

HORIZONS SPECIALIZED SERVICES
NOTES TO FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2016

BALANCE SHEET:

Cash:

1,220,764	Certificates of Deposit and Savings Accounts
1,205,298	Checking & Money Market Accounts
<u>2,426,061</u>	

Accounts Receivable:

309,664	Balances due from ACS for Medicaid Waiver billings (84% of this is current)
114,918	Balances due from the State. This also includes Part C.
6,749	Work Crew billings and miscellaneous A/R
73,016	Accrued interest on CD's
31,863	A/R from SCA Inc.
<u>536,210</u>	

Prepaid Expenses:

973	Various maintenance and service contracts Oct, 2016 - Oct, 2017
48,094	Insurance (Health, Building, Liability, Workers Comp, D&O)
13,210	Expenses paid in Sept for Oct or later
10,583	Security Deposits paid on behalf of clients moving into new apts and office spaces
<u>72,860</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:

100,000	Total FY 2016-2017 Asset Budget
(9,188)	Assets purchased through 9/30/16
<u>90,812</u>	Balance of Asset Budget in FY 2016-2017

Accrued Payroll and Employee Benefits:

101,293	Accrued payroll for last ten days of the month
123,967	Accrued paid time off (PTO)
39	Other accrued employee benefits & taxes
<u>225,299</u>	

Deferred Revenue:

3,250	Security Deposits on 8th Street apartments
210,740	Mill Levy funds received in excess of amounts recognized as revenue
<u>213,990</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>123,917</u>	Surplus Through 9/30/16
<u>1,908,291</u>	Unrestricted Fund Balance @ 9/30/16

HORIZONS SPECIALIZED SERVICES
Statement of Financial Position
For the Three Months Ending Friday, September 30, 2016

ASSETS

Current Assets	
Cash	\$2,426,061.45
Accounts Receivable	536,209.56
Prepaid Expenses	72,859.93
Total Current Assets	<u>3,035,130.94</u>
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>2,253,595.61</u>
TOTAL ASSETS	<u><u>\$5,389,676.72</u></u>

LIABILITIES AND EQUITY

Current Liabilities	
Accounts Payable	\$80,172.15
Accrued Payroll and Employee Benefits	225,298.71
Deferred Revenue	213,989.91
Current Portion of Long Term Debt	43,033.56
Total Current Liabilities	<u>562,494.33</u>
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>123,917.03</u>
Total Equity	<u>4,280,524.93</u>
TOTAL LIABILITIES AND EQUITY	<u><u>\$5,389,676.72</u></u>

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 FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2016

INCOME STATEMENT:

VARIANCE REPORT - OVER (UNDER) BUDGET:

Amount %

REVENUE:

Day Program & Homes

1. (4,152) (2.8%) Moffat Day Program unfavorable \$5.4k to budget because of lower utilization of units than budgeted. Also down \$5k from
 (6,249) (1.1%) FY16. Rose Street unfavorable \$3.7k to budget due to more absences than budgeted (mainly one client in July who was out of town for two weeks and one who was gone for nine days in August); Maple Street down \$1.5k to budget due to absences in August. Revenue in the Homes increased almost \$4k compared to this time last year.

Case Management

2. (7,751) (10.0%) Routt County TCM unfavorable to budget by \$4.8k, Moffat County TCM unfavorable \$4.4k, Grand County TCM unfavorable \$1.6k - this partly due to issues with EI TCM billing and partly timing on use of annual TCM units. EI Trust Fund Case Management is favorable \$4.2k across counties due to increase in Trust Fund caseloads.

SLS

3. (15,737) (11.5%) Routt SLS unfavorable by \$6.3k, Moffat SLS unfavorable by \$6.6k, Grand SLS unfavorable by \$2.3k - this is due to an aggressive budget based upon increased levels of utilization. Routt down \$2.5k to FY16, Moffat \$1.6k, and Grand \$1.7k.

CES

4. (2,374) (17.1%) CES revenue is unfavorable \$2.2k in Moffat County and \$1.2k in Grand County due to difficulties in utilization and coordination with the family. CES is down \$2.7k to FY16, however we had three additional clients in FY16.

Gov't Grant Support/HUD, etc.

