

Consolidated Financial Statements and  
Independent Auditor's Report

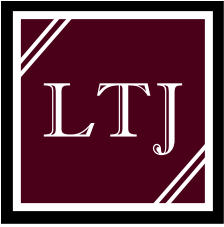
**Developmental Disabilities Center d.b.a. Imagine!  
and Affiliates**

June 30, 2015



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# Logan, Thomas & Johnson, LLC

Certified Public Accountants

## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Developmental Disabilities Center d.b.a. Imagine!

### Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Developmental Disabilities Center d.b.a. Imagine! and Affiliates (Imagine!), which comprise the consolidated statement of financial position as of June 30, 2015, and the related consolidated statements of activities and cash flows for the year 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America as established by the Auditing Standards Board of the American Institute of Certified Public Accountants. 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 that we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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## Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Developmental Disabilities Center d.b.a. Imagine! and Affiliates as of June 30, 2015 and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Report on Summarized Comparative Information

We have previously audited Imagine!'s 2014 consolidated financial statements, and our report dated October 24, 2014, expressed an unmodified opinion on those audited consolidated financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2014, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

## Other Matter

### *Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statement of financial position and the consolidating statement of activities on pages 28 through 31 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 has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain 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 additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information on pages 28 through 31 is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

*Logan, Thomas + Johnson, LLC*

Broomfield, Colorado  
November 3, 2015

*Consolidated Financial Statements*

Developmental Disabilities Center d.b.a. Imagine! and Affiliates  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
June 30, 2015  
(With summarized financial information as of June 30, 2014)

	2015	2014
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 5,554,243	\$ 7,796,339
Certificates of deposit	1,501,272	999,829
Investments	1,231,552	1,155,212
Accounts receivable		
Fees and grants from governmental agencies, net of allowance for doubtful accounts of \$51,600	2,307,871	1,932,905
Other	551,760	355,356
Prepaid expenses and other	220,076	161,456
Total current assets	11,366,774	12,401,097
Certificates of deposit	500,600	-
Prepaid benefit cost	674,313	734,748
Beneficial interest in assets held by others	370,391	365,560
Deferred bond issuance costs, net of amortization of \$51,281	58,402	63,886
Land, building and equipment, net	9,325,020	8,702,020
Total assets	\$ 22,295,500	\$ 22,267,311
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities		
Accounts payable and accrued expenses	\$ 2,072,293	\$ 1,918,522
Deferred revenue	70,148	1,549,988
Current portion of long-term debt		
Capital lease obligation	45,092	43,621
Notes payable	17,578	111,677
Bonds payable	145,000	145,000
Total current liabilities	2,350,111	3,768,808
Liability for pension benefits	1,156,356	1,078,266
Long-term debt, net of current portion		
Capital lease obligation	71,294	116,376
Notes payable	179,182	253,698
Bonds payable	1,835,000	1,980,000
Total liabilities	5,591,943	7,197,148
Net assets		
Unrestricted		
Net investment in land, building and equipment	7,090,276	6,115,534
Undesignated	9,613,281	8,954,629
Total net assets	16,703,557	15,070,163
Total liabilities and net assets	\$ 22,295,500	\$ 22,267,311

The accompanying notes are an integral part of this statement.

Developmental Disabilities Center d.b.a. Imagine! and Affiliates

CONSOLIDATED STATEMENT OF ACTIVITIES

Year ended June 30, 2015

(With summarized financial information for the year ended June 30, 2014)

	Total unrestricted	
	2015	2014
Revenues and support		
Fees and grants from governmental agencies		
Fees for services		
State of Colorado		
State General Fund	\$ 2,948,825	\$ 2,506,859
Medicaid	18,920,314	17,544,502
Colorado Department of Education - Vocational Rehabilitation	41,165	50,912
City and county	6,435,836	6,461,016
Grants and other		
Department of Housing and Urban Development	160,551	848,223
Medicare	57,698	50,717
Part C	418,436	531,678
Other	36,374	265,000
Total fees and grants from governmental agencies	<u>29,019,199</u>	<u>28,258,907</u>
Public support – contributions	526,808	590,166
In-kind contributions	-	140,697
Residential room and board	1,331,895	1,308,136
Other revenue	1,709,561	1,802,643
Total revenues and support	<u>32,587,463</u>	<u>32,100,549</u>
Expenses		
Program services		
Residential	10,530,372	9,628,015
Day habilitation and employment	3,787,403	3,684,848
Therapeutic activities	1,188,504	961,340
Organized health care delivery system	1,905,664	3,286,057
Behavioral	815,751	722,357
Family recruited employer	960,258	719,197
Early intervention	2,135,072	2,274,020
Family support	768,311	451,070
Case management	3,314,405	2,813,765
Foster care	1,336,208	1,543,914
Other support programs	885,756	1,142,753
Total program services	<u>27,627,704</u>	<u>27,227,336</u>
Supporting services		
Management and general	2,887,346	2,815,862
Fundraising	300,494	247,521
Total supporting services	<u>3,187,840</u>	<u>3,063,383</u>
Total expenses	<u>30,815,544</u>	<u>30,290,719</u>
Pension - related changes other than net periodic pension cost	(138,525)	201,890
CHANGE IN NET ASSETS	1,633,394	2,011,720
Net assets, beginning of year	15,070,163	13,058,443
Net assets, end of year	<u>\$ 16,703,557</u>	<u>\$ 15,070,163</u>

The accompanying notes are an integral part of this statement.

