

HORIZONS SPECIALIZED SERVICES  
NOTES TO FINANCIAL STATEMENTS  
FOR THE ELEVEN MONTHS ENDED MAY 31, 2016

---

**BALANCE SHEET:**

**Cash:**

1,220,746	Certificates of Deposit and Savings Accounts
117,283	Treasury Security
1,054,200	Checking & Money Market Accounts
<u>2,392,229</u>	

**Accounts Receivable:**

320,032	Balances due from ACS for Medicaid Waiver billings (90% of this is current)
87,295	Balances due from the State. This also includes Part C.
1,284	Work Crew billings and miscellaneous A/R
72,398	Accrued interest on CD's
48,651	A/R from SCA Inc.
<u>529,659</u>	

**Prepaid Expenses:**

1,150	Various maintenance and service contracts Jun, 2016 - Jun, 2017
19,392	Insurance (Health, Building, Liability, Workers Comp, D&O)
14,050	Expenses paid in May for Jun or later
9,203	Security Deposits paid on behalf of clients moving into new apts and office spaces
<u>43,795</u>	

**Restricted Cash**

92,457 Gift Annuity Fund This is the market value as of the end of June, 2015.

**Year to Date Asset Summary:**

200,000	Total FY 2015-2016 Asset Budget
(151,930)	Assets purchased through 5/31/16
<u>48,070</u>	Balance of Asset Budget in FY 2015-2016

**Accrued Payroll and Employee Benefits:**

101,178	Accrued payroll for last ten days of the month
133,528	Accrued paid time off (PTO)
899	Other accrued employee benefits & taxes
<u>235,605</u>	

**Deferred Revenue:**

3,075	Security Deposits on 8th Street apartments
203,823	CY16 Mill Levy funds received in excess of 1/12 annual budget recognition through May
5,111	Additional Respite funds from the State
<u>212,009</u>	

**Fund Balance:**

<u>1,960,800</u>	Unrestricted Fund Balance @ 6/30/12
<u>187,615</u>	Surplus Through 6/30/13
<u>2,148,415</u>	Unrestricted Fund Balance @ 6/30/13
<u>(297,727)</u>	Deficit Through 6/30/14
<u>1,850,688</u>	Unrestricted Fund Balance @ 6/30/14
<u>(63,618)</u>	Deficit Through 6/30/15
<u>1,787,070</u>	Unrestricted Fund Balance @ 6/30/15
<u>66,164</u>	Surplus Through 5/31/16
<u>1,853,233</u>	Unrestricted Fund Balance @ 5/31/16

HORIZONS SPECIALIZED SERVICES  
Statement of Financial Position  
For the Eleven Months Ending Tuesday, May 31, 2016

ASSETS

Current Assets	
Cash	\$2,392,229.34
Accounts Receivable	529,659.37
Prepaid Expenses	<u>43,795.27</u>
Total Current Assets	2,965,683.98
Other Assets	
Restricted Cash	92,457.05
Deferred Loan Cost, Net	<u>8,493.12</u>
Total Other Assets	100,950.17
Fixed Assets, Net	<u>2,237,451.76</u>
TOTAL ASSETS	<u><u>\$5,304,085.91</u></u>

LIABILITIES AND EQUITY

Current Liabilities	
Accounts Payable	\$73,900.39
Accrued Payroll and Employee Benefits	235,604.58
Deferred Revenue	212,008.82
Current Portion of Long Term Debt	<u>9,015.96</u>
Total Current Liabilities	530,529.75
Long-term Debt	
Notes Payable	<u>599,251.88</u>
Total Long-term Debt	599,251.88
Net Assets	
Board Designated	2,064,586.00
Undesignated	<u>2,043,554.76</u>
Total Net Assets	4,108,140.76
Net Surplus (Deficit)	<u>66,163.52</u>
Total Equity	<u>4,174,304.28</u>
TOTAL LIABILITIES AND EQUITY	<u><u>\$5,304,085.91</u></u>

