



Financial Statements and
Independent Auditor's Report

Foothills Gateway, Inc.

June 30, 2014

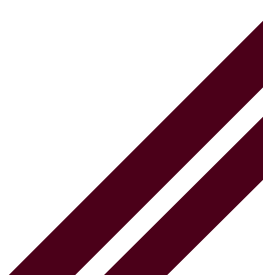
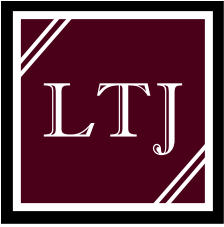


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Logan, Thomas & Johnson, LLC
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Foothills Gateway, Inc.

We have audited the accompanying financial statements of Foothills Gateway, Inc. (the Center), which comprise the statement of financial position as of June 30, 2014, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 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 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 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 financial statements referred to above present fairly, in all material respects, the financial position of Foothills Gateway, Inc. as of June 30, 2014, 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 the Center's 2013 financial statements, and our report dated September 27, 2013, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2013, is consistent, in all material respects, with the audited 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 financial statements as a whole. The summary of revenues, support and expenses by program on pages 20 through 23 is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 20 through 23 is fairly stated in all material respects in relation to the financial statements as a whole.

Other Information

Our audit was conducted for the purpose of forming an opinion on the basic financial statements as a whole. The information on pages 24 through 25 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Logan, Thomas & Johnson, LLC

Broomfield, Colorado

October 9, 2014

Financial Statements

Foothills Gateway, Inc.
STATEMENT OF FINANCIAL POSITION
June 30, 2014
(With summarized financial information as of June 30, 2013)

ASSETS	<u>2014</u>	<u>2013</u>
Current assets		
Cash and cash equivalents	\$ 2,698,846	\$ 3,166,886
Certificates of deposit	65,507	65,149
Investments	1,827,898	1,344,068
Accounts receivable		
Fees and grants from governmental agencies	2,301,679	2,077,932
Vocational contracts	33,406	31,565
Other	94,038	71,885
Prepaid expenses and other	63,637	178,336
Total current assets	<u>7,085,011</u>	<u>6,935,821</u>
Investments	2,590,227	2,053,572
Land, building and equipment, net	2,262,226	2,531,414
Total assets	<u><u>\$ 11,937,464</u></u>	<u><u>\$ 11,520,807</u></u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued expenses	\$ 1,642,679	\$ 1,536,894
Deferred revenue	201,392	29,877
Total current liabilities	<u>1,844,071</u>	<u>1,566,771</u>
Net assets		
Unrestricted		
Designated memorial funds	129,424	120,908
Designated for capital repair and replacements	100,000	100,000
Net investment in land, building and equipment	2,262,226	2,531,414
Undesignated	7,404,336	7,007,790
Total unrestricted net assets	<u>9,895,986</u>	<u>9,760,112</u>
Temporarily restricted	197,407	193,924
Total net assets	<u>10,093,393</u>	<u>9,954,036</u>
Total liabilities and net assets	<u><u>\$ 11,937,464</u></u>	<u><u>\$ 11,520,807</u></u>

The accompanying notes are an integral part of this statement.

Foothills Gateway, Inc.
STATEMENT OF ACTIVITIES
Year ended June 30, 2014

(With summarized financial information for the year ended June 30, 2013)

	Unrestricted	Temporarily restricted	Total	
			2014	2013
Revenues and support				
Fees and grants from governmental agencies				
Fees for services				
State of Colorado				
State General Fund	\$ 2,109,537	\$ -	\$ 2,109,537	\$ 1,693,056
Medicaid	14,334,352	-	14,334,352	13,540,783
Larimer County	3,042,869	-	3,042,869	2,974,756
Grants and other				
Part C	320,718	-	320,718	203,090
U.S. Department of Housing and Urban Development	61,905	-	61,905	96,470
Other	86,934	-	86,934	57,747
Total fees and grants from governmental agencies	19,956,315	-	19,956,315	18,565,902
Public support				
Contributions	147,492	130,517	278,009	231,618
United Way	7,875	-	7,875	9,347
Residential room and board	99,934	-	99,934	107,784
In-kind contributions	16,947	-	16,947	26,385
Vocational revenue	348,965	-	348,965	361,979
Other revenue	581,038	-	581,038	481,719
Net assets released from restrictions				
Satisfaction of program restrictions	127,034	(127,034)	-	-
Total revenues and support	21,285,600	3,483	21,289,083	19,784,734

(Continued)

The accompanying notes are an integral part of this statement.