5. 5,801 50.7% This category is favorable by \$3.4k in Routt due to the receipt of payments from BOCES for Child Find. In addition, HUD rent support payments are favorable due to timing.

Gov't Grant Support/Part C

6. 10,621 187.0% Favorable \$10.6k on timing of State payments for Part C Service Coordination and Management Fee. There could be upside here due to differences in budgeted vs. actual state contract allocations.

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

7. 37,036 217.9% Individual Donations favorable by \$37k due to timing of receipt of Maureen Florence Estate donation, all other variances
 (9,510) (56.1%) are due to timing of the receipt of these funds compared to the budget which is spread across the fiscal year. For
 875 18.9% example, our main fundraising events take place in December and April (LPOL and Pick a Dish).
 (7,500) (100.0%)
 350 5.6%
 21,251

EXPENSES:

Salaries, P/R Taxes and Benefits.

8. (47,454) (4.7%) Salaries are favorable by \$47k to budget through the first three months of the year. The new wage increases approved for FY17 will not take effect until October. Salaries are up \$16k compared to FY16, or 1.7%.

Purchased & Medical Services

9. 2,211 4.7% Unfavorable by \$2.2k due to timing and the type of expenses related to the Family Support program. The majority of this line item correspond to Host Home payments, which are at budgeted levels. However, this line will increase over the course of the fiscal year as we added a Host Home client in Routt County (an emergency slot from the SLS program).

Depreciation Expense

10. (3,947) (7.7%) Depreciation is favorable by \$3.9k due to timing in the purchase of capital additions.

Insurance

11. (3,979) (2.8%) Insurance is favorable by \$4k in various departments related to Health and Work Comp Insurance. Look for this variance to decrease due to higher than budgeted HRA reimbursements to employees.

Supplies

12. (6,782) (21.3%) Supplies are favorable by \$6.7k on many variances between Day Program and Homes. Significant variances are Day Program Supplies (\$2.3k) and Household Supplies in the Homes (\$4k).

Professional Fees, Repair & Maintenance, Staff Development, Meetings Conferences & Training

- 13 (5,983) (58.4%) These line items are all favorable due to timing.
 (6,466) (23.3%)
 (3,077) (51.6%)
 (3,929) (65.3%)
 (19,455)

Client Assistance

14. (6,541) (48.3%) Client Assistance is favorable by \$6.5k on timing and the type of Family Support payments (see Purchased & Medical). In addition, Mill Levy Family Support payments are budgeted here and occur in June.

HORIZONS SPECIALIZED SERVICES
Statement of Activity
For the Three Months Ending Friday, September 30, 2016

	Actual	Budget	Variance	Notes
Revenue				
Day Program	\$144,598.17	\$148,750.02	(\$4,151.85)	1
Early Intervention	91,338.17	93,512.55	(2,174.38)	
Case Management	69,816.96	77,568.29	(7,751.33)	2
Administration	11,506.99	9,485.58	2,021.41	
Homes	576,617.94	582,867.26	(6,249.32)	1
Supported Living Services	120,898.01	136,634.90	(15,736.89)	3
Vocational Rehabilitation	437.50	1,125.00	(687.50)	
Work Crews	1,812.42	1,812.51	(0.09)	
Private Pay	881.50	0.00	881.50	
CES	11,510.94	13,885.02	(2,374.08)	4
Room & Board	76,560.00	76,560.00	0.00	
Other Income	17,896.20	15,788.37	2,107.83	
Gov't Grant Support/HUD, etc	17,246.00	11,445.00	5,801.00	5
Gov't Grant Support/Part C	16,300.21	5,679.12	10,621.09	6
Individual Pledges and Donations	54,035.90	17,000.01	37,035.89	7
Foundation Grants/Support	7,454.00	16,963.50	(9,509.50)	7
Cities and Counties - Grants/Support	5,500.00	4,625.01	874.99	7
County Mill Levy	275,145.00	275,145.00	0.00	
Fundraisers	0.00	7,500.00	(7,500.00)	7
United Way - Grants/Support	6,600.00	6,249.99	350.01	7
Total Revenue	\$1,506,155.91	\$1,502,597.13	\$3,558.78	
Expenses				
Salaries, P/R Taxes & Benefits	\$957,909.22	\$1,005,363.21	(\$47,453.99)	8
Vehicle Expenses	16,229.40	16,624.80	(395.40)	
Purchased & Medical Services	48,954.97	46,743.86	2,211.11	9
Depreciation & Amortization	47,496.07	51,442.74	(3,946.67)	10
Telephone	10,284.96	9,568.80	716.16	
Utilities	13,394.77	14,308.71	(913.94)	
Insurance	138,649.60	142,628.95	(3,979.35)	11
Interest	6,889.14	6,496.02	393.12	
Bank Charges	641.98	706.26	(64.28)	
Dues, Subscriptions & Fees	4,562.39	4,092.54	469.85	
Supplies	25,073.58	31,855.68	(6,782.10)	12
Fundraising Expense	1,737.01	2,499.99	(762.98)	
Professional Fees	4,258.56	10,241.28	(5,982.72)	13
Food (net of stamps)	21,807.67	21,361.98	445.69	
Postage & Express	2,252.53	1,756.20	496.33	
Repair & Maintenance	21,304.80	27,771.09	(6,466.29)	13
Building Lease	34,659.99	34,659.99	0.00	
Property Tax	0.00	812.52	(812.52)	
Staff Development & Recognition	2,890.31	5,967.51	(3,077.20)	13
Meetings, Conferences & Training	2,092.32	6,021.18	(3,928.86)	13
Promotional Expense	5,578.14	2,887.50	2,690.64	
Travel	1,754.56	2,546.19	(791.63)	