HORIZONS SPECIALIZED SERVICES  
 NOTES TO FINANCIAL STATEMENTS  
 FOR THE ELEVEN MONTHS ENDED MAY 31, 2016

**INCOME STATEMENT:**

**VARIANCE REPORT - OVER (UNDER) BUDGET:**

# Amount %

**REVENUE:**

#	Amount	%	
<b>Day Program and Homes</b>			
1.	(22,995)	(4.1%)	Day Program is unfavorable due to a change in JL's employment with accounts for a \$25k variance. Overall, combined Day Program/Supported Employment/Transportation are \$15.5k favorable in Routt County and \$40k unfavorable in Moffat County. Homes will continue to be over budget due to the addition of a Host Home client in Routt County which as of the end of May has accounted for \$20.2k of revenue.
	23,682	1.1%	
<b>Early Intervention</b>			
2.	(53,549)	(17.0%)	Horizons' EI program has grown dramatically in the course of one year. Overall, revenue has increased by \$82k or 45% compared to the this time last year. In addition, our new rate of \$130/hr will begin during June, allowing us to lessen the unfavorable variance to budget to around \$35k.
<b>Case Management</b>			
3.	13,282	5.4%	Case Management has trended favorable throughout the year. Medicaid Case Management in Routt County is \$24.6k favorable through May. Moffat County TCM is \$3k favorable. Grand, Rio Blanco, and Jackson counties are currently unfavorable by \$15k due to issues with EI TCM. CM revenue has increased 7% compared to FY15.
<b>Supported Living Services</b>			
4.	(52,252)	(11.7%)	Supported Living Services continue to lag behind budget but has grown year over year. Routt SLS is \$20.7k unfavorable Moffat \$31.9k unfavorable, Grand \$4.5k unfavorable, Rio Blanco \$2.7k unfavorable, and Jackson \$1.6k unfavorable. SLS revenue has increased by \$50k or almost 15% compared to this time last year.
<b>Individual Donations, Foundation Grants/Cities/Counties, United Way, Fundraisers</b>			
5.	27,290	198.5%	These are timing differences from when counties and grants pay as compared to budget which is spread evenly throughout the year. See detail next page. Horizons received the CDOT grant in January in the amount of just over \$75k. Individual Pledges and Donations are favorable due to an increase of donations during the annual Colorado Gives Day. Timing variances exist with the receipt of certain grant monies, such as Rio Blanco, WEH2, and Moffat County United Way. Also, Horizons will be receiving additional estate donations that were unbudgeted.
	(32,633)	(26.1%)	
	(17,875)	(76.5%)	
	(2,796)	(9.7%)	
	6,833	29.8%	
	(19,180)		

**EXPENSES:**

<b>Salaries, P/R Taxes and Benefits.</b>			
6.	(72,166)	(2.0%)	Salaries continue to trend slightly below budget in several departments, notably: Routt Day Program (\$40.6k favorable to budget in part due to the semi-annual Mill Levy allocation); Routt SLS (\$22.4k); Moffat SLS (\$35.5k); State (\$9.8k). Overall, Salaries are up \$43k or 1.25% over FY15.
<b>Vehicle Expense</b>			
7.	(10,292)	(15.7%)	Vehicle Expenses are \$10k favorable to budget and at prior year levels. The savings in this line item are mainly the result of fuel usage. Recently, vehicle maintenance has spiked with a variety of issues with our vehicles at Maple, Rose, and Rainbow.
<b>Purchased and Medical Services</b>			
8.	37,113	22.9%	Slightly more than half of this variance is related to the payments to our Routt County Host Home provider. As of May 1st this client moved into Star Place, and thus Horizons will no longer be incurring this expense. The remainder of this variance is represented by medical supplies that are purchased on behalf of our clients as a part of their annual IP, for example hearing aids, orthotics, or med reminder boxes.
<b>Insurance</b>			
9.	(17,049)	(100.0%)	Insurance is \$17k favorable due to less than budgeted Health Insurance costs in the Group Homes and Day Program. Notable variances include Rainbow (\$12.5k favorable), Star Place (\$13.3k favorable); and Park Place (\$12.9k unfavorable). Other insurance costs (liability, vehicle, building, work comp) are coming in at budgeted levels.
<b>Supplies</b>			
10.	(11,663)	(9.6%)	Favorable in Admin Office Supplies \$4.2k; many other small variances in Household, Office, and Program Supplies. Overall, supplies throughout the organization have been managed effectively.
<b>Fundraising Expense</b>			
11.	(18,838)	(73.4%)	Fundraising expense is almost \$19k favorable to budget, but at prior year levels. Budgeted for additional foundation grants.
<b>Client Assistance</b>			
12.	(12,910)	(23.5%)	This is mainly money for our Family Support Program. Often a significant amount of these expenditures occur later in the fiscal year. The reason behind this variance is that ML funds for Family Support are used at the end of the year after contract and grant funds are exhausted. The Mill Levy funds represent \$9.8k of this variance.

