



Financial Statements and Report of Independent
Certified Public Accountants

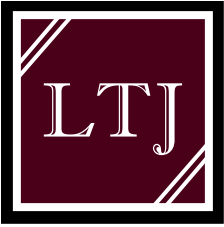
Mountain Valley Developmental Services, Inc.

June 30, 2009



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Logan, Thomas & Johnson, LLC
Certified Public Accountants

REPORT OF INDEPENDENT
CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors
Mountain Valley Developmental Services, Inc.

We have audited the accompanying statement of financial position of Mountain Valley Developmental Services, Inc. (the Center) as of June 30, 2009, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Center's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the Center's 2008 financial statements, and in our report dated September 12, 2008, we expressed an unqualified opinion on those financial statements.

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 of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Center's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Mountain Valley Developmental Services, Inc. as of June 30, 2009, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Logan, Thomas & Johnson, LLC

Broomfield, Colorado
August 19, 2009

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Financial Statements

Mountain Valley Developmental Services, Inc.
STATEMENT OF FINANCIAL POSITION
June 30, 2009
(With summarized financial information for June 30, 2008)

ASSETS	2009	2008
Current assets		
Cash and cash equivalents	\$ 846,989	\$ 950,263
Certificates of deposit	-	259,108
Accounts receivable		
Fees and grants from governmental agencies	589,437	564,991
Other	14,957	9,813
Inventories	107,072	99,532
Prepaid expenses and other	20,870	36,776
Total current assets	1,579,325	1,920,483
Land, building and equipment, net of accumulated depreciation and amortization	3,422,848	2,988,332
	\$ 5,002,173	\$ 4,908,815
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued expenses	\$ 668,914	\$ 600,188
Current portion of notes payable	28,924	18,701
Deferred revenue	3,596	3,543
Total current liabilities	701,434	622,432
Long-term liabilities		
Notes payable, net of current portion	577,821	273,959
Total liabilities	1,279,255	896,391
Net assets		
Unrestricted		
Board designation for workers compensation premium	60,000	60,000
Net investment in land, building and equipment	2,816,103	2,695,672
Undesignated	846,815	1,256,752
Total unrestricted net assets	3,722,918	4,012,424
	\$ 5,002,173	\$ 4,908,815

The accompanying notes are an integral part of this statement.

Mountain Valley Developmental Services, Inc.
STATEMENT OF ACTIVITIES
Year ended June 30, 2009
(With summarized financial information for the year ended June 30, 2008)

	Total unrestricted	
	2009	2008
Fees and grants from governmental agencies		
Fees for services		
State of Colorado		
State General Fund		
Comprehensive	\$ 60,716	\$ 74,005
Adult supported living	48,971	52,120
Children and families	413,001	462,256
Medicaid		
Comprehensive	5,210,108	4,986,866
Adult supported living	468,258	439,170
Children's extensive support	34,592	37,283
Part C	222,067	121,799
Counties	138,066	128,325
Grants and other		
Department of Housing and Urban Development	11,442	8,034
Department of Social Services	12,446	52,793
Other	-	58
	6,619,667	6,362,709
Public support - contributions	59,271	41,102
Residential room and board	579,781	544,305
In-kind donations	49,061	54,660
Production revenue	142,754	131,748
Other revenue	89,305	138,952
	7,539,839	7,273,476
Expenses		
Program services		
Medicaid comprehensive	5,553,676	5,169,788
State adult supported living	41,038	42,089
Medicaid adult supported living	488,143	432,298
Children's extensive support	38,097	38,792
Early intervention	418,633	362,675
Family support	164,123	142,876
Case management	428,440	404,863
	7,132,150	6,593,381
Supporting services		
Management and general	697,195	617,429
	7,829,345	7,210,810
CHANGE IN NET ASSETS	(289,506)	62,666
Net assets, beginning of year	4,012,424	3,949,758
Net assets, end of year	\$ 3,722,918	\$ 4,012,424

The accompanying notes are an integral part of this statement.

