
Land	\$ 890,047	\$ 900,047
Building and improvements	7,439,528	7,505,259
Furniture and equipment	952,168	1,015,968
Vehicles	1,269,564	1,241,369
	<u>10,551,307</u>	<u>10,662,643</u>
Less accumulated depreciation	<u>(5,299,452)</u>	<u>(5,126,581)</u>
Total	<u>\$ 5,251,855</u>	<u>\$ 5,536,062</u>

Assets held for sale as of June 30, 2017 consist of real estate previously used as a group home. The property was sold subsequent to year-end; see details at Note 11.

Note 5 - Notes Payable

Notes payable consist of the following at June 30, 2017 and 2016:

	2017	2016
Promissory note requiring monthly payments of \$12,503, including interest at fixed rate of 2.75%, to August 2028. Secured by real estate.	\$ 1,432,454	\$ -
Promissory note requiring monthly payments of \$13,165, including interest, to June 2030. Interest is set at 4.98% until June 2020 at which time interest will adjust to LIBOR plus 6%. Secured by real estate. Debt was refinanced during the year ended June 30, 2017.	-	1,583,225
	1,432,454	1,583,225
Unamortized debt issuance costs	(19,267)	-
	1,413,187	1,583,225
Current portion of notes payable	110,053	76,859
Long-term portion of notes payable	\$ 1,303,134	\$ 1,506,366

Future maturities of notes payable are as follows:

Years Ending June 30,	Principal payments	Unamortized debt issuance costs	Total
2018	\$ 111,805	\$ (1,752)	\$ 110,053
2019	114,918	(1,752)	113,166
2020	118,068	(1,752)	116,316
2021	121,455	(1,752)	119,703
2022	124,789	(1,752)	123,037
Thereafter	841,419	(10,507)	830,912
Total	\$ 1,432,454	\$ (19,267)	\$ 1,413,187

Note 6 - Leases

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.

Rent expense for property under operating leases was \$138,809 and \$81,414 for the years ended June 30, 2017 and 2016, respectively.

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

Years ending June 30,		
2018		\$ 62,004
2019		5,284
		\$ 67,288

Note 7 - Retirement Plan

Strive sponsors a tax deferred annuity plan (the 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 \$101,785 and \$72,425 for the years ended June 30, 2017 and 2016, respectively.

Note 8 - Self-Insured Employee Health Plan

Strive's employee health benefit coverage consists of a self-insured medical plan. As of June 30, 2017 and 2016 Strive has recorded a liability of approximately \$63,000 and \$76,000, 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 \$1,205,000 as of June 30, 2017.

Note 9 - Restricted Net Assets

Temporarily restricted net assets as of June 30, 2017 and 2016 consist of the following:

	2017	2016
Purpose restricted		
Residential services	\$ 10,455	\$ 24,392
Children's extensive support	500	500
Family support services	19,585	22,481
Parenting Place	15,745	12,213
Home health services	-	482
Supported employment	4,936	2,491
Early intervention	-	7,591
Autism services	8,100	-
Time restricted	267,956	267,957
	\$ 327,277	\$ 338,107

Net assets were released from restrictions as follows during the years ended June 30, 2017 and 2016:

	2017	2016
Satisfaction of purpose restrictions		
Family support services	\$ 19,338	\$ 13,340
Autism services	1,340	200
Residential services	23,345	27,844
Parenting Place	12,969	19,910
Early intervention	7,591	-
Supported employment	2,491	-
Home health services	482	2,529
Other	30,366	27,526
	97,922	91,349
 Expiration of time restrictions	 535,913	 267,956
	\$ 633,835	\$ 359,305

Note 10 - 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 \$668,117 and \$669,225 at June 30, 2017 and 2016, respectively. If payable, the advance would bear interest at the rate of 6.0% per annum. Accrued interest through June 30, 2017 and 2016 totaling approximately \$598,014 and \$562,317 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, 2017 and 2016. 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, 2017 and 2016. 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, 2017 and 2016. 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 nonprofit 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 20 years from the date the equipment came online, which will be July 2032. 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, 2017 the termination cost per the agreement is \$1,357,455.