Developmental Disabilities Center d.b.a. Imagine! and Affiliates  
CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended June 30, 2015

(With summarized financial information for the year ended June 30, 2014)

	2015	2014
Cash flows from operating activities		
Change in net assets	\$ 1,633,394	\$ 2,011,720
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	537,760	539,480
(Gain) loss on sale of land, building and equipment	19,705	(3,635)
Realized and unrealized (gain) loss on investments	30,368	(157,388)
Realized and unrealized (gain) loss on certificates of deposit	(2,043)	146
Noncash change in beneficial interest in assets held by others	(4,831)	(47,179)
Nonperiodic changes in pension plan	78,090	(96,543)
Change in assets and liabilities		
Increase in accounts receivable	(571,370)	(60,734)
Decrease in prepaid expenses and other assets	1,815	53,213
Increase (decrease) in deferred revenue	(1,479,840)	213,209
Increase (decrease) in accounts payable and accrued expenses	317,434	(308,730)
Net cash provided by operating activities	560,482	2,143,559
Cash flows from investing activities		
Purchase of land, building and equipment	(1,118,079)	(1,142,228)
Proceeds from sale of fixed assets	5,400	24,320
Payments from accounts payable related to fixed assets	(225,965)	-
Purchase of certificates of deposit	(2,000,000)	(1,000,000)
Proceeds from sale of certificates of deposit	1,000,000	500,000
Purchase of investments	(106,708)	(47,678)
Net cash used in investing activities	(2,445,352)	(1,665,586)
Cash flows from financing activities		
Proceeds from the issuance of notes payable	22,702	70,237
Payments on capital lease obligations	(43,611)	(42,207)
Payments on bonds payable	(145,000)	(135,000)
Payments on notes payable	(191,317)	(111,085)
Net cash used in financing activities	(357,226)	(218,055)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(2,242,096)	259,918
Cash and cash equivalents, beginning of year	7,796,339	7,536,421
Cash and cash equivalents, end of year	\$ 5,554,243	\$ 7,796,339
Supplemental data		
Cash paid during the year for interest	\$ 12,789	\$ 18,701
Noncash investing and financing activities		
Fixed asset additions in accounts payable	62,302	225,965
Fixed asset additions acquired through capital lease arrangements	-	202,204

The accompanying notes are an integral part of this statement.



Developmental Disabilities Center d.b.a. Imagine! and Affiliates  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
June 30, 2015

NOTE A – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This description of Developmental Disabilities Center d.b.a. Imagine!'s (Imagine!) nature of activities and summary of significant accounting policies is presented to assist in understanding Imagine!'s consolidated financial statements.

1. *Summary of Business Activities*

Developmental Disabilities Center d.b.a. Imagine!, a Colorado nonprofit corporation, was incorporated under the laws of the State of Colorado in 1963 for the purpose of providing a community center board to coordinate programs through interagency cooperation and local agencies to provide services to persons with developmental disabilities in Boulder County.

2. *Principles of Consolidation*

The consolidated financial statements of Imagine! include its affiliates, DDC Foothills Home (Foothills), a Colorado nonprofit corporation; Imagine! Housing Corp. II (Housing Corp. II), a Colorado nonprofit corporation; Imagine! Housing Corp. III (Housing Corp. III), a Colorado nonprofit corporation; Imagine! Development Company, Inc. (Development Company), a Colorado for-profit corporation; and Imagine! Foundation (Foundation), a Colorado nonprofit corporation. Foothills, Housing Corp. II, Housing Corp. III, Development Company and the Foundation are affiliates of Imagine! due to the fact that Imagine! exercises control over the Boards of Directors of these entities. All material intercompany accounts and transactions have been eliminated.

3. *Description of Services Provided*

The major program services or supports and functional activities directly provided or purchased by the organization are:

**Program Services or Supports**

Residential is customized residential and community access options to people of all ages with physical, developmental, and cognitive disabilities. Residential settings include host home and companion homes, group homes, family models, personal care alternatives, along with nursing and financial supports.

Day Habilitation and Employment provide opportunities for social, vocational and educational growth to adults with physical and cognitive challenges. These services and supports enable individuals to access and participate in typical community activities such as work, recreation, and senior citizen activities. There is an emphasis on attaining the skills necessary for employment. Once employment is accessible, individuals are supported in both crew work and individual employment.

Developmental Disabilities Center d.b.a. Imagine! and Affiliates  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
June 30, 2015

NOTE A – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)

3. *Description of Services Provided (Continued)*

**Program Services or Supports (Continued)**

Therapeutic Activities - Therapeutic Recreation (TR) is an allied health profession which focuses on improving a person's physical, cognitive, social, emotional and leisure needs through activity interventions. A Certified Therapeutic Recreation Specialist (CTRS) typically plans and facilitates an activity for their client and ensures that certain skills are practiced and goals are achieved during the session. Activities include community-based recreational programming such as swimming, equine therapy, arts & crafts, as well as an after school program for school-aged children.

Organized Health Care Delivery System provides billing services for those providers that meet the mission of Imagine! and meet the qualification standards for those services. Services must be authorized through an individual's service or family plan.

Behavioral offers expert mental and behavioral health supports to individuals of all ages, families, and their support network with a comprehensive, teaming approach through direct intervention including consultation, evaluation, advocacy, education, and program development.

Family Recruited Employer is uniquely designed to provide families with the opportunity to find, recruit, and utilize individuals they know and trust to provide services for their loved one. The service was developed to meet a need and address a gap in services in a cost efficient manner. The service preserves consumer dignity by allowing trusted family members to be paid to provide certain aspects of care instead of having an employee of an agency with whom they are not familiar assist with these tasks. It also allows parents respite from primary care evenings, weekends, holidays or overnights, hours, or days when typical agencies may not offer support.

Early Intervention is for children from birth through age two which offer infants and toddlers and their families services and supports to enhance child development in the areas of cognition, speech, communication, physical, motor, vision, hearing, social-emotional development, and self-help skills; parent-child or family interaction; and early identification, screening and assessment services.

Developmental Disabilities Center d.b.a. Imagine! and Affiliates  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
June 30, 2015

NOTE A – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)

3. *Description of Services Provided (Continued)*

**Program Services or Supports (Continued)**

Family Support 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 which is unwanted by the person or the family.