Mountain Valley Developmental Services, Inc.
STATEMENT OF CASH FLOWS
Year ended June 30, 2009
(With summarized financial information for the year ended June 30, 2008)

	2009	2008
Cash flows from operating activities		
Change in net assets	\$ (289,506)	\$ 62,666
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	248,146	249,600
Gain on sale of asset	-	(9,700)
Reinvestment of interest on certificates of deposit	-	(9,894)
Change in assets and liabilities		
Increase in accounts receivable	(29,590)	(5,866)
Increase in inventories	(7,540)	(8,138)
(Increase) decrease in prepaid expenses and other	15,906	(20,424)
Increase (decrease) in accounts payable and accrued expenses	68,726	(6,611)
Increase (decrease) in deferred revenue	53	(162)
Net cash provided by operating activities	6,195	251,471
Cash flows from investing activities		
Purchase of land, building and equipment	(682,662)	(569,228)
Proceeds from sale of land, building and equipment	-	9,700
Proceeds from maturity of certificates of deposit	259,108	-
Net cash used in investing activities	(423,554)	(559,528)
Cash flows from financing activities		
Payments on note payable	(20,915)	(14,539)
Proceeds from notes payable	335,000	-
Net cash provided by (used in) investing activities	314,085	(14,539)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(103,274)	(322,596)
Cash and cash equivalents, beginning of year	950,263	1,272,859
Cash and cash equivalents, end of year	\$ 846,989	\$ 950,263
Supplemental data		
Cash paid for interest	\$ 24,759	\$ 21,451

The accompanying notes are an integral part of this statement.

Mountain Valley Developmental Services, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of Mountain Valley Developmental Services, Inc. (the Center) is presented to assist in understanding the Center's financial statements.

1. *Summary of Business Activities*

Mountain Valley Developmental Services, Inc. was incorporated under the laws of the State of Colorado in 1975 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 Garfield, Eagle, Pitkin and Lake Counties. The Center was granted tax-exempt status from federal income taxes on its related activities by the Internal Revenue Service in May 1975, under the Internal Revenue Code Section 501(c)(3). The Center's revenue comes primarily from the State of Colorado 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 Individualized Plan. 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 Individualized Plan. 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.

Mountain Valley Developmental Services, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. *Description of Services Provided* (Continued)

Program Services or Supports (Continued)

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 for the children to remain or return to the 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 Individualized Plan, and the evaluation of results identified in the Individualized Plan.

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 organization’s corporate existence.

3. *Basis of Accounting*

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

Mountain Valley Developmental Services, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. *Basis of Accounting* (Continued)

In December 2008, the Financial Accounting Standards Board issued FASB Staff Position (FSP) FIN 48-3, "Effective Date of FASB Interpretation No. 48 for Certain Nonpublic Enterprises." FSP FIN 48-3 permits an entity within its scope to defer the effective date of FASB Interpretation 48, *Accounting for Uncertainty in Income Taxes (FASB Accounting Standards Codification (ASC) 740, Income Taxes)*, to its annual financial statements for fiscal years beginning after December 15, 2008. The Center has elected to defer the application of the uncertain tax position provisions of ASC 740 for the year ended June 30, 2009. The Center evaluates its uncertain tax positions using the provisions of ASC 450, *Contingencies*. Accordingly, a loss contingency is recognized when it is probable that a liability has been incurred as of the date of the financial statements and the amount of the loss can be reasonably estimated. The amount recognized is subject to estimate and management judgment with respect to the likely outcome of each uncertain tax position. The amount that is ultimately sustained for an individual uncertain tax position or for all uncertain tax positions in the aggregate could differ from the amount recognized. The Center does not expect the adoption of FIN 48 to have a material effect on the financial condition or the results of operations of the Center.

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 and expenses during the reporting period. Actual results could differ from those estimates.

5. *Cash and Cash Equivalents*

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

The Center maintains its cash balances in two financial institutions located in Glenwood Springs, 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.

Mountain Valley Developmental Services, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

6. *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, and payments subsequently received on such receivables are recorded as revenue.

7. *Inventories*

The cost of inventories was determined principally on a first-in, first-out basis under the lower of cost or market method of accounting.

8. *Land, Building and Equipment*

Land, building and equipment are reported at cost for purchased assets with a cost of \$5,000 or more and an estimated 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	5–30
Equipment	2–10
Vehicles	3–6

9. *Revenue Recognition*

Revenues are recognized when services are performed. The Center receives certain revenue for which if it does not spend all the revenue in the current year and the Center has met certain control points, it is allowed to recognize five percent of the total original revenue and the remaining excess revenue is deferred to the next year.

10. *Temporarily Restricted Revenue*

Donor restricted revenue, whose restriction is currently satisfied in the same fiscal year, is reported as unrestricted revenue, rather than temporarily restricted revenue. Donor restricted contributions, whose restrictions are not currently met, are reflected as an increase to temporarily restricted net assets. The Center does not have any temporarily restricted net assets at June 30, 2009.

Mountain Valley Developmental Services, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

11. *In-kind Donations*

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

12. *Net Assets*

From time to time, the Center's Board of Directors approves designation of net assets for the future use of a specific purpose.

13. *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 as of and for the year ended June 30, 2008 from which the summarized information was derived.