Foothills Gateway, Inc.
STATEMENT OF ACTIVITIES (CONTINUED)
Year ended June 30, 2014
(With summarized financial information for the year ended June 30, 2013)

	Unrestricted	Temporarily restricted	Total	
			2014	2013
Expenses				
Program services				
Medicaid comprehensive	\$ 11,258,792	\$ -	\$ 11,258,792	\$ 10,473,903
State adult supported living	636,829	-	636,829	615,781
Medicaid adult supported living	2,272,603	-	2,272,603	2,199,452
Children's extensive support	438,852	-	438,852	350,517
Early intervention	1,122,999	-	1,122,999	914,105
Family support	288,998	-	288,998	195,749
Case management	2,725,395	-	2,725,395	2,536,369
Other program services	308,125	-	308,125	305,963
Vocational program	301,867	-	301,867	313,949
Total program services	19,354,460	-	19,354,460	17,905,788
Supporting services				
Management and general	1,795,266	-	1,795,266	1,667,916
Total expenses	21,149,726	-	21,149,726	19,573,704
CHANGE IN NET ASSETS	135,874	3,483	139,357	211,030
Net assets, beginning of year	9,760,112	193,924	9,954,036	9,743,006
Net assets, end of year	\$ 9,895,986	\$ 197,407	\$ 10,093,393	\$ 9,954,036

The accompanying notes are an integral part of this statement.

Foothills Gateway, Inc.
STATEMENT OF CASH FLOWS
Year ended June 30, 2014

(With summarized financial information for the year ended June 30, 2013)

	2014	2013
Cash flows from operating activities		
Change in net assets	\$ 139,357	\$ 211,030
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	491,928	481,696
Interest income re-invested in certificates of deposit	(358)	(394)
Realized/unrealized gain on investments	(98,007)	(6,284)
Gain on sale of fixed assets	(10,227)	(131,987)
In-kind contribution of land, building and equipment	-	(4,995)
Change in assets and liabilities		
(Increase) decrease in accounts receivable	(247,741)	160,036
(Increase) decrease in prepaid expenses and other	114,699	(80,571)
Increase in accounts payable and accrued expenses	105,785	202,588
Increase (decrease) in deferred revenue	171,515	(34,917)
Net cash provided by operating activities	666,951	796,202
Cash flows from investing activities		
Purchase of land, building and equipment	(223,404)	(359,147)
Proceeds from sale of fixed assets	10,891	192,255
Purchases of investments	(1,830,560)	(1,048,468)
Proceeds from sale of investments	908,082	1,120,890
Net cash used in investing activities	(1,134,991)	(94,470)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(468,040)	701,732
Cash and cash equivalents, beginning of year	3,166,886	2,465,154
Cash and cash equivalents, end of year	\$ 2,698,846	\$ 3,166,886
Noncash investing and financing activities		
Contributed land, building and equipment	\$ -	\$ 4,995

The accompanying notes are an integral part of this statement.

Foothills Gateway, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

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

This description of Foothills Gateway, Inc.'s (the Center) nature of activities and summary of significant accounting policies is presented to assist in understanding the Center's financial statements.

1. *Summary of Business Activities*

Foothills Gateway, Inc., a Colorado nonprofit corporation, was incorporated under the laws of the State of Colorado in 1968 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 Larimer County. The Center's revenue comes primarily from the State of Colorado and Larimer County for services provided.