HORIZONS SPECIALIZED SERVICES  
Statement of Activity  
For the Eleven Months Ending Tuesday, May 31, 2016

	Actual	Budget	Variance	Notes
<b>Revenue</b>				
Day Program	\$531,496.35	\$554,491.63	(\$22,995.28)	1
Early Intervention	262,118.01	315,667.24	(53,549.23)	2
Case Management	257,049.16	243,767.22	13,281.94	3
Administration	47,711.31	45,177.88	2,533.43	
Homes	2,127,926.47	2,104,244.78	23,681.69	1
Supported Living Services	396,036.99	448,288.88	(52,251.89)	4
Vocational Rehabilitation	4,674.70	0.00	4,674.70	
Work Crews	5,862.49	7,516.74	(1,654.25)	
Private Pay	3,705.50	0.00	3,705.50	
CES	49,127.77	41,250.00	7,877.77	
Room & Board	281,151.63	283,140.00	(1,988.37)	
Other Income	55,733.26	52,613.37	3,119.89	
Gov't Grant Support/HUD, etc	48,376.00	54,735.37	(6,359.37)	
Gov't Grant Support/Part C	51,028.23	51,058.26	(30.03)	
Individual Pledges and Donations	41,040.44	13,750.00	27,290.44	5
Foundation Grants/Support	92,400.42	125,033.37	(32,632.95)	5
Cities and Counties - Grants/Support	5,500.00	23,375.00	(17,875.00)	5
County Mill Levy	981,312.52	971,651.12	9,661.40	
Fundraisers	26,078.80	28,875.00	(2,796.20)	5
United Way - Grants/Support	29,750.00	22,916.63	6,833.37	5
<b>Total Revenue</b>	<b>\$5,298,080.05</b>	<b>\$5,387,552.49</b>	<b>(\$89,472.44)</b>	
<b>Expenses</b>				
Salaries, P/R Taxes & Benefits	\$3,524,123.14	\$3,596,288.85	(\$72,165.71)	6
Vehicle Expenses	55,341.44	65,633.26	(10,291.82)	7
Purchased & Medical Services	199,498.05	162,385.30	37,112.75	8
Depreciation & Amortization	161,022.77	178,750.33	(17,727.56)	
Telephone	32,308.71	38,289.24	(5,980.53)	
Utilities	50,259.50	55,879.24	(5,619.74)	
Insurance	576,610.56	593,659.22	(17,048.66)	9
Interest	26,637.42	26,125.88	511.54	
Bank Charges	2,375.08	2,589.62	(214.54)	
Dues, Subscriptions & Fees	14,772.34	11,522.17	3,250.17	
Supplies	109,850.32	121,513.37	(11,663.05)	10
Fundraising Expense	6,828.21	25,666.63	(18,838.42)	11
Professional Fees	25,620.21	19,332.61	6,287.60	
Food (net of stamps)	75,667.46	76,083.37	(415.91)	
Postage & Express	6,257.08	5,957.93	299.15	
Repair & Maintenance	105,110.11	101,906.20	3,203.91	
Building Lease	126,203.92	132,354.75	(6,150.83)	
Property Tax	4,929.11	2,000.00	2,929.11	
Staff Development & Recognition	21,923.64	18,727.83	3,195.81	
Meetings, Conferences & Training	18,065.32	22,284.35	(4,219.03)	
Promotional Expense	11,761.69	8,616.63	3,145.06	
Travel	8,420.64	8,025.27	395.37	