NOTE B – FEES AND GRANTS FROM GOVERNMENTAL AGENCIES

Amounts receivable from governmental agencies is as follows at June 30, 2009:

State of Colorado	
General Fund	\$ 716
Medicaid	566,221
County	<u>22,500</u>
	\$ <u>589,437</u>

Mountain Valley Developmental Services, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE C – LAND, BUILDING AND EQUIPMENT

Land, building and equipment consists of the following at June 30, 2009:

Buildings and improvements	\$ 5,461,204
Equipment	154,994
Vehicles	<u>428,399</u>
	6,044,597
Less accumulated depreciation and amortization	<u>3,350,443</u>
	2,694,154
Land	<u>728,694</u>
	<u>\$ 3,422,848</u>

Depreciation expense was \$248,146 for the year ended June 30, 2009.

NOTE D – NOTES PAYABLE

On October 14, 2005, the Center borrowed \$326,056 from a financial institution with a fixed rate of 6%, which is due November 5, 2010, payable in monthly installments of \$2,999 including interest, with a principal balloon payment due at maturity and collateralized by land and a building. The outstanding balance of this note at June 30, 2009 was \$273,959.

On February 11, 2009, the Center borrowed \$335,000 from a financial institution with a fixed rate of 6%, which is due February 25, 2029, payable in monthly installments of \$2,421 including interest and collateralized by land and building. The outstanding balance of this note at June 30, 2009 was \$332,786.

Future maturities of note payable at June 30, 2009, are as follows:

Year ending June 30,	
2010	\$ 28,924
2011	263,708
2012	10,222
2013	10,861
2014	11,541
Thereafter	<u>281,489</u>
	606,745
Less current portion	<u>28,924</u>
	<u>\$ 577,821</u>

Interest expense was \$24,759 for the year ended June 30, 2009.

Mountain Valley Developmental Services, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE E – DEFERRED REVENUE

Deferred revenue at June 30, 2009, consists of \$3,596 of unspent State adult supported living funds.

NOTE F – LEASES

The Center leases facilities and equipment to conduct a portion of its operations. The Center entered into a lease in February 2009 for office space that contains three renewal options of five years each beginning May 15, 2015. Rental expense for the year ended June 30, 2009 was \$143,869. Future minimum lease payments under noncancelable operating leases at June 30, 2009 are as follows:

Year ending June 30,	
2010	\$ 73,595
2011	77,239
2012	77,239
2013	41,860
2014	<u>21,102</u>
	\$ <u>291,035</u>

NOTE G – RETIREMENT PLAN

The Center has adopted a contributory defined contribution plan for employees. Payments made by the Center are based on a percentage of an employee's salary ranging from 3% to 8% based on the number of years of service. An employee may enroll after two years of employment. During the year ended June 30, 2009, contributions to the plan by the Center were \$108,752.

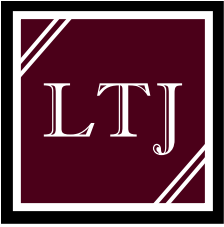
NOTE H – RELATED PARTY TRANSACTIONS

The Center receives a substantial amount of revenue from the State of Colorado. The amount of receivable the Center has from the State of Colorado is disclosed in Note B and the Center has a payable to the State of Colorado in the amount of \$89,079 which is recorded in accounts payable and accrued liabilities. These transactions are considered to be transactions with a related party by virtue of significant management influence exercised by the State of Colorado through contract provisions.

The Center has numerous bank accounts and two loans at a bank in which a member of the board of directors is an employee.

Supplementary Information

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Logan, Thomas & Johnson, LLC
Certified Public Accountants

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS
ON SUPPLEMENTARY INFORMATION

Board of Directors
Mountain Valley Developmental Services, Inc.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole of Mountain Valley Developmental Services, Inc. (the Center) as of and for the year ended June 30, 2009, which are presented in the preceding section of this report. The supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The statistical data shown on pages 22 through 27 and the schedule of room and board and other unallowable expenses on pages 28 and 29 have been summarized from the Center's records and were not subjected to the audit procedures applied in the audit of the basic financial statements. Accordingly, we do not express an opinion on such information. Such information, except for that portion marked "unaudited," on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Logan, Thomas & Johnson, LLC

Broomfield, Colorado
August 19, 2009

Mountain Valley Developmental Services, Inc.
SUMMARY OF REVENUE AND EXPENSES BY PROGRAM
Year ended June 30, 2009

(With summarized financial information for the year ended June 30, 2008)