2. *Description of Services Provided*

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

Program Services or Supports

Comprehensive (Medicaid) refers to residential services, adult day services or supports and transportation activities as specified in the eligible person's Individualized Plan (IP). Included are a number of different types of residential settings, which provide an array of training, learning, experiential and support activities provided in residential living alternatives designed to meet individual needs. Additionally, adult day services provide opportunities for individuals to experience and actively participate in valued roles in the community. These services and supports enable individuals to access and participate in typical community activities such as work, recreation, and senior citizen activities. Finally, transportation activities refer to "Home to Day Program transportation" services relevant to an individual's work schedule as specified in the IP. For these purposes, "work schedule" is defined broadly to include adult and retirement activities such as education, training, community integration and employment.

Adult Supported Living (State and Medicaid) provides individualized living services for persons who are responsible for their own living arrangements in the community.

Children's Extensive Support is a deeming waiver (only the child's income is considered in determining eligibility) intended to provide needed services and supports to eligible children under the age of 18 years in order for the children to remain in or return to the

Foothills Gateway, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

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

2. *Description of Services Provided (Continued)*

Program Services or Supports (Continued)

Children's Extensive Support (Continued)

family home. Waiver services are targeted to children having extensive support needs, which require constant line-of-sight supervision due to significantly challenging behaviors and/or coexisting medical conditions. Available services include personal assistance, household modification, specialized medical equipment and supplies, professional services, and community connection services.

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.

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 IP, and the evaluation of results identified in the IP.

Other Program Services – In addition to Supported Living Services and residential services in Larimer County, the Resource Coordination and Development Department also administers Section 8 (HUD) housing subsidies. The Section 8 program enables participants to better afford housing in Larimer County by subsidizing their rent with federal funds. The Center has contracts with organizations which are not State or Medicaid funded. These contracts provide community employment opportunities for disabled individuals. The Center provides family respite and supervision services for adults at the Adult Care Services facility.

Vocational Program refers to vocational contracts which are not State or Medicaid funded. These contracts provide community employment opportunities for disabled individuals.

Foothills Gateway, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

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

2. *Description of Services Provided (Continued)*

Supporting Services

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

3. *Basis of Accounting*

Financial statements of the Center have been prepared on the accrual basis, whereby revenue is recorded when services are performed and expenses are recognized when incurred.

4. *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.

5. *Subsequent Events*

The Center has evaluated events and transactions occurring subsequent to the end of the fiscal year for potential recognition or disclosure through October 9, 2014, the date on which the financial statements were issued. The Center did not identify any events or transactions that would have a material impact on the financial statements.

6. *Cash and Cash Equivalents*

For purposes of the statement of cash flows, the Center considers cash to be all cash on hand, cash on deposit, and money market accounts subject to immediate withdrawal; and considers cash equivalents to be certificates of deposit and commercial paper with an original maturity of three months or less.

The Center maintains some of its cash balances at financial institutions located in Fort Collins, Colorado, which at times, may exceed federally insured limits. The Center has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

Foothills Gateway, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

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

7. *Accounts Receivable*

The majority of the Center'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. The Center believes all receivables are collectible and that no allowance for doubtful accounts is necessary. The Center 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.

8. *Investments*

The Center records investments in equity and debt securities at fair value in the statement of financial position as determined by quoted market prices. 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.

9. *Land, Building and Equipment*

Land, building and equipment are reported at cost for purchased assets with a cost of \$3,000 or more, and at estimated fair value, at date of receipt, for donated property. Depreciation is provided on the straight-line method over the following estimated useful lives:

	<u>Years</u>
Buildings and improvements	10-50
Program and administrative equipment	3-10

10. *Accounting for Contributions*

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted 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.

Foothills Gateway, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

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

10. *Accounting for Contributions (Continued)*

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.