Note 11 - Subsequent Events

On August 17, 2017, Strive sold real estate for \$315,000 that had a net book value of approximately \$99,000 as of June 30, 2017.

Strive has evaluated subsequent events through September 26, 2017, the date the financial statements were available to be issued.



Supplementary Information
June 30, 2017 and 2016

Mesa Developmental Services dba Strive Colorado

Mesa Developmental Services
dba Strive Colorado
Consolidating Schedule of Financial Position
June 30, 2017

	Mesa Developmental Services	DD Housing, Inc.	Eliminations	Consolidated
Assets				
Current Assets				
Cash and cash equivalents	\$ 3,352,340	\$ 7,902	\$ -	\$ 3,360,242
Accounts receivable				
Fees and grants from governmental agencies, net	1,264,978	-	-	1,264,978
Other	333,032	-	(50,260)	282,772
Inventory	17,602	-	-	17,602
Prepaid expenses and other assets	86,786	-	-	86,786
Total current assets	<u>5,054,738</u>	<u>7,902</u>	<u>(50,260)</u>	<u>5,012,380</u>
Restricted cash	74,087	38,808	-	112,895
Assets held for sale, net	99,149	-	-	99,149
Property and equipment, net	4,583,678	668,177	-	5,251,855
Total assets	<u>\$ 9,811,652</u>	<u>\$ 714,887</u>	<u>\$ (50,260)</u>	<u>\$ 10,476,279</u>
Liabilities and Net Assets				
Current Liabilities				
Accounts payable and accrued liabilities	\$ 955,642	\$ 50,260	\$ (50,260)	\$ 955,642
Deferred Revenue	221,590	-	-	221,590
Notes payable, net	110,053	-	-	110,053
Total current liabilities	<u>1,287,285</u>	<u>50,260</u>	<u>(50,260)</u>	<u>1,287,285</u>
Long-Term Liabilities				
Notes payable, net	1,303,134	-	-	1,303,134
Total liabilities	<u>2,590,419</u>	<u>50,260</u>	<u>(50,260)</u>	<u>2,590,419</u>
Net Assets				
Unrestricted				
Undesignated	3,723,465	(3,550)	-	3,719,915
Invested in property and equipment, net	3,170,491	668,177	-	3,838,668
Total unrestricted	<u>6,893,956</u>	<u>664,627</u>	<u>-</u>	<u>7,558,583</u>
Temporarily restricted	327,277	-	-	327,277
Total net assets	<u>7,221,233</u>	<u>664,627</u>	<u>-</u>	<u>7,885,860</u>
Total liabilities and net assets	<u>\$ 9,811,652</u>	<u>\$ 714,887</u>	<u>\$ (50,260)</u>	<u>\$ 10,476,279</u>

Mesa Developmental Services
dba Strive Colorado
Consolidating Schedule of Financial Position
June 30, 2016

	Mesa Developmental Services	DD Housing, Inc.	Eliminations	Consolidated
Assets				
Current Assets				
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
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>
Liabilities and Net Assets				
Current Liabilities				
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>
Long-Term Liabilities				
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>
Net Assets				
Unrestricted				
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 Activities
 Year Ended June 30, 2017

	Mesa Developmental Services	DD Housing	Eliminations	Consolidated
Fees and Grants from Governmental Agencies				
Fees for services				
State of Colorado				
State General Fund				
Support services	\$ 832,064	\$ -	\$ -	\$ 832,064
Case management	133,772	-	-	133,772
Management and general	148,427	-	-	148,427
Special purpose	57,991	-	-	57,991
Medicaid	13,140,918	-	-	13,140,918
Part C	213,459	-	-	213,459
QA/UR	255,954	-	-	255,954
Grants and other				
Mesa County	535,913	-	-	535,913
State of Colorado	723,531	-	-	723,531
	<u>16,042,029</u>	<u>-</u>	<u>-</u>	<u>16,042,029</u>
Residential room and board	940,837	73,959	-	1,014,796
Public support - contributions	205,955	-	-	205,955
Retail and service contract	167,971	-	-	167,971
Private pay and private health insurance	323,506	-	-	323,506
Other revenue	84,437	20	-	84,457
Gain on sale of property	115,273	-	-	115,273
Total revenue, support, and gains	<u>17,880,008</u>	<u>73,979</u>	<u>-</u>	<u>17,953,987</u>
Expenses				
Program services	15,494,380	61,329	-	15,555,709
Supporting services				
Management and general	1,521,668	24,941	-	1,546,609
Public relations and fundraising	119,722	-	-	119,722
Total expenses	<u>17,135,770</u>	<u>86,270</u>	<u>-</u>	<u>17,222,040</u>
Change in Net Assets	744,238	(12,291)	-	731,947
Net Assets, Beginning of Year	<u>6,476,995</u>	<u>676,918</u>	<u>-</u>	<u>7,153,913</u>
Net Assets, End of Year	<u>\$ 7,221,233</u>	<u>\$ 664,627</u>	<u>\$ -</u>	<u>\$ 7,885,860</u>