Case Management is the determination of eligibility for services and supports, service and support coordination, and the monitoring of all services and supports delivered pursuant to the Individualized Plan (IP), and the evaluation of results identified in the IP.

Foster Care includes a number of different types of residential settings that provide an array of training, learning, experiential and support activities provided in residential living alternatives designed to meet the specific needs of individuals who are under the age of 21.

Other Support Programs includes other programs such as the Autism Spectrum Disorder (ASD) program which provides resources to improve the living situation of local citizens who have ASD.

**Supporting Services**

Management and General includes those activities necessary for planning, coordination and overall direction of Imagine!, financial administration, general board activities and other related activities indispensable to Imagine!'s corporate existence.

Fundraising is an organized program of activities consisting of raising money, creating public awareness and educating the public for the purpose of furthering our goal of providing supports for people with developmental disabilities. It also includes Imagine! Foundation whose purpose is to exclusively raise funds, and carry out other charitable and educational activities for the benefit of Imagine!.

4. *Basis of Accounting*

Financial statements of Imagine! have been prepared on the accrual basis, whereby revenues are recorded when services are performed and expenses are recognized when incurred.

Developmental Disabilities Center d.b.a. Imagine! and Affiliates  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
June 30, 2015

NOTE A – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)

5. *Use of Estimates*

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues, support and expenses during the reporting period. Actual results could differ from those estimates.

6. *Subsequent Events*

Imagine! has evaluated events and transactions occurring subsequent to the end of the fiscal year for potential recognition or disclosure through November 3, 2015, the date on which the financial statements were issued, and did not identify any events or transactions that would have a material impact on the financial statements.

7. *Cash and Cash Equivalents*

For purposes of the statement of cash flows, Imagine! considers cash to be cash on hand and cash on deposit, subject to immediate withdrawal, and cash equivalents to be certificates of deposit with an original maturity of three months or less. Imagine! maintains cash balances in a financial institution located in Boulder, Colorado, which at times, may exceed federally insured limits. Imagine! has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

8. *Accounts Receivable*

The majority of Imagine!'s accounts receivable are due from the State of Colorado. Accounts receivable are due according to contractual terms and are stated at the amount management expects to collect from outstanding balances. Imagine! determines its allowance by considering a number of factors, including the length of time accounts receivable are past due and Imagine!'s previous collection history. Imagine! writes off accounts receivable to bad debt expense after reasonable collection efforts have been made. Payments subsequently received on such receivables, if any, are recorded as other revenue.

9. *Investments*

Imagine! records its investments in debt and equity securities at fair value in the statement of financial position. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position.

Developmental Disabilities Center d.b.a. Imagine! and Affiliates  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
June 30, 2015

NOTE A – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)

10. *Land, Building and Equipment*

Land, building and equipment are reported at cost for purchased assets and at estimated fair value, at date of receipt, for donated property. Any asset purchased for more than \$5,000 that has a life expectancy of more than one year is capitalized. Depreciation and amortization are provided on the straight-line method over the following estimated useful lives:

	<u>Years</u>
Buildings and improvements	20–30
Leasehold improvements	5–15
Administrative and program equipment	3–10
Transportation equipment	3– 5

11. *In-kind Contributions*

Contributions of property, materials and personal services are known as in-kind contributions and are recorded at fair value at the date of receipt. The amount recorded for these donations (other than contributions of land, building and equipment) is also included as program costs to properly reflect the total cost of the particular program.

12. *Accounting for Contributions*

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods, or are restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. Unconditional promises to give, which do not state a due date, are presumed to be time-restricted by the donor until received and are reported as temporarily restricted net assets.

A donor restriction expires when a stipulated time restriction ends, when an unconditional promise with an implied time restriction is collected, or when a purpose restriction is accomplished. Upon expiration, temporarily restricted net assets are reclassified to unrestricted net assets and are reported in the statement of activities as net assets released from restrictions. Restricted contributions received in the same year in which the restrictions are met are reported as unrestricted revenues rather than temporarily restricted. Permanently restricted net assets include the principal amount of contributions accepted with the stipulation from the donor that the principal be maintained in perpetuity, and only the income from investment thereof be expended for either general purposes or a purpose specified by the donor. In the current fiscal year, Imagine! has no donor restricted contributions whose restrictions were not currently met.

Developmental Disabilities Center d.b.a. Imagine! and Affiliates  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
June 30, 2015

NOTE A – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)

13. *Bond Issuance Costs*

Bond issuance costs are deferred and amortized to depreciation and amortization expense over the term of the respective bond using the straight-line method, which approximates the effective interest method.

14. *Income Taxes*

Imagine! is operated as a nonprofit organization exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. Imagine! recognizes tax liabilities when, despite the Imagine!'s belief that its tax return positions are supportable, Imagine! believes that certain positions may not be fully sustained upon review by tax authorities. Benefits from tax positions are measured at the largest amount of benefit that is greater than fifty percent likely of being realized upon settlement. Imagine! has concluded there is no tax liability or benefit required to be recorded as of June 30, 2015. Imagine! is subject to routine audits by taxing jurisdictions; however, there are currently no audits in progress for any tax periods. Imagine! believes it is no longer subject to income tax examinations for the years prior to the year ended June 30, 2012.

15. *Fair Value Measurements*

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. A fair value hierarchy has been established under generally accepted accounting principles, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value:

Level 1 – Quoted prices in active markets for identical assets or liabilities. Level 1 assets and liabilities include debt and equity securities and mutual funds that are traded in an active exchange market.

Level 2 – Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities. This category generally includes certain U.S. Government agency debt securities and corporate-debt securities. Imagine!'s Level 2 securities are primarily valued using quoted market prices for similar instruments and nonbinding market prices that are corroborated by observable market data.

Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the asset or liabilities. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

Developmental Disabilities Center d.b.a. Imagine! and Affiliates  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
June 30, 2015

NOTE A – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES  
(CONTINUED)

15. *Fair Value Measurements (Continued)*

Fair value estimates are made at a specific point in time, based on available market information and judgments about the financial asset, including estimates of timing, amount of expected future cash flows, and the credit standing of the issuer. In some cases, the fair value estimates cannot be substantiated by comparison to independent markets. In addition, the disclosed fair value may not be realized in the immediate settlement of the financial asset. The disclosed fair values do not reflect any premium or discount that could result from offering for sale at one time an entire holding of a particular financial asset. Potential taxes and other expenses that would be incurred in an actual sale or settlement are not reflected in amounts disclosed. Management recognizes transfers between fair value hierarchy levels at the time of fair value measurement.

16. *Prior Year Summarized Information and Reclassifications*

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with Imagine!'s financial statements as of and for the year ended June 30, 2014, from which the summarized information was derived. Certain financial information as of and for the year ended June 30, 2014 has been reclassified to conform with the presentation for the current year.

NOTE B – INVESTMENTS

Investments are carried at fair market value, based on current market quotations or a pricing model, and are comprised of the following at June 30, 2015:

Equity mutual funds:	
Domestic	\$ 948,386
International	193,166
Corporate stock	<u>90,000</u>
	\$ <u>1,231,552</u>

Investment return for the year ended June 30, 2015, consists of the following:

Interest income and dividends	\$ 57,844
Realized and unrealized gain on investments	<u>30,368</u>
	\$ <u>88,212</u>

Developmental Disabilities Center d.b.a. Imagine! and Affiliates  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
June 30, 2015

NOTE C – BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS

Imagine! transferred assets from its investment portfolio to The Community Foundation (TCF) to establish permanent funds that benefit Imagine!. Under the terms of the agreement, Imagine! receives income generated by the transferred assets and reinvests the income in the fund. Imagine! can withdraw all or a portion of the original amount transferred, any appreciation on those transferred assets, or both, at its discretion. At the time of the transfer, Imagine! granted variance power to TCF. That power gives TCF the right to distribute the investment income and principal to another nonprofit organization of its choice if Imagine! ceases to exist. If TCF ceases to exist, the net assets of the permanent funds shall be distributed to such charitable organizations as the governing board of TCF may select, with primary consideration being given to Imagine!. At June 30, 2015, the permanent fund has a value of \$369,135, which is reported in the statement of financial position as beneficial interest in assets held by others. In addition, the Longmont Community Foundation holds funds that are to benefit the Foundation in the amount of \$1,256.

NOTE D – LAND, BUILDING AND EQUIPMENT

Land, building and equipment consists of the following at June 30, 2015:

Buildings and improvements	\$ 9,586,141
Leasehold improvements	5,044
Administrative and program equipment	1,675,055
Transportation equipment	<u>2,161,324</u>
	13,427,564
Less accumulated depreciation and amortization	<u>6,469,487</u>
	6,958,077
Land	<u>2,366,943</u>
	<u>\$ 9,325,020</u>

Depreciation and amortization expense was \$532,276 for the year ended June 30, 2015.

NOTE E – DEFERRED REVENUE

Deferred revenue at June 30, 2015, consists of \$70,148 of unspent family support funds from the State of Colorado.



Developmental Disabilities Center d.b.a. Imagine! and Affiliates  
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
 June 30, 2015

NOTE F – LONG-TERM DEBT

Bonds Payable

In February 2006, Boulder County, Colorado issued \$3,110,000 of Variable Rate Demand Revenue Bonds (2006 Bonds) which were used for the current refunding of bonds issued in 1998, refinancing of existing debt and the purchase and improvements of an additional new administrative facility. With the issuance of the bonds, Imagine! entered into a loan agreement with Boulder County, Colorado in the amount of \$3,110,000. Principal payments are made annually on February 1. Interest payments are paid on the first business day of May, August, November and February and interest is calculated weekly based on comparable securities and prevailing market conditions. The 2006 Bonds are tax-exempt, with an effective interest rate of approximately 0.14% at June 30, 2015. The outstanding balance of the bonds at June 30, 2015 was \$1,980,000.

The 2006 Bonds are collateralized by a letter of credit, equal to the outstanding principal and interest at the date of renewal, which expired on June 1, 2011, but is automatically extended each year for the life of the 2006 Bonds. Imagine!'s administrative buildings act as collateral for the letter of credit. Imagine! is also responsible for paying a fee to the issuing bank of 1.0% per annum of the face value of the letter of credit.

Deferred bond issuance costs at June 30, 2015, net of accumulated amortization, are \$58,402.

The bonds contain debt covenants that require a minimum debt service coverage ratio and a minimum total liabilities to unrestricted net assets ratio. Imagine! met these covenants at June 30, 2015.

Future maturities under the 2006 Bonds are as follows:

Year ending June 30,	
2016	\$ 145,000
2017	155,000
2018	155,000
2019	165,000
2020	170,000
Thereafter	<u>1,190,000</u>
	1,980,000
Less current portion	<u>145,000</u>
	\$ <u>1,835,000</u>

Developmental Disabilities Center d.b.a. Imagine! and Affiliates  
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
 June 30, 2015

NOTE F – LONG-TERM DEBT (CONTINUED)

Notes Payable

Notes payable consist of the following at June 30, 2015:

3.25% note dated December 26, 2012, interest payments are due monthly and a principal payment of \$4,494 is due monthly, with a principal balloon payment due at December 26, 2017, secured by a home.	\$ 182,992
0.0% rate note dated September 29, 2014, payable in monthly principal installment of \$492, maturing on September 29, 2017. Collateralized by software.	<u>13,768</u>
	196,760
Less current portion	<u>17,578</u>
	<u>\$ 179,182</u>

Maturities of notes payable are as follows:

Year ending June 30,	
2016	\$ 17,578
2017	18,372
2018	<u>160,810</u>
	<u>\$ 196,760</u>

NOTE G – LINE OF CREDIT

Imagine! established a \$543,000 line of credit with a bank at an annual interest rate of one percentage point above the financial institution's Index (prime), maturing on February 15, 2016. The Index was 3.25% at June 30, 2015. Currently, the interest rate is 5% as the interest rate will never go below 5%. The line of credit is collateralized by a second deed of trust. At June 30, 2015, there was no balance outstanding on the line of credit.