11. *In-Kind Contributions*

Contributions of property, materials and personal services are known as in-kind contributions and are recorded at estimated fair value at the date of receipt. The amount recorded for these contributions (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. *Income Taxes*

The Center is operated as a nonprofit organization exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. The Center recognizes tax liabilities when, despite the Center's belief that its tax return positions are supportable, the Center 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. The Center has concluded there is no tax liability or benefit required to be recorded as of June 30, 2014. The Center is subject to routine audits by taxing jurisdictions; however, there are currently no audits in progress for any tax periods. The Center believes it is no longer subject to income tax examinations for the years prior to the year ended June 30, 2011.

13. *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.

Foothills Gateway, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

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

13. *Fair Value Measurements (Continued)*

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. The Center'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.

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.

14. *Prior Year Summarized Information*

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 the Center's financial statements for the year ended June 30, 2013, from which the summarized information was derived

Foothills Gateway, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

NOTE B – INVESTMENTS

Investments are classified between current and noncurrent based on their maturity dates.

Current investments	\$ 1,827,898
Noncurrent investments	<u>2,590,227</u>
Total investments	\$ <u>4,418,125</u>

The following table presents the Center's investments and the fair value hierarchy for those assets measured at fair value as of June 30, 2014:

	<u>Fair value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Financial assets:				
Equity income securities:				
Domestic	\$ 1,060,156	\$ 1,060,156	\$ -	\$ -
International	53,888	53,888	-	-
U.S. Government agency securities	1,447,627	-	1,447,627	-
Corporate bonds	1,246,422	-	1,246,422	-
Municipal bonds	<u>610,032</u>	<u>-</u>	<u>610,032</u>	<u>-</u>
	\$ <u>4,418,125</u>	\$ <u>1,114,044</u>	\$ <u>3,304,081</u>	\$ <u>-</u>

Investment return for the year ended June 30, 2014, consists of the following:

Investment income	\$ 138,395
Unrealized gain on investments	90,178
Realized gain on investments	<u>7,829</u>
	\$ <u>236,402</u>

NOTE C – LAND, BUILDING AND EQUIPMENT

Land, building and equipment consist of the following at June 30, 2014:

Buildings and improvements	\$ 6,049,543
Program and administrative equipment	<u>2,064,701</u>
	8,114,244
Less accumulated depreciation	<u>5,988,318</u>
	2,125,926
Land	<u>136,300</u>
	\$ <u>2,262,226</u>

Depreciation expense was \$491,928 for the year ended June 30, 2014.

Foothills Gateway, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

NOTE D – DEFERRED REVENUE

Deferred revenue of \$201,392 at June 30, 2014 consists of unearned revenue of \$35,948 from the U.S. Department of Housing and Urban Development and \$165,444 from the State of Colorado. The revenue is recognized when services are performed.

NOTE E – NET ASSETS

From time to time, the Center’s Board of Directors approves designating net assets for future use for a specific purpose. Net investment in land, building and equipment is comprised of net land, building and equipment. Temporarily restricted net assets are restricted for the following as of June 30, 2014:

Adult care services (respite house)	\$ 32,523
Adult needs	52,066
Children and family	13,663
Community participation	7,232
FSS council	65,113
Other	<u>26,810</u>
	\$ <u>197,407</u>

NOTE F – RETIREMENT PLAN

The Center has established a defined contribution retirement plan for all employees age 21 and over who have completed one year of service. The Center contributes an amount equal to 5% of the salary of each participant totaling \$264,174 for the year ended June 30, 2014.

NOTE G – LEASES

The Center leases office space, transportation and workshop equipment as well as residential facilities under operating lease arrangements in the operation of its programs. The leases expire through fiscal year 2018.

Future minimum rental payments for these leases at June 30, 2014 are as follows:

Year ending June 30,	
2015	\$ 7,968
2016	5,260
2017	2,595
2018	<u>1,101</u>
	\$ <u>16,924</u>

The total rent expense for operating leases for the year ended June 30, 2014 was \$46,787.

Foothills Gateway, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2014

NOTE H – RELATED PARTY TRANSACTIONS

The Center receives a substantial amount of revenue from the State of Colorado. The amount of receivables and deferred revenue the Center has from the State of Colorado are \$1,651,859 and \$165,444, respectively, at June 30, 2014. 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.

