

HORIZONS SPECIALIZED SERVICES
Statement of Financial Position
For the Six Months Ending Saturday, December 31, 2016

ASSETS

Current Assets	
Cash	\$2,226,832.99
Accounts Receivable	552,241.31
Prepaid Expenses	<u>66,886.22</u>
Total Current Assets	2,845,960.52
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>2,222,490.59</u>
TOTAL ASSETS	<u><u>\$5,169,401.28</u></u>

LIABILITIES AND EQUITY

Current Liabilities	
Accounts Payable	\$91,159.23
Accrued Payroll and Employee Benefits	248,520.02
Deferred Revenue	2,525.00
Current Portion of Long Term Debt	<u>28,857.22</u>
Total Current Liabilities	371,061.47
Long-term Debt	
Notes Payable	<u>546,657.46</u>
Total Long-term Debt	546,657.46
Net Assets	
Board Designated	2,064,586.00
Undesignated	<u>2,092,021.90</u>
Total Net Assets	4,156,607.90
Net Surplus (Deficit)	<u>95,074.45</u>
Total Equity	<u>4,251,682.35</u>
TOTAL LIABILITIES AND EQUITY	<u><u>\$5,169,401.28</u></u>

**HORIZONS SPECIALIZED SERVICES
NOTES TO FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED DECEMBER 31, 2016**

BALANCE SHEET:

Cash:

1,220,764	Certificates of Deposit and Savings Accounts
<u>1,006,069</u>	Checking & Money Market Accounts
2,226,833	

Accounts Receivable:

340,199	Balances due from ACS for Medicaid Waiver billings (78% of this is current)
84,547	Balances due from the State. This also includes Part C.
20,774	Work Crew billings and miscellaneous A/R - \$18,565 is due from Routt County for Mill Levy payments
73,016	Accrued interest on CD's
<u>33,705</u>	A/R from SCA Inc.
552,241	

Prepaid Expenses:

1,346	Various maintenance and service contracts Jan, 2017 - Jan, 2018
42,292	Insurance (Health, Building, Liability, Workers Comp, D&O)
12,786	Expenses paid in Dec for Jan or later
<u>10,463</u>	Security Deposits paid on behalf of clients moving into new apts and office spaces
66,886	

Restricted Cash

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

Year to Date Asset Summary:

100,000	Total FY 2016-2017 Asset Budget
<u>(25,832)</u>	Assets purchased through 12/31/16
<u>74,168</u>	Balance of Asset Budget in FY 2016-2017

Accrued Payroll and Employee Benefits:

101,207	Accrued payroll for last ten days of the month
144,965	Accrued paid time off (PTO)
<u>2,348</u>	Other accrued employee benefits & taxes
248,520	

Deferred Revenue:

2,525	Security Deposits on 8th Street apartments
<u>-</u>	Mill Levy funds received in excess of amounts recognized as revenue
2,525	

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>(2,696)</u>	Deficit Through 6/30/16
<u>1,784,374</u>	Unrestricted Fund Balance @ 6/30/16
<u>95,074</u>	Surplus Through 12/31/16
<u>1,879,448</u>	Unrestricted Fund Balance @ 12/31/16

HORIZONS SPECIALIZED SERVICES
Statement of Activity
For the Six Months Ending Saturday, December 31, 2016