NOTE H – NET ASSETS

Net investment in land, building and equipment is comprised of net deferred bond issuance costs and net land, building and equipment, less capital lease obligations, bonds payable and notes payable.

Developmental Disabilities Center d.b.a. Imagine! and Affiliates  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
June 30, 2015

NOTE I – RETIREMENT PLANS

Tax Sheltered Annuity Plans

Imagine! has tax sheltered annuity plans in which employees were eligible to participate after thirty days of employment by contributing a percentage of their gross salary. The plans currently do not accept new participants. Employees still in the plans are no longer able to make contributions. Imagine! does not contribute to these plans.

Thrift Plan

In March 1994, Imagine! established a thrift plan which meets the requirement of a Section 403(b) annuity plan. Employees are immediately eligible to participate and can contribute between 1% and 20% of their gross salary. Imagine!'s employer contribution rates range from 3% of compensation for less than 5 years of service to 16% of compensation for 20 or more years of service. The participants are 100% vested after three years of service. For the year ended June 30, 2015, Imagine! contributed \$945,208 to the plan.

Defined Benefit Pension Plan

Imagine! has adopted a defined benefit pension plan covering all employees with one year of service and 21 years of age. The benefits are based on years of service and the employee's compensation during the last five years of employment. The participants are 100% vested after five years of service or upon attaining age 55. Imagine!'s policy is to fund pension costs as accrued. In October 2007, Imagine! amended the plan to discontinue all employee eligibility effective December 31, 2007. All participants became 100% vested at that time, the plan will terminate, and qualifying participants will be paid a present value benefit.

Contributions are intended to provide not only for benefits attributed to service to date, but also for those expected to be earned in the future. Imagine! uses a June 30 measurement date for its plan. Based on the most recent actuarial valuation as of June 30, 2015, the end of the plan year, the following table sets forth the Plan's change in plan assets, assets and obligations, and amounts recognized on Imagine!'s statement of financial position at June 30, 2015:

Developmental Disabilities Center d.b.a. Imagine! and Affiliates  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
June 30, 2015

NOTE I – RETIREMENT PLANS (CONTINUED)

Defined Benefit Pension Plan (continued)

Change in Plan Assets

Fair value of plan assets at June 30, 2014	\$ 3,849,820
Actual return on plan assets	103,933
Employer contributions	150,000
Annuities purchased or benefits paid (including expenses)	<u>(651,459)</u>
Fair value of plan assets at June 30, 2015	\$ <u>3,452,294</u>

Assets and obligations

Accumulated benefit obligation	\$ <u>3,934,337</u>
Plan assets at fair value	\$ 3,452,294
Projected benefit obligation	<u>3,934,337</u>
Projected benefit obligation in excess of plan assets	\$ <u>(482,043)</u>

Amounts recognized in the statement of financial position consist of:

Prepaid benefit cost – noncurrent asset	\$ 674,313
Pension benefit – noncurrent liabilities	<u>1,156,356</u>
Funded status at end of year	\$ <u>(482,043)</u>

Net periodic benefit cost for pension benefits for 2015 included the following components:

Service cost – benefits earned during the period	\$ 14,210
Interest cost on projected benefit obligation	163,071
Expected return on plan assets	(195,886)
Amount of recognized actuarial losses	<u>40,420</u>
Net periodic pension cost	21,815
Amount of loss recognized due to settlement	<u>188,620</u>
Net periodic benefit cost	\$ <u>210,435</u>

There are no estimated transition obligation, no net prior service cost, and \$41,017 net loss that will be amortized into net periodic benefit cost over the next fiscal year.

Developmental Disabilities Center d.b.a. Imagine! and Affiliates  
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
 June 30, 2015

NOTE I – RETIREMENT PLANS (CONTINUED)

Defined Benefit Pension Plan (continued)

Plan assets as of June 30, 2015 are by category as follows:

Asset category	Percent of fair value	Amount
Equity	39%	\$ 1,344,638
Fixed income	54	1,880,731
General account	<u>7</u>	<u>226,925</u>
Total	<u>100%</u>	\$ <u>3,452,294</u>

Investment policies and strategies:

Imagine!’s overall investment strategy is to manage Plan assets in a prudent, conservative yet productive manner. Managing the Plan assets to increase the value of Plan assets, while recognizing the need to preserve asset value in order to enhance the ability of the Plan to meet its obligations to Plan participants and their beneficiaries when due. Preservation of capital is of prime importance and within the stated investment objectives for the Plan’s assets. Risks, including excessive volatility in the value of Plan assets, should be minimized. Plan assets shall be managed to achieve stated objectives over a long-term time horizon.

Plan assets are managed with a long-term asset mix guideline of 40% equity alternatives and 60% fixed income alternatives, for assets in excess of the Liquidity Reserve. The Liquidity Reserve is the aggregate amount of anticipated benefit and expense outflow in the next two years based on the most recent valuation furnished by the Plan actuary or such other amount as may be determined by Imagine!. The total equity and total fixed income exposures may range plus or minus 10% from the target allocations. These ranges may be exceeded on a temporary basis as a result of market conditions, contributions to and withdrawals from the amounts maintained under the contract.

The investment objective for Plan assets shall be to achieve an average annual rate of return (investment income plus realized and unrealized gains and losses) over a three-to-five year period which exceeds the average annual rate of return that would have been achieved in the same period by a composite market index.