NOTE I – TRUST ACTIVITY

Foothills-Gateway Rehabilitation Center Charitable Foundation Trust (the Trust) was created to provide support to the Center for the Center's work in rehabilitating developmentally disabled individuals in the Larimer County area. The Trust leases houses to developmentally disabled consumers of the Center at below market rates. The Trust did not receive any funds on behalf of the Center for the year ended June 30, 2014. During the year ended June 30, 2014, the Trust contributed \$47,666 to the Center which was restricted for the support of the adult and children special needs in the Adult Supported Living Services, Medicaid Comprehensive and Family Support programs.

Supplementary and Other Information

Foothills Gateway, Inc.
SUMMARY OF REVENUES, SUPPORT AND EXPENSES BY PROGRAM
Year ended June 30, 2014
(With summarized financial information for the year ended June 30, 2013)

	Program Services				
	Non specified	Medicaid comprehen- sive	State adult supported living	Medicaid adult supported living	Children's extensive support
Revenues and support					
Fees and grants from governmental agencies					
Fees for services					
State of Colorado					
State General Fund	\$ -	\$ -	\$ 537,855	\$ -	\$ 2,763
Medicaid	-	10,468,538	-	1,920,502	404,031
Larimer County	3,042,869	-	-	-	-
Grants and other					
Part C	-	-	-	-	-
U.S. Department of Housing and Urban Development	-	-	-	-	-
Other	-	79,699	-	-	-
Total fees and grants from governmental agencies	<u>3,042,869</u>	<u>10,548,237</u>	<u>537,855</u>	<u>1,920,502</u>	<u>406,794</u>
Public support					
Contributions	-	29,767	14	2,111	-
United Way	7,875	-	-	-	-
Residential room and board	-	99,934	-	-	-
In-kind contributions	-	510	-	-	-
Vocational revenue	-	-	-	-	-
Other revenue	261,029	11,825	-	(212)	-
Total revenues and support	<u>\$ 3,311,773</u>	<u>\$ 10,690,273</u>	<u>\$ 537,869</u>	<u>\$ 1,922,401</u>	<u>\$ 406,794</u>
Expenses					
Salaries					
Direct care	\$ -	\$ 2,783,287	\$ 152,917	\$ 487,243	\$ 23,868
Other	-	117,041	-	-	7,020
Payroll taxes	-	309,229	17,758	50,386	2,959
Employee benefits	-	609,033	34,827	81,909	3,970
Total personal services	-	3,818,590	205,502	619,538	37,817
Medical professional services					
Physicians	-	-	15,684	-	-
Other	-	308,399	19,202	87,954	27,550

Program Services

Early interven- tion	Family support	Case manage- ment	Other program services	Vocational program	Management and general	Allocation	Total	
							2014	2013
\$ 696,148	\$ 161,440	\$ 415,548	\$ -	\$ -	\$ 295,783	\$ -	\$ 2,109,537	\$ 1,693,056
-	-	1,399,771	-	-	141,510	-	14,334,352	13,540,783
-	-	-	-	-	-	-	3,042,869	2,974,756
195,191	-	31,362	-	-	94,165	-	320,718	203,090
-	-	-	61,905	-	-	-	61,905	96,470
2,561	-	3,202	1,472	-	-	-	86,934	57,747
893,900	161,440	1,849,883	63,377	-	531,458	-	19,956,315	18,565,902
606	30,272	57,932	12,280	20,958	124,069	-	278,009	231,618
-	-	-	-	-	-	-	7,875	9,347
-	-	-	-	-	-	-	99,934	107,784
-	-	-	652	-	15,785	-	16,947	26,385
-	-	-	-	348,965	-	-	348,965	361,979
107,145	10,500	35,168	118,732	-	36,851	-	581,038	481,719
<u>\$ 1,001,651</u>	<u>\$ 202,212</u>	<u>\$ 1,942,983</u>	<u>\$ 195,041</u>	<u>\$ 369,923</u>	<u>\$ 708,163</u>	<u>\$ -</u>	<u>\$ 21,289,083</u>	<u>\$ 19,784,734</u>
\$ 24,941	\$ -	\$ -	\$ 154,909	\$ 39,015	\$ -	\$ -	\$ 3,666,180	\$ 3,614,537
68,710	12,741	1,654,976	69,188	217,526	1,285,045	427,601	3,859,848	3,697,547
7,932	966	131,431	23,718	28,212	88,058	35,200	695,849	597,602
22,080	4,093	358,978	27,750	14,777	189,322	74,461	1,421,200	1,321,730
123,663	17,800	2,145,385	275,565	299,530	1,562,425	537,262	9,643,077	9,231,416
-	-	-	-	-	-	-	15,684	14,561
932,328	-	11,746	-	-	-	-	1,387,179	1,142,310