Mesa Developmental Services
 dba Strive Colorado
 Consolidating Schedule of Activities
 Year Ended June 30, 2016

	Mesa Developmental Services	DD Housing	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	13,651,903	-	-	13,651,903
Part C	157,781	-	-	157,781
QA/UR	229,511	-	-	229,511
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
Other revenue	164,410	18	-	164,428
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	15,745,573	74,867	-	15,820,440
Supporting services				
Management and general	1,618,918	24,281	-	1,643,199
Public relations and fundraising	177,111	-	-	177,111
	<u>17,541,602</u>	<u>99,148</u>	<u>-</u>	<u>17,640,750</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
 Schedule of Case Management Services
 Year Ended June 30, 2017

	<u>Targeted Case Management</u>	<u>Other Case Management</u>	<u>Total</u>
Fees and Grants from Government Agencies			
State of Colorado			
State General Fund			
State PASARR and Special Purpose	\$ -	\$ 135,469	\$ 135,469
Adult supported living	-	56,291	56,291
Children and families	-	77,481	77,481
Medicaid			
Comprehensive	837,605	-	837,605
Adult supported living	324,109	-	324,109
Children Extensive Support	76,284	-	76,284
Children and families	-	99,184	99,184
Part C IDEA	-	74,987	74,987
Service and Contract (Private Pay and Misc)	-	20,008	20,008
Total fees, grants, and support	<u>1,237,998</u>	<u>463,420</u>	<u>1,701,418</u>
Expenses			
Salaries - direct care	711,790	204,285	916,075
Payroll taxes	63,862	18,329	82,191
Employee benefits	68,134	19,554	87,688
Total personnel services	<u>843,786</u>	<u>242,168</u>	<u>1,085,954</u>
Other professional services	44,971	12,907	57,878
Staff development	2,125	610	2,735
Staff retention	260	75	335
Staff travel	10,948	3,142	14,090
Occupancy			
Maintenance	8,697	2,496	11,193
Utilities	7,205	2,068	9,273
Supplies - other	30,800	8,839	39,639
Supplies - Advertising	558	160	718
Telephone	8,370	2,402	10,772
Dues and subscriptions	5,919	1,699	7,618
Taxes, licenses, fees	31	9	40
Insurance	12,887	3,698	16,585
Interest	8,314	2,386	10,700
Other	9,881	2,836	12,717
Total direct program expenses	994,752	285,495	1,280,247
Purchased services	-	-	-
Total program expenses before depreciation	<u>994,752</u>	<u>285,495</u>	<u>1,280,247</u>
Depreciation	<u>30,069</u>	<u>8,630</u>	<u>38,699</u>
Total expenses	<u>1,024,821</u>	<u>294,125</u>	<u>1,318,946</u>
Income (loss) before allocated management and general	<u>\$ 213,177</u>	<u>\$ 169,295</u>	<u>\$ 382,472</u>

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			
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	1,764	605	2,369
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
 Years Ended June 30, 2017 and 2016

For the Year Ended June 30, 2017:

	Targeted Case Management	Other Case Management	Total
Statistical Data (Unaudited)			
Unduplicated number of individuals	722	207	929
Cost per client served	\$ 1,419	\$ 1,421	\$ 1,420
Full-time equivalents	\$ 16.98	\$ 4.87	\$ 21.85

For the Year Ended June 30, 2016:

	Targeted Case Management	Other Case Management	Total
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