Expected long-term rate of return on plan assets assumption:

The Expected Long-Term Rate of Return on Plan Assets assumption of 5.0% was selected in accordance with the Actuarial Standards Board in Actuarial Standards of Practice No. 27 – Selection Economic Assumptions for Measuring Pension Obligations. Based on Imagine!’s investment policy for the pension plan in effect for the fiscal year, a best estimate range was determined for both the real rate of return (net of inflation and investment expense) and for inflation based on long-term historical return on the applicable asset classes. An average inflation rate within the range within the range equal to 3.0% was selected and added to the real rate of return range to arrive at a best estimate range of 3.81%-8.66%. A rate of 5.0% which is within the best estimate range was selected.

Developmental Disabilities Center d.b.a. Imagine! and Affiliates  
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
 June 30, 2015

NOTE I – RETIREMENT PLANS (CONTINUED)

Defined Benefit Pension Plan (continued)

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid:

Year ending June 30,	
2016	\$ 191,000
2017	23,000
2018	246,000
2019	809,000
2020-2024	761,000

Weighted-average assumptions used to determine benefit obligations at June 30, 2015:

Discount rate	3.85%
Rate of compensation increase	0.00

Weighted-average assumptions used to determine net periodic benefit cost for the year ended June 30, 2015:

Discount rate	3.75%
Expected long-term return on plan assets	5.00
Rate of compensation increase	0.00

NOTE J – LEASES

Capital Lease Obligation

Imagine! leases vehicles under capital leases. For financial reporting purposes, minimum lease rentals relating to the vehicles have been capitalized. The following is a schedule, by years, of future minimum lease payments under these capital leases together with the present value of the net minimum lease payments as of June 30, 2015:

Year ending June 30,	
2016	\$ 48,245
2017	48,245
2018	<u>24,967</u>
	121,457
Less amount representing interest	<u>5,071</u>
	116,386
Less current portion	<u>45,092</u>
	\$ <u>71,294</u>

Developmental Disabilities Center d.b.a. Imagine! and Affiliates  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
June 30, 2015

NOTE J – LEASES (CONTINUED)

Property recorded under the capital lease includes the following amounts at June 30, 2015:

Vehicles	\$ 284,790
Less accumulated amortization	<u>123,971</u>
	\$ <u>160,819</u>

Amortization expense related to property recorded under the capital lease is combined with depreciation expense.

Operating Leases

Imagine! leases residential facilities, office space, equipment and vehicles under operating lease arrangements in the operation of its programs. The majority of these leases are on a yearly or month-by-month basis and, therefore, are not subject to future minimum rental commitments. The leases with a term greater than one year expire at various dates through fiscal year 2020. Rental expense under all leases was \$620,154 for the year ended June 30, 2015.

Future minimum rental payments under noncancelable operating leases are as follows:

Year ending June 30,	
2016	\$ 334,370
2017	234,781
2018	232,016
2019	238,533
2020	<u>19,271</u>
	\$ <u>1,058,971</u>

NOTE K – RELATED PARTY TRANSACTIONS

Imagine! receives a substantial amount of revenue from the State of Colorado. The amount of receivables and deferred revenue Imagine! has from the State of Colorado totaled \$2,307,442 and \$70,148, respectively, as of June 30, 2015. Imagine! has a payable to the State of Colorado of \$59,782 as of June 30, 2015. These transactions are considered to be transactions with a related party by virtue of the significant management influence exercised by the State of Colorado through contract provisions.

Developmental Disabilities Center d.b.a. Imagine! and Affiliates  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
June 30, 2015

NOTE L – CONTINGENCIES

Imagine! is contingently liable to the Department of Housing and Urban Development (HUD) and Colorado Division of Housing (CDH) for advances on the Foothills residential facility. HUD and CDH have financed the construction of the residential facility in the amounts of \$532,500 and \$105,000, respectively. If the planned use of the facility changes, Imagine! must reimburse HUD and CDH for their respectively funded amounts. The restrictions for HUD and CDH will expire 40 years after the project closeout date. If default occurs, these advances will bear interest from inception to the date of default.

Imagine! is contingently liable to the City of Boulder, Colorado for the funding of the construction of the Foothills residential facility in the amount of \$60,000 from HUD Community Development Block Grant funds. The grant agreement provides that as long as the facility is used to provide housing for people with low incomes, Imagine! will not be required to repay any portion of the grant. However, if the building is sold to a party who does not agree to operate it as low-income housing, or if Imagine! ceases to operate the facilities as low-income housing, as defined, the grant becomes immediately payable in full, but bears no interest. If the building is sold to a party who agrees to operate it as low-income housing as defined, Imagine! would be required to pass the grant on to the acquiring entity.

Imagine! is contingently liable to the Department of Housing and Urban Development (HUD) and Colorado Department of Local Affairs (CDOLA) for advances on the Housing Corp. II residential facility. HUD and CDOLA have financed the construction of the residential facility in the amounts of \$582,900 and \$90,000, respectively. If the planned use of the facility changes, Imagine! must reimburse HUD and CDOLA for their respectively funded amounts. The restrictions for HUD and CDOLA will expire 40 years after the project closeout date. If default occurs, these advances will bear interest from inception to the date of default.

Imagine! is contingently liable to the City of Longmont, Colorado for advances on the Housing Corp. II residential facility through the HOME program. The City of Longmont, Colorado has financed the construction of the residential facility in the amount of \$120,000 from HUD Home Investment Partnerships Program and \$21,165 from HUD Community Development Block Grant funds. If the planned use of the facility changes, Imagine! must reimburse the City of Longmont, Colorado for its funded amount. The restrictions for the City of Longmont, Colorado will expire on November 9, 2029. If default occurs, these advances will bear interest from inception to the date of default.

Imagine! is contingently liable to the Department of Housing and Urban Development (HUD) and Colorado Department of Local Affairs (CDOLA) for advances on the Housing Corp. III residential facility. HUD and CDOLA have financed the construction of the residential facility in the amounts of \$698,220 and \$150,000, respectively. If the planned use of the facility changes, Imagine! must reimburse HUD and CDOLA for their respectively funded amounts. The restrictions for HUD and CDOLA will expire 40 years after the project closeout date. If default occurs, these advances will bear interest from inception to the date of default.