(Continued)

Foothills Gateway, Inc.
SUMMARY OF REVENUES, SUPPORT AND EXPENSES BY PROGRAM (CONTINUED)
Year ended June 30, 2014
(With summarized financial information for the year ended June 30, 2013)

	Program Services				
	Non specified	Medicaid comprehen- sive	State adult supported living	Medicaid adult supported living	Children's extensive support
Other professional services	\$ -	\$ 1,372,150	\$ 54,913	\$ 431,406	\$ 77,055
Staff development	-	19,405	1,115	5,995	2,960
Staff travel	-	5,593	3,312	8,836	94
Vehicles					
Fuel and oil	-	-	-	-	-
Maintenance	-	331,504	27,604	56,225	5
Occupancy					
Rent	-	31,855	-	-	-
Maintenance	-	417,243	29,397	51,344	259
Utilities	-	16,509	-	-	-
Equipment					
Leases	-	-	-	-	-
Maintenance	-	143,650	6,848	19,240	353
Supplies					
Medical and client care supplies	-	58,583	3,031	18,012	15,390
Production materials	-	-	-	-	-
Other	-	65,593	4,572	10,092	172
Telephone	-	14,181	626	1,293	9
Dues and subscriptions	-	4,951	1,518	3,063	243
Food	-	16,710	-	-	-
Insurance	-	62,075	3,276	6,488	152
Other	-	380,121	23,237	155,323	28,793
In-kind contributions	-	510	-	-	-
Total direct program expenses	-	7,067,622	399,837	1,474,809	190,852
Purchased services	-	4,176,996	236,676	796,495	247,819
Expenses before depreciation	-	11,244,618	636,513	2,271,304	438,671
Depreciation	-	14,174	316	1,299	181
Total expenses	\$ -	\$ 11,258,792	\$ 636,829	\$ 2,272,603	\$ 438,852
Revenue in surplus/(deficit) to expenses	\$ 3,311,773	\$ (568,519)	\$ (98,960)	\$ (350,202)	\$ (32,058)

