

HORIZONS SPECIALIZED SERVICES
Statement of Financial Position
For the Eleven Months Ending Thursday, May 31, 2018

1.

ASSETS

Current Assets	
Cash	\$2,804,487.90
Accounts Receivable	383,258.62
Prepaid Expenses	36,802.96
Total Current Assets	<u>3,224,549.48</u>
Other Assets	
Restricted Cash	108,651.16
Deferred Loan Cost, Net	8,493.12
Total Other Assets	<u>117,144.28</u>
Fixed Assets, Net	<u>2,083,694.77</u>
TOTAL ASSETS	<u><u>\$5,425,388.53</u></u>

LIABILITIES AND EQUITY

Current Liabilities	
Accounts Payable	\$65,908.47
Accrued Payroll and Employee Benefits	259,919.70
Deferred Revenue	270,544.09
Current Portion of Long Term Debt	5,057.01
Total Current Liabilities	<u>601,429.27</u>
Long-term Debt	
Notes Payable	487,068.42
Total Long-term Debt	<u>487,068.42</u>
Net Assets	
Board Designated	2,064,586.00
Undesignated	2,189,188.75
Total Net Assets	<u>4,253,774.75</u>
Net Surplus (Deficit)	83,116.09
Total Equity	<u>4,336,890.84</u>
TOTAL LIABILITIES AND EQUITY	<u><u>\$5,425,388.53</u></u>

**HORIZONS SPECIALIZED SERVICES
NOTES TO FINANCIAL STATEMENTS
FOR THE ELEVEN MONTHS ENDED MAY 31, 2018**

BALANCE SHEET:

Cash:

1,396,067	Certificates of Deposit and Savings Accounts
1,408,420	Checking & Money Market Accounts
<u>2,804,488</u>	

Accounts Receivable:

275,938	Balances due from ACS for Medicaid Waiver billings (91% of this is current)
98,300	Balances due from the State. This also includes Part C.
387	Work Crew billings and miscellaneous A/R
8,634	A/R from SCA Inc.
<u>383,259</u>	

Prepaid Expenses:

977	Various maintenance and service contracts, June 2018 - June 2019
21,233	Insurance (Health, Building, Liability, Workers Comp, D&O)
14,593	Security Deposits paid on behalf of clients moving into new apts and office spaces
<u>36,803</u>	

Restricted Cash

108,651 Gift Annuity Fund This is the market value as of December 31, 2017.

Year to Date Asset Summary:

150,000	Total FY 2017-2018 Asset Budget
<u>(105,505)</u>	Assets purchased through 5/31/18
<u>44,495</u>	Balance of Asset Budget in FY 2017-2018

Accrued Payroll and Employee Benefits:

101,401	Accrued payroll for last ten days of the month
157,629	Accrued paid time off (PTO)
890	Other accrued employee benefits & taxes
<u>259,920</u>	

Deferred Revenue:

3,250	Security Deposits on 8th Street apartments
267,294	Mill Levy funds received in excess of amounts recognized as revenue
<u>270,544</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>(2,696)</u>	Deficit Through 6/30/16
<u>1,784,374</u>	Unrestricted Fund Balance @ 6/30/16
<u>97,167</u>	Surplus Through 6/30/17
<u>1,881,540</u>	Unrestricted Fund Balance @ 6/30/17
<u>83,116</u>	Surplus Through 5/31/18
<u>1,997,286</u>	Unrestricted Fund Balance @ 5/31/18

HORIZONS SPECIALIZED SERVICES
Statement of Activity
For the Eleven Months Ending Thursday, May 31, 2018