	Actual	Budget	Variance	Notes
Revenue				
Day Program	\$276,959.88	\$297,500.04	(\$20,540.16)	1
Early Intervention	176,583.53	187,025.10	(10,441.57)	2
Case Management	141,638.28	145,498.21	(3,859.93)	3
Administration	26,603.09	18,971.16	7,631.93	4
Homes	1,154,804.50	1,153,920.36	884.14	1
Supported Living Services	213,783.42	247,210.52	(33,427.10)	5
Vocational Rehabilitation	612.50	2,250.00	(1,637.50)	
Work Crews	3,498.14	3,625.02	(126.88)	
Private Pay	881.50	0.00	881.50	
CES	25,101.80	27,770.04	(2,668.24)	
Room & Board	153,183.87	151,800.00	1,383.87	
Other Income	32,964.98	31,951.74	1,013.24	
Gov't Grant Support/HUD, etc	25,634.00	21,954.00	3,680.00	6
Gov't Grant Support/Part C	31,571.98	11,358.24	20,213.74	7
Individual Pledges and Donations	71,376.23	34,000.02	37,376.21	8
Foundation Grants/Support	27,890.00	33,927.00	(6,037.00)	8
Cities and Counties - Grants/Support	8,000.00	9,250.02	(1,250.02)	8
County Mill Levy	548,796.89	550,290.00	(1,493.11)	
Fundraisers	13,925.00	15,000.00	(1,075.00)	8
United Way - Grants/Support	12,600.00	12,499.98	100.02	8
Total Revenue	\$2,946,409.59	\$2,955,801.45	(\$9,391.86)	
Expenses				
Salaries, P/R Taxes & Benefits	\$1,972,736.11	\$2,010,856.62	(\$38,120.51)	9
Vehicle Expenses	30,492.90	33,249.60	(2,756.70)	
Purchased & Medical Services	93,698.66	82,706.90	10,991.76	10
Depreciation & Amortization	95,244.99	102,885.48	(7,640.49)	
Telephone	20,616.00	19,137.60	1,478.40	
Utilities	26,885.48	28,617.42	(1,731.94)	
Insurance	293,874.35	303,828.25	(9,953.90)	11
Interest	13,547.38	12,992.04	555.34	
Bank Charges	1,335.75	1,412.52	(76.77)	
Dues, Subscriptions & Fees	10,975.31	8,185.08	2,790.23	
Supplies	57,559.31	63,711.36	(6,152.05)	12
Fundraising Expense	5,059.78	4,999.98	59.80	
Professional Fees	8,179.26	20,482.56	(12,303.30)	13
Food (net of stamps)	42,974.97	42,723.96	251.01	
Postage & Express	2,989.91	3,512.40	(522.49)	
Repair & Maintenance	45,696.22	55,542.18	(9,845.96)	13
Building Lease	69,319.98	69,319.98	0.00	
Property Tax	0.00	1,625.04	(1,625.04)	
Staff Development & Recognition	5,707.56	11,935.02	(6,227.46)	13
Meetings, Conferences & Training	5,792.80	12,042.36	(6,249.56)	13
Promotional Expense	5,668.96	5,775.00	(106.04)	

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Travel	3,741.66	5,092.38	(1,350.72)
Mileage Reimbursement	11,679.69	14,394.84	(2,715.15)
Client Assistance	26,241.55	27,088.02	(846.47)
In-kind	1,316.56	1,200.00	116.56
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Total Expenses	2,851,335.14	2,943,316.59	(91,981.45)
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Net Surplus (Deficit)	\$95,074.45	\$12,484.86	\$82,589.59
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To Reconcile to "Cash" Activity:			
Add Back: Depreciation and Amortization	95,244.99	102,885.48	(7,640.49)
Less: Principal Loan Payments	(28,121.78)	(28,121.78)	0.00
Less: Fixed Asset Acquisitions	(25,832.11)	(25,832.11)	0.00
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Net "Cash" Activity for this Period	\$136,365.55	\$61,416.45	\$74,949.10
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HORIZONS SPECIALIZED SERVICES
 NOTES TO FINANCIAL STATEMENTS
 FOR THE SIX MONTHS ENDED DECEMBER 31, 2016

INCOME STATEMENT:

VARIANCE REPORT - OVER (UNDER) BUDGET:

Amount %

REVENUE:

Day Program & Homes

1. (20,540) (6.9%)
 884 0.1% Day Program utilization is under budget by \$11k (Routt above budget by \$1.6k and Moffat under by \$18.1k). Supported Employment revenue is within \$860 of a \$40k budget. Transportation reimbursements are under budget by \$3.1k. Overall, Day Program revenue is less than FY16 levels by \$14k mainly due to lower Specialized Hab utilization in Moffat County. Revenue in the Homes crept above budget for the year by \$884. The loss of a client at Rose Street will be offset by the addition of the Host Home client in Routt County. Expect this amount to remain at budgeted levels for FY17.

Early Intervention

2. (10,442) (5.6%) Early Intervention revenue is \$10k unfavorable mainly due to the fact that we spread the EI State Contract funds over the first 9 months of the year, while budgeting Part C funds the final three months of the year. I would anticipate this line to be \$5-\$10k favorable at year end. Trust reimbursements are \$10k favorable to budget and Medicaid revenue is \$3.9k favorable to budget.

3. (3,860) (2.7%) **Case Management**

Moffat Adult TCM is \$11.4k unfavorable related to timing in the usage of PAR units. All clients receive the same amount of units annually (240 or 20 per month). Depending on the timing of their IP, and many other factors, usage timeframes can vary. Trust Case Management is \$5.6k favorable and should continue to trend in this direction.

Administration

4. 7,632 40.2% Administration revenue is favorable \$7.6k mainly due to Management Fees received from the State.

SLS

5. (33,427) (13.5%) Medicaid SLS revenues are unfavorable in the following amounts by County: Routt \$12.5k; Moffat \$14.1k; Grand \$5.2k; Rio Blanco \$1.4k.