Program Services

Early inter- ven- tion	Family support	Case man- age- ment	Other program services	Vocational program	Management and general	Allocation	Total	
							2014	2013
\$ 1,523	\$ 282	\$ 6,413	\$ 320	\$ -	\$ 58,309	\$ 8,923	\$ 2,011,294	\$ 2,116,813
226	37	10,114	4,093	147	51,578	8,524	104,194	90,747
5,474	52	33,554	2,692	5	14,070	4,797	78,479	74,468
-	-	-	-	-	2,350	114,002	116,352	120,676
121	22	7,065	6,620	16,719	4,725	(379,717)	70,893	77,224
-	-	-	25	-	-	-	31,880	36,102
4,497	834	86,737	12,665	10,357	67,940	(455,463)	225,810	222,825
-	-	-	7,817	-	-	94,546	118,872	118,706
-	-	-	-	2,424	-	12,483	14,907	13,546
6,288	1,166	136,168	15,595	2,200	(315,295)	64,657	80,870	80,052
15,747	-	-	1,145	-	-	1,918	113,826	58,919
-	-	-	-	35,986	-	-	35,986	42,411
3,270	597	52,296	2,861	43	51,407	(62,966)	127,937	116,280
-	-	2,508	4,452	425	6,026	22,546	52,066	49,637
23	4	1,420	733	4,605	114,705	1,653	132,918	124,740
-	-	-	726	-	-	-	17,436	23,966
710	121	12,641	2,203	194	18,539	64,208	170,607	158,713
21,745	267,508	207,794	(30,039)	(73,055)	119,920	(489,086)	612,261	463,841
-	-	-	652	-	15,785	-	16,947	21,390
1,115,615	288,423	2,713,841	308,125	299,580	1,772,484	(451,713)	15,179,475	14,399,343
7,384	575	11,554	-	-	824	-	5,478,323	4,692,665
1,122,999	288,998	2,725,395	308,125	299,580	1,773,308	(451,713)	20,657,798	19,092,008
-	-	-	-	2,287	21,958	451,713	491,928	481,696
<u>\$ 1,122,999</u>	<u>\$ 288,998</u>	<u>\$ 2,725,395</u>	<u>\$ 308,125</u>	<u>\$ 301,867</u>	<u>\$ 1,795,266</u>	<u>\$ -</u>	<u>\$ 21,149,726</u>	<u>\$ 19,573,704</u>
<u>\$ (121,348)</u>	<u>\$ (86,786)</u>	<u>\$ (782,412)</u>	<u>\$ (113,084)</u>	<u>\$ 68,056</u>	<u>\$ (1,087,103)</u>	<u>\$ -</u>	<u>\$ 139,357</u>	<u>\$ 211,030</u>

Foothills Gateway, Inc.
 STATISTICAL DATA (UNAUDITED)
 Year ended June 30, 2014

	Program Services					
	Medicaid comprehen- sive	State adult supported living	Medicaid adult supported living	Children's extensive support	Early interven- tion	Family support
Total expenses	\$11,258,792	\$ 636,829	\$2,272,603	\$ 438,852	\$1,122,999	\$288,998
Less unallowable expenses	<u>57,577</u>	<u>-</u>	<u>23,532</u>	<u>11,438</u>	<u>1,069</u>	<u>18,252</u>
Total allowable expenses	11,201,215	636,829	2,249,071	427,414	1,121,930	270,746
Net allocated management and general (note A)	<u>632,039</u>	<u>35,750</u>	<u>127,578</u>	<u>24,636</u>	<u>63,042</u>	<u>16,224</u>
Adjusted total expenses	<u><u>\$11,833,254</u></u>	<u><u>\$ 672,579</u></u>	<u><u>\$2,376,649</u></u>	<u><u>\$ 452,050</u></u>	<u><u>\$1,184,972</u></u>	<u><u>\$286,970</u></u>

Statistical Data

1. Total days in residential used - State, Medicaid, private pay, etc.	41,527					
2. Total days in residential used - State and Medicaid only	41,527					
3. Unduplicated number of individuals	296	77	206	45	589	315
Cost per unit of service						
Adjusted total expense/item 2	\$ 285					
Adjusted total expense/item 3		\$ 8,735	\$ 11,537	\$ 10,046	\$ 2,012	\$ 911

Note A:

Net management and general expenses are allocated to program services based on the individual program's expenses as a percentage to total program expenses.

Program Services

Case manage- ment	Other program services	Vocational program	Management and general	Total
\$2,725,395	\$ 308,125	\$ 301,867	\$ 1,795,266	\$21,149,726
<u>16,379</u>	<u>1,566</u>	<u>-</u>	<u>595</u>	<u>130,408</u>
2,709,016	306,559	301,867	1,794,671	21,019,318
<u>152,996</u>	<u>17,297</u>	<u>16,946</u>	<u>(1,086,508)</u>	<u>-</u>
<u><u>\$2,862,012</u></u>	<u><u>\$ 323,856</u></u>	<u><u>\$ 318,813</u></u>	<u><u>\$ 708,163</u></u>	<u><u>\$21,019,318</u></u>

1,813

\$ 1,579