	Actual	Budget	Variance	Notes
Revenue				
Day Program	\$511,249.93	\$555,500.00	(\$44,250.07)	1
Early Intervention	304,748.37	339,202.04	(34,453.67)	2
Case Management	220,630.88	277,584.67	(56,953.79)	3
Administration	48,735.66	45,911.31	2,824.35	
Homes	2,143,777.31	2,176,281.23	(32,503.92)	1
Supported Living Services	371,531.31	359,588.06	11,943.25	4
Vocational Rehabilitation	3,574.94	4,125.00	(550.06)	
Work Crews	7,225.50	6,645.87	579.63	
Private Pay	184.50	0.00	184.50	
CES	21,573.74	36,140.00	(14,566.26)	5
Room & Board	284,877.00	284,958.97	(81.97)	
Other Income	58,697.07	49,729.00	8,968.07	
Gov't Grant Support/HUD, etc	99,220.00	70,692.40	28,527.60	6
Gov't Grant Support/Part C	75,605.91	77,269.50	(1,663.59)	
Individual Pledges and Donations	33,343.78	18,333.37	15,010.41	7
Foundation Grants/Support	47,620.00	91,666.63	(44,046.63)	7
Cities and Counties - Grants/Support	29,800.00	16,041.63	13,758.37	7
County Mill Levy	1,044,528.06	1,021,020.00	23,508.06	
Fundraisers	25,796.50	26,583.37	(786.87)	7
United Way - Grants/Support	21,760.00	22,916.63	(1,156.63)	7
Total Revenue	\$5,354,480.46	\$5,480,189.68	(\$125,709.22)	
Expenses				
Salaries, P/R Taxes & Benefits	\$3,650,764.91	\$3,786,732.65	(\$135,967.74)	8
Vehicle Expenses	48,099.97	57,474.45	(9,374.48)	
Purchased & Medical Services	154,162.03	182,080.02	(27,917.99)	9
Depreciation & Amortization	184,936.38	191,012.58	(6,076.20)	
Telephone	33,887.86	32,906.17	981.69	
Utilities	56,316.53	52,910.77	3,405.76	
Insurance	534,859.47	555,704.55	(20,845.08)	10
Interest	21,840.47	21,753.05	87.42	
Bank Charges	1,898.12	2,589.62	(691.50)	
Dues, Subscriptions & Fees	18,506.23	18,133.01	373.22	
Supplies	133,316.53	129,293.78	4,022.75	
Fundraising Expense	12,549.21	7,333.37	5,215.84	
Professional Fees	27,090.36	42,409.62	(15,319.26)	11
Food (net of stamps)	73,788.52	81,632.98	(7,844.46)	
Postage & Express	3,783.15	6,169.02	(2,385.87)	
Repair & Maintenance	96,429.73	86,258.26	10,171.47	12
Building Lease	135,532.65	139,095.33	(3,562.68)	
Property Tax	3,750.90	3,208.37	542.53	
Staff Development & Recognition	21,775.36	14,462.86	7,312.50	
Meetings, Conferences & Training	10,861.82	21,541.63	(10,679.81)	

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Promotional Expense	6,461.60	7,379.24	(917.64)	
Travel	(655.68)	1,677.28	(2,332.96)	
Mileage Reimbursement	14,849.46	21,202.72	(6,353.26)	
Client Assistance	22,282.27	47,230.81	(24,948.54)	13
In-kind	4,276.52	2,200.00	2,076.52	
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Total Expenses	5,271,364.37	5,512,392.14	(241,027.77)	
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Net Surplus (Deficit)	\$83,116.09	(\$32,202.46)	\$115,318.55	
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To Reconcile to "Cash" Activity:				
Add Back: Depreciation and Amortization	184,936.38	191,012.58	(6,076.20)	
Less: Principal Loan Payments	(54,552.99)	(54,552.99)	0.00	
Less: Fixed Asset Acquisitions	(105,505.34)	(105,505.34)	0.00	
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Net "Cash" Activity for this Period	\$107,994.14	(\$1,248.21)	\$109,242.35	
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HORIZONS SPECIALIZED SERVICES
NOTES TO FINANCIAL STATEMENTS
FOR THE ELEVEN MONTHS ENDED MAY 31, 2018

INCOME STATEMENT:

VARIANCE REPORT - OVER (UNDER) BUDGET:

Amount %

REVENUE:

Day Program & Homes

- | | | | |
|----|----------------------|------------------|---|
| 1. | (44,250)
(32,504) | (8.0%)
(1.5%) | Day Program revenue is down 8% to budget. The majority of the variance (\$34k) is in Day Hab reimbursements in Moffat County. Overall utilization has been lower to budget because of the loss of one client and the medical situation of another client who in the past would routinely attend day program. Routt County Day Hab reimbursements are down \$6k or 2.2% to budget. Supported Employment revenue is at budgeted levels, whereas Transportation revenue is down \$7.2k in Moffat County (tied to day program attendance often). Revenue in the homes is below budget due to the loss of one of our Rainbow clients and high levels of absences in Routt County (328 in FY18 compared to 263 last year) . |
|----|----------------------|------------------|---|

Early Intervention

- | | | | |
|----|----------|---------|---|
| 2. | (34,454) | (10.2%) | Early Intervention revenue gained back another \$18k compared to last month. It appears that EI revenue will be about \$15-\$20k under budget at year end. EI revenue has increased in recent months as additional kiddos have qualified for services. Revenue in this category is difficult to forecast as kiddos age out at 3 years old, and it is unknown how many additional kids will need services in the future. |
|----|----------|---------|---|

Case Management

- | | | | |
|----|----------|---------|--|
| 3. | (56,954) | (20.5%) | Case Management revenue is down to budget due to lower than expected TCM reimbursements. Routt County TCM is down \$25k to budget and Moffat County TCM is down \$22k. I have budgeted much more conservatively for FY19, so expect smaller variances in the future. |
|----|----------|---------|--|

Supported Living Services

- | | | | |
|----|--------|------|---|
| 4. | 11,943 | 3.3% | SLS reimbursements continue to trend above budget driven by strong revenue in Moffat county, which is \$33k favorable to budget. Routt County reimbursements are \$19.3k under budget; Grand \$8.5k under budget; and Rio Blanco \$6.7k over budget. We have recently had additional enrollments in both Moffat and Rio Blanco counties, which will continue to drive revenue higher than budget. On the other hand, we continue to have difficulties with hiring in Grand County which impacts the amount of service we can provide. |
|----|--------|------|---|

CES

- | | | | |
|----|----------|---------|---|
| 5. | (14,566) | (40.3%) | The revenue variance in CES is represented by shortfalls compared to budget in Routt County of \$3.2k, Moffat County of \$9k and Grand County of \$2.2k. The reasons behind these variances are mainly to do with staffing limitations. Next fiscal year Horizons will have only one kiddo on the CES waiver. |
|----|----------|---------|---|

Gov't Grant Support/HUD

- | | | | |
|----|--------|-------|---|
| 6. | 28,528 | 40.4% | This category is over budget due to the receipt of the CDOT grant which was budgeted down below in Resource Development, but since it is technically a government grant it belongs in this category. The other types of revenue in this category are HUD Client Rent Support and Childfind payments from local school districts or BOCES. |
|----|--------|-------|---|

Individual Pledges & Donations, Foundations, Cities & Counties, Fundraisers, United Way

- | | | | |
|----|---|---|--|
| 7. | 15,010
(44,047)
13,758
(787)
(1,157)
(17,221) | 81.9%
(48.1%)
85.8%
(3.0%)
(5.0%) | Timing variances are common within this grouping as revenue is received sporadically depending on grant funding cycles, fundraising campaigns and the quarterly payments from United Way. The \$44k variance in Foundation Grants is by the CDOT grant referenced above (\$32.8k). |
|----|---|---|--|

EXPENSES:

Salaries, P/R Taxes and Benefits.