Developmental Disabilities Center d.b.a. Imagine! and Affiliates  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
June 30, 2015

NOTE L – CONTINGENCIES (CONTINUED)

Imagine! is contingently liable to the City and County of Broomfield, Colorado for advances on the Housing Corp. III residential facility through HUD Community Development Block Grant funds. The City and County of Broomfield, Colorado has financed the construction of the residential facility in the amount of \$25,000. The grant requires the facility to be used to provide housing for people with low incomes. If the planned use of the facility changes, Imagine! must reimburse the City and County of Broomfield, Colorado for its funded amount. The restrictions for the City and County of Broomfield, Colorado will expire on November 5, 2043. If default occurs, these advances will bear interest from inception to the date of default.

Imagine! is contingently liable to the Federal Home Loan Bank of Topeka for the funding of the construction of the Housing Corp. III residential facility in the amount of \$90,000. The Affordable Housing Program agreement provides that as long as the facility is used to provide housing for low-income persons at affordable rents through September 30, 2028, Imagine! will not be required to repay any portion of the grant.

Imagine! was awarded Community Housing Assistance funds from the City of Boulder, Colorado in the amount of \$350,000 for the funding of the construction of the Charles Smart House. The agreement for these funds provides that as long as the facility is used to provide housing for people with low incomes, Imagine! will not be required to repay any portion of these funds. However, if the building is sold to a party who does not agree to operate it as low-income housing, or if Imagine! ceases to operate the facility as low-income housing, as defined, the funds become immediately payable in full, but bear no interest. If the building is sold to a party who agrees to operate it as low-income housing as defined, Imagine! would be required to pass the funds on to the acquiring entity.

Imagine! was awarded funds from Worthy Cause III 2014 Pool Funds from the County of Boulder, Colorado in the amount of \$49,000 during fiscal year 2014 for repairs needed as a result of flooding damage at the Charles Smart House. The agreement for these funds provides that as long as the facility is used to provide housing as a necessary and integral part of its program for 99 years, Imagine! will not be required to repay any portion of these funds.

NOTE M – FAIR VALUE

Following is a description of the valuation methodologies used for assets measured at fair value on a recurring basis and recognized in the accompanying statement of financial position, as well as general classifications of such assets pursuant to the valuation hierarchy.

Investments - Imagine!'s investments are based on quoted market prices in an active market or pricing model and are considered a Level 1 and 3 asset.

Developmental Disabilities Center d.b.a. Imagine! and Affiliates  
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
 June 30, 2015

NOTE M – FAIR VALUE (CONTINUED)

Beneficial Interest in Assets Held by Others - Imagine!'s beneficial interest in assets held by others approximates the fair value of the underlying investments and is considered a Level 2 asset based on other inputs that are observable or can be corroborated by observable market data for substantially the full term of the asset.

The following table presents the fair value measurements of assets recognized in the accompanying statement of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at June 30, 2015:

	<u>Fair value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments				
Equity securities:				
Domestic	\$ 948,386	\$ 948,386	\$ -	\$ -
International	193,166	193,166	-	-
Corporate stock	90,000	-	-	90,000
Beneficial interest in assets held by others	370,391	-	370,391	-

The reconciliation of Level 3 assets consists of the following components:

Balance, July 1, 2014	\$ 90,000
Purchase	<u>-</u>
Balance, June 30, 2015	\$ <u>90,000</u>

*Supplementary Information*

Developmental Disabilities Center d.b.a. Imagine! and Affiliates  
CONSOLIDATING STATEMENT OF FINANCIAL POSITION  
June 30, 2015

	Developmental Disabilities Center	Imagine! Foundation	DDC Foothills Home	Housing Corp. II
ASSETS				
Current assets				
Cash and cash equivalents	\$ 5,413,626	\$ 8,416	\$ 90,255	\$ 24,887
Certificates of deposit	1,501,272	-	-	-
Investments	1,141,552	-	-	-
Accounts receivable				
Fees and grants from governmental agencies, net of allowance for doubtful accounts of \$51,600	2,307,442	-	-	429
Other	470,060	81,700	-	-
Prepaid expenses and other	223,677	-	-	-
Total current assets	<u>11,057,629</u>	<u>90,116</u>	<u>90,255</u>	<u>25,316</u>
Investments				
Investment in DDC Foothills Home	70,059	-	-	-
Investment in Housing Corp. II	560,669	-	-	-
Investment in Housing Corp. III	504,471	-	-	-
Investment in Imagine! Development Company	90,000	-	-	-
Certificates of deposit	500,600	-	-	-
Prepaid benefit cost	674,313	-	-	-
Beneficial interest in assets held by others	369,135	1,256	-	-
Deferred bond issuance costs, net of amortization of \$51,281	58,402	-	-	-
Land, building and equipment, net	<u>6,393,378</u>	<u>-</u>	<u>457,249</u>	<u>1,068,205</u>
Total assets	<u>\$ 20,278,656</u>	<u>\$ 91,372</u>	<u>\$ 547,504</u>	<u>\$ 1,093,521</u>
LIABILITIES AND NET ASSETS				
Current liabilities				
Accounts payable and accrued expenses	\$ 2,072,035	\$ 252	\$ 70,827	\$ 561,219
Deferred revenue	70,148	-	-	-
Current portion of long-term debt				
Capital lease obligation	45,092	-	-	-
Notes payable	17,578	-	-	-
Bonds payable	145,000	-	-	-
Total current liabilities	<u>2,349,853</u>	<u>252</u>	<u>70,827</u>	<u>561,219</u>
Liability for pension benefits	1,156,356	-	-	-
Long-term debt, net of current portion				
Capital lease obligation	71,294	-	-	-
Notes payable	179,182	-	-	-
Bonds payable	1,835,000	-	-	-
Total liabilities	<u>5,591,685</u>	<u>252</u>	<u>70,827</u>	<u>561,219</u>
Net assets				
Unrestricted				
Net investment in land, building and equipment	4,158,634	-	457,249	1,068,205
Undesignated	10,528,337	91,120	19,428	(535,903)
Total net assets	<u>14,686,971</u>	<u>91,120</u>	<u>476,677</u>	<u>532,302</u>
Total liabilities and net assets	<u>\$ 20,278,656</u>	<u>\$ 91,372</u>	<u>\$ 547,504</u>	<u>\$ 1,093,521</u>