HORIZONS SPECIALIZED SERVICES  
Statement of Activity  
For the Eleven Months Ending Tuesday, May 31, 2016

Mileage Reimbursement	24,569.73	24,601.28	(31.55)	
Client Assistance	42,041.84	54,951.49	(12,909.65)	12
In-kind	1,718.24	2,641.63	(923.39)	
	<hr/>			
Total Expenses	5,231,916.53	5,355,786.45	(123,869.92)	
	<hr/>			
Net Surplus (Deficit)	\$66,163.52	\$31,766.04	\$34,397.48	
	<hr/>			

To Reconcile to "Cash" Activity:				
Add Back: Depreciation and Amortization	161,022.77	178,750.33	(17,727.56)	
Less: Principal Loan Payments	(51,727.04)	(51,727.04)	0.00	
Less: Fixed Asset Acquisitions	(151,930.00)	(151,930.00)	0.00	
	<hr/>			
Net "Cash" Activity for this Period	\$23,529.25	\$6,859.33	\$16,669.92	
	<hr/>			

**HORIZONS SPECIALIZED SERVICES  
NOTES TO FINANCIAL STATEMENTS  
FOR THE ELEVEN MONTHS ENDED MAY 31, 2016**

<u>RESOURCE DEVELOPMENT ANALYSIS</u>		FY 2016	FY 2015
<b>Received to date:</b>			
Individuals	41,040	41,040	9,577
Grand County	1,250		5,000
Meeker HRC			1,365
Moffat County HRC	5,000		12,000
Rio Blanco County	4,250		4,250
<b>Total Counties</b>		<u>10,500</u>	<u>22,615</u>
Bank of America	1,000		
Caring Consumers	1,000		
CDOT Grant	75,112		
Daniels Fund (PCT)			20,000
Grand Angels Trinity Church			
Grand Foundation	2,500		2,500
Knights of Columbus	2,228		1,065
Kroger Cares Program	28		113
Lions Club of Fraser Valley	433		750
Meeker HRC	4,250		
Moffat County High School Key Club (RB United Way)			3,000
Push America	500		475
Rocky Mountain Health Plans	5,000		
Seivert Family Foundation			400
Sprout Foundation			
Summit Foundation			
United Jewish			
WEH2 Foundation			5,000
Vanguard			1,000
Wells Fargo			
Yampa Valley Community Foundation	(1,750)		7,000
Yampa Valley Community Foundation - Horizons Endowment			15,000
Yampa Valley Community Foundation - Lufkin Family Foundation			3,000
Yampa Valley Community Foundation - Womens Giving Circle			2,250
Yampa Valley Community Foundation - Community Grant Endowment			975
Yampa Valley Community Foundation - Ski Corp Charitable Fund			
Yampa Valley Sustainability Council	100		
<b>Total Foundations, etc</b>		<u>90,400</u>	<u>62,528</u>
Moffat County United Way	24,750		25,609
United Way - Other	2,000		260
<b>Total United Way</b>		<u>26,750</u>	<u>25,869</u>
Meeker Holiday Home Tour	3,325		3,467
Little Points of Light	17,115		22,702
Pick a Dish	4,191		2,813
Meeker Events	1,000		
Other	448		56
<b>Total Fundraisers</b>		<u>26,079</u>	<u>29,038</u>
<b>Sub-Total</b>		<u>194,770</u>	<u>149,627</u>
<i>Less: Resource Development Salary and Payroll expenses</i>		40,189	36,898
<i>Other Direct Costs</i>		23,328	23,936
<b>Net "Gain" (Loss) in Resource Development for 2016, 2015</b>		<u>131,253</u>	<u>88,793</u>