HORIZONS SPECIALIZED SERVICES

Statement of Activity

For the Three Months Ending Friday, September 30, 2016

14

Mileage Reimbursement	5,577.07	7,197.42	(1,620.35)
Client Assistance	7,003.02	13,544.01	(6,540.99)
In-kind	1,236.82	600.00	636.82
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Total Expenses	1,382,238.88	1,467,698.43	(85,459.55)
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Net Surplus (Deficit)	\$123,917.03	\$34,898.70	\$89,018.33
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To Reconcile to "Cash" Activity:

Add Back: Depreciation and Amortization	47,496.07	51,442.74	(3,946.67)
Less: Principal Loan Payments	(13,945.44)	(13,945.44)	0.00
Less: Fixed Asset Acquisitions	(9,188.21)	(9,188.21)	0.00
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Net "Cash" Activity for this Period	\$148,279.45	\$63,207.79	\$85,071.66
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**HORIZONS SPECIALIZED SERVICES
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FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2016**

<u>RESOURCE DEVELOPMENT ANALYSIS</u>		FY 2017	FY 2016
Received to date:			
Individuals	54,036	54,036	1,127
Grand County	1,250		
Moffat County HRC			
Rio Blanco County	4,250		4,250
Total Counties		5,500	4,250
Daniels Fund (PCT)			
Grand Angels Trinity Church			
Grand Foundation	4,954		
Knights of Columbus			
Kroger Cares Program			
Lions Club of Fraser Valley	1,000		
Meeker HRC			
Moffat County High School Key Club (RB United Way)			
Push America			
Seivert Family Foundation			500
Sprout Foundation			
Summit Foundation			
United Jewish			
WEH2 Foundation			
Wells Fargo			
Yampa Valley Community Foundation - Women's Giving Circle	1,500		
Yampa Valley Community Foundation - Lufkin Family Foundation			
Yampa Valley Community Foundation - Gloria Gossard Memorial			
Yampa Valley Community Foundation - Community Grant Endowment			
Yampa Valley Community Foundation - Ski Corp Charitable Fund			
Yampa Valley Community Foundation - Turkey Bowl			
Total Foundations, etc		7,454	500
Moffat County United Way	6,000		6,250
United Way - Other	600		
Total United Way		6,600	6,250
Meeker Holiday Home Tour			
Little Points of Light			
Pick a Dish			
Meeker Events			
Other			
Total Fundraisers		-	-
Sub-Total		73,590	12,127
<i>Less: Resource Development Salary and Payroll expenses</i>		12,393	11,098
<i>Other Direct Costs</i>		2,781	1,668
Net "Gain" (Loss) in Resource Development for 2016, 2015		58,416	(639)