Housing Corp. III	Imagine! Development Company	Eliminations	Consolidated
\$ 17,059	\$ -	\$ -	\$ 5,554,243
-	-	-	1,501,272
-	90,000	-	1,231,552
-	-	-	2,307,871
-	-	-	551,760
-	-	(3,601)	220,076
17,059	90,000	(3,601)	11,366,774
-	-	(70,059)	-
-	-	(560,669)	-
-	-	(504,471)	-
-	-	(90,000)	-
-	-	-	500,600
-	-	-	674,313
-	-	-	370,391
-	-	-	58,402
1,406,188	-	-	9,325,020
\$ 1,423,247	\$ 90,000	\$ (1,228,800)	\$ 22,295,500
\$ 506,760	\$ -	\$ (1,138,800)	\$ 2,072,293
-	-	-	70,148
-	-	-	45,092
-	-	-	17,578
-	-	-	145,000
506,760	-	(1,138,800)	2,350,111
-	-	-	1,156,356
-	-	-	71,294
-	-	-	179,182
-	-	-	1,835,000
506,760	-	(1,138,800)	5,591,943
1,406,188	-	-	7,090,276
(489,701)	90,000	(90,000)	9,613,281
916,487	90,000	(90,000)	16,703,557
\$ 1,423,247	\$ 90,000	\$ (1,228,800)	\$ 22,295,500

Developmental Disabilities Center d.b.a. Imagine! and Affiliates  
CONSOLIDATING STATEMENT OF ACTIVITIES  
Year ended June 30, 2015

	Developmental Disabilities Center	Imagine! Foundation	DDC Foothills Home	Housing Corp. II
Revenues and support				
Fees and grants from governmental agencies				
Fees for services				
State of Colorado				
State General Fund	\$ 2,948,825	\$ -	\$ -	\$ -
Medicaid	18,920,314	-	-	-
Colorado Department of Education -Vocational Rehabilitation	41,165	-	-	-
City and county	6,435,836	-	-	-
Grants and other				
Department of Housing and Urban Development	118,377	-	16,896	13,687
Medicare	57,698	-	-	-
Part C	418,436	-	-	-
Other	36,374	-	-	-
Total fees and grants from governmental agencies	28,977,025	-	16,896	13,687
Public support – contributions	513,678	526,808	-	-
Residential room and board	1,273,767	-	23,424	15,682
Other revenue	1,649,634	83,552	55	6
Total revenues and support	32,414,104	610,360	40,375	29,375
Expenses				
Program services				
Residential	10,359,064	-	43,051	79,608
Day habilitation and employment	3,787,403	-	-	-
Therapeutic activities	1,188,504	-	-	-
Organized health care delivery system	1,905,664	-	-	-
Behavioral	815,751	-	-	-
Family recruited employer	960,258	-	-	-
Early intervention	2,135,072	-	-	-
Family support	768,311	-	-	-
Case management	3,314,405	-	-	-
Foster care	1,336,208	-	-	-
Other support programs	885,756	-	-	-
Total program services	27,456,396	-	43,051	79,608
Supporting services				
Management and general	2,850,779	-	16,180	15,392
Fundraising	292,396	521,776	-	-
Total supporting services	3,143,175	521,776	16,180	15,392
Total expenses	30,599,571	521,776	59,231	95,000
Pension - related changes other than net periodic pension cost	(138,525)	-	-	-
CHANGE IN NET ASSETS	1,676,008	88,584	(18,856)	(65,625)
Net assets, beginning of year	13,010,963	2,536	495,533	597,927
Net assets, end of year	\$ 14,686,971	\$ 91,120	\$ 476,677	\$ 532,302

Housing Corp. III	Imagine! Development Company	Eliminations	Consolidated
\$ -	\$ -	\$ -	\$ 2,948,825
-	-	-	18,920,314
-	-	-	41,165
-	-	-	6,435,836
11,591	-	-	160,551
-	-	-	57,698
-	-	-	418,436
-	-	-	36,374
<u>11,591</u>	<u>-</u>	<u>-</u>	<u>29,019,199</u>
-	-	(513,678)	526,808
19,022	-	-	1,331,895
<u>2</u>	<u>-</u>	<u>(23,688)</u>	<u>1,709,561</u>
<u>30,615</u>	<u>-</u>	<u>(537,366)</u>	<u>32,587,463</u>
61,249	-	(12,600)	10,530,372
-	-	-	3,787,403
-	-	-	1,188,504
-	-	-	1,905,664
-	-	-	815,751
-	-	-	960,258
-	-	-	2,135,072
-	-	-	768,311
-	-	-	3,314,405
-	-	-	1,336,208
-	-	-	885,756
<u>61,249</u>	<u>-</u>	<u>(12,600)</u>	<u>27,627,704</u>
16,083	-	(11,088)	2,887,346
-	-	(513,678)	300,494
<u>16,083</u>	<u>-</u>	<u>(524,766)</u>	<u>3,187,840</u>
<u>77,332</u>	<u>-</u>	<u>(537,366)</u>	<u>30,815,544</u>
-	-	-	(138,525)
<u>(46,717)</u>	<u>-</u>	<u>-</u>	<u>1,633,394</u>
<u>963,204</u>	<u>90,000</u>	<u>(90,000)</u>	<u>15,070,163</u>
<u>\$ 916,487</u>	<u>\$ 90,000</u>	<u>\$ (90,000)</u>	<u>\$ 16,703,557</u>