- | | | | |
|----|-----------|--------|--|
| 8. | (135,968) | (3.6%) | The variance in salaries grew by \$13k compared to last month. We continue to have many unfilled positions that have driven this variance to 3.6% favorable to budget. Compared to FY17, Salaries are up \$56k or 1.5%. Considering we implemented a \$0.50 COLA which would add about \$100k to salaries, and a 2% performance increase which would add about \$36k, it is evident that open positions are the main cause of this variance. |
|----|-----------|--------|--|

Purchased & Medical Services

- | | | | |
|----|----------|---------|---|
| 9. | (27,918) | (15.3%) | This category is down due to the movement of two host clients into group homes, and thus reducing the payments to our host home providers for their services. |
|----|----------|---------|---|

Insurance

- | | | | |
|-----|----------|--------|---|
| 10. | (20,845) | (3.8%) | Insurance expense is \$21k favorable to budget; about half of that is due to the Pinnacle work comp dividend and the other half due to those open positions, which are benefited. Compared to last year, our insurance costs have decreased by about \$35k due to a combination of restructuring the scale that dictates how much employees pay for health insurance and the open positions. We will not ask our employees to pay for an additional percentage for their insurance next year, so expect this expense to increase as premiums are on the rise. |
|-----|----------|--------|---|

Professional Fees

- | | | | |
|-----|----------|---------|--|
| 11. | (15,319) | (36.1%) | Professional fees are under budget due to the timing of the payment for the audit. That will erase this variance next month. |
|-----|----------|---------|--|

Repair & Maintenance

- | | | | |
|-----|--------|-------|--|
| 12. | 10,171 | 11.8% | R&M is over budget due to a variety of projects and building maintenance needs, such as a new furnace at the Moffat Day Program site, Rose Street decking and flooring, various projects at Rainbow, and improvements at Milestones. |
|-----|--------|-------|--|

Client Assistance

- | | | | |
|-----|----------|---------|---|
| 13. | (24,949) | (52.8%) | Client Assistance is favorable to budget due to the timing of Mill Levy Family Support payments (June) and the category of State funded FSSP payments (the remainder go to Purchased & Medical Services). |
|-----|----------|---------|---|

HORIZONS SPECIALIZED SERVICES
NOTES TO FINANCIAL STATEMENTS
FOR THE ELEVEN MONTHS ENDED MAY 31, 2018

RESOURCE DEVELOPMENT ANALYSIS		FY 2018	FY 2017
Received to date:			
Individuals	33,344		
Total		33,344	75,519
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Grand County	9,800		3,750
Moffat County HRC	11,500		5,000
Rio Blanco County	8,500		8,500
Total Counties		29,800	17,250
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Alpine Bank - Sue White Celebration			198
Bright Funds	500		
Cigna Health	5,000		
Colorado Garden Association	6,000		
Colorado Group Realty	710		
Energy Outreach Colorado	4,000		10,000
Grand Foundation	5,000		4,954
Knights of Columbus			2,000
Kroger Cares Program			
Lions Club of Fraser Valley	1,865		1,436
Meeker HRC			
Meeker Lions Club	2,000		500
Moffat County High School Key Club (RB United Way)			
Mountain Valley Bank	5,000		4,000
National Philanthropic Trust			15,000
Safeway (FS)	2,500		
Summit Foundation			5,000
WEH2 Foundation	5,000		
Yampa Valley Community Foundation - Women's Giving Circle	3,445		7,747
Yampa Valley Community Foundation - Lufkin Family Foundation	5,100		4,640
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			17,000
Yampa Valley Community Foundation - Anonymous Fund			1,000
Yampa Valley Electric Caring Consumers	1,500		1,000
Total Foundations, etc		47,620	76,475
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Moffat County United Way	19,500		24,500
United Way - Other	2,260		2,100
Total United Way		21,760	26,600
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Meeker Holiday Home Tour	1,550		2,805
Little Points of Light	16,691		14,150
Pick a Dish	7,556		7,901
Meeker Events			
Other			500
Total Fundraisers		25,797	25,356
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Sub-Total		158,320	221,200
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<i>Less: Resource Development Salary and Payroll expenses</i>		<i>46,028</i>	<i>44,287</i>
<i>Other Direct Costs</i>		<i>18,028</i>	<i>11,918</i>
Net "Gain" (Loss) in Resource Development for 2018, 2017		94,264	164,995