6. 3,680 16.8% **Gov't Grant Support/HUD, etc.**

This category is favorable by \$3.4k in Routt due to the receipt of payments from BOCES for Child Find. This variance will increase as we recently received an additional payment for Child Find.

7. 20,214 178.0% **Gov't Grant Support/Part C**

Favorable \$20k on timing of State payments for Part C Service Coordination and Management Fee. There is upside here due to differences in budgeted vs. actual state contract allocations - we have already exceeded the entire FY17 budget.

Individual Donations, Foundation Grants/Cities/Counties, Fundraisers, Unified Way

8. 37,376 109.9%
 (6,037) (17.8%)
 (1,250) (3.5%)
 (1,075) (3.1%)
 100 0.8%
 29,114 Individual Donations favorable by \$37k and are now favorable compared to the entire FY17 budget, all other variances are due to timing of the receipt of these funds compared to the budget which is spread across the fiscal year. For example, our main fundraising events take place in December and April (LPOL and Pick a Dish). Lastly, we were awarded \$15k from Steamboat Ski and Resort Corp in late February. This amount was unbudgeted and will continue to drive Resource Development revenue above budget.

EXPENSES:

Salaries, P/R Taxes and Benefits.

9. (38,121) (1.9%) Salaries are favorable by \$38.1k to budget through the first six months of the year. Wages for December were \$7.6k unfavorable to budget. After the first three months of the new base wage increase, we are trending towards using up all of this variance, hitting budget for FY17. Salaries have increased by \$43k compared to FY16, or 2.25%.

10. 10,992 13.3% **Purchased & Medical Services**

Host Home payments are unfavorable by \$6.4k due to the addition of an unbudgeted Host Home in Routt County. The remainder of this ~\$11k variance is due to the type, amount and timing of PAR reimbursements for Medical Services provided to our clients as well as Family Support reimbursements.

Insurance

11. (9,954) (3.3%) Insurance is ~\$10k favorable through six months, mainly due to fewer Work Comp claims than budgeted. This will change as claims that occurred are processed - we have had several claims this winter. Health is \$2.9k over budget (1.3%).

Supplies

12. (6,152) (9.7%) Household Supplies in the group homes are favorable by \$6.7k. I would expect this variance to decrease as the homes purchase/replace appliances.

13. (12,303) (60.1%) **Professional Fees, Repair & Maintenance, Staff Development, Meetings Conferences & Training**

(9,846) (17.7%)
 (6,227) (52.2%)
 (6,250) (51.9%)
 (34,626) These line items are all favorable due to timing, for example Professional Fees are favorable due to the timing of the cost of the audit.

**HORIZONS SPECIALIZED SERVICES
NOTES TO FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED DECEMBER 31, 2016**

RESOURCE DEVELOPMENT ANALYSIS		FY 2017	FY 2016
Received to date:			
Individuals	71,376	71,376	14,281
Grand County	3,750		
Moffat County HRC			
Rio Blanco County	4,250		4,250
Total Counties		8,000	4,250
Bank of America			1,000
Caring Consumers	1,000		1,000
Grand Foundation	4,954		
Knights of Columbus	2,000		2,228
Kroger Cares Program			
Lions Club of Fraser Valley	1,436		433
Litterman Family Foundation (Summit Foundation)	5,000		
Meeker Lions Club	500		
Moffat County High School Key Club (RB United Way)			
Mountain Valley Bank	4,000		
Push America			500
Rocky Mountain Health Plans			5,000
Sprout Foundation			
Summit Foundation			
United Jewish			
WEH2 Foundation			
Wells Fargo			
Yampa Valley Community Foundation - Women's Giving Circle	4,000		(2,000)
Yampa Valley Community Foundation - Lufkin Family Foundation			
Yampa Valley Community Foundation - Gloria Gossard Memorial	1,082		
Yampa Valley Community Foundation - Community Grant Endowment	918		
Yampa Valley Community Foundation - Ski Corp Charitable Fund	2,000		
Yampa Valley Community Foundation - Anonymous Fund	1,000		
Total Foundations, etc		27,890	8,161
Moffat County United Way	12,000		12,500
United Way - Other	600		
Total United Way		12,600	12,500
Meeker Holiday Home Tour	2,805		3,325
Little Points of Light	11,120		12,330
Pick a Dish			
Meeker Events			1,000
Other			698
Total Fundraisers		13,925	17,353
Sub-Total		133,791	56,545
<i>Less: Resource Development Salary and Payroll expenses</i>		<i>23,777</i>	<i>22,196</i>
<i>Other Direct Costs</i>		<i>9,638</i>	<i>15,323</i>
Net "Gain" (Loss) in Resource Development for 2017, 2016		100,377	19,026