	Program Services			
	Non specified	Medicaid comprehen- sive	State adult supported living	Medicaid adult supported living
Fees and grants from governmental agencies				
Fees for services				
State of Colorado				
State General Fund				
Comprehensive	\$ -	\$ -	\$ -	\$ -
Adult supported living	-	-	41,038	-
Children and families	-	-	-	-
Medicaid				
Comprehensive	-	4,886,212	-	-
Adult supported living	-	-	-	468,258
Children's extensive support	-	-	-	-
Part C	-	-	-	-
Counties	-	20,000	-	-
Grants and other				
Department of Housing and Urban Development	-	11,442	-	-
Department of Social Services	-	12,446	-	-
Other	-	-	-	-
Total fees and grants from governmental agencies	-	4,930,100	41,038	468,258
Public support - contributions	49,395	3,091	-	785
Residential room and board	-	579,781	-	-
In-kind donations	-	48,911	-	-
Production revenue	-	142,754	-	-
Other revenue	9,023	43,335	-	9,632
Total support and revenue	<u>\$ 58,418</u>	<u>\$ 5,747,972</u>	<u>\$ 41,038</u>	<u>\$ 478,675</u>
Expenses				
Salaries				
Direct care	\$ -	\$ 3,110,982	\$ 24,576	\$ 227,972
Other	-	74,768	-	-
Payroll taxes	-	322,109	2,293	24,379
Employee benefits	-	536,536	4,282	45,129
Total personal services	-	4,044,395	31,151	297,480
Medical professional services				
Physicians	-	9,818	-	-
Other	-	85,496	690	21,782
Other professional services	-	50,384	33	61,535
Staff development	-	5,668	23	385
Staff travel	-	20,378	87	2,080

Program Services

Children's extensive support	Early interven- tion	Family support	Case manage- ment	Management and general	Total	
					2009	2008
\$ -	\$ -	\$ -	\$ 49,491	\$ 11,225	\$ 60,716	\$ 74,005
-	-	-	-	7,933	48,971	52,120
-	202,560	148,559	-	61,882	413,001	462,256
-	-	-	290,413	33,483	5,210,108	4,986,866
-	-	-	-	-	468,258	439,170
34,592	-	-	-	-	34,592	37,283
-	164,246	-	48,853	8,968	222,067	121,799
-	-	10,000	80,566	27,500	138,066	128,325
-	-	-	-	-	11,442	8,034
-	-	-	-	-	12,446	52,793
-	-	-	-	-	-	58
34,592	366,806	158,559	469,323	150,991	6,619,667	6,362,709
-	1,000	5,000	-	-	59,271	41,102
-	-	-	-	-	579,781	544,305
-	150	-	-	-	49,061	54,660
-	-	-	-	-	142,754	131,748
-	7,089	330	-	19,896	89,305	138,952
<u>\$ 34,592</u>	<u>\$ 375,045</u>	<u>\$ 163,889</u>	<u>\$ 469,323</u>	<u>\$ 170,887</u>	<u>\$ 7,539,839</u>	<u>\$ 7,273,476</u>
\$ -	\$ 137,712	\$ 39,858	\$ 313,871	\$ -	\$ 3,854,971	\$ 3,496,887
-	-	-	-	407,802	482,570	445,949
-	14,154	3,946	30,004	34,128	431,013	406,334
-	14,848	6,465	46,127	33,207	686,594	554,883
-	166,714	50,269	390,002	475,137	5,455,148	4,904,053
-	-	-	-	-	9,818	4,656
-	221,081	2,442	1,840	10,976	344,307	316,039
-	906	-	475	56,931	170,264	130,506
-	331	-	3,066	251	9,724	25,765
-	8,614	771	4,805	10,972	47,707	69,583

Mountain Valley Developmental Services, Inc.
SUMMARY OF REVENUE AND EXPENSES BY PROGRAM (CONTINUED)
Year ended June 30, 2009
(With summarized financial information for the year ended June 30, 2008)

	Program Services			
	Non specified	Medicaid comprehen- sive	State adult supported living	Medicaid adult supported living
Vehicles				
Fuel and oil	\$ -	\$ 45,046	\$ 452	\$ 18,071
Maintenance	-	23,095	317	8,343
Leases	-	34,374	502	12,250
Occupancy				
Rent	-	83,296	-	8,210
Maintenance	-	249,109	2,032	10,033
Utilities	-	120,069	1,530	6,072
Equipment				
Leases	-	-	-	-
Maintenance	-	20,274	479	706
Supplies				
Medical and client care supplies	-	19,131	-	3,963
Pharmacy	-	5,790	-	-
Production materials	-	59,468	-	-
Other	-	97,599	1,491	5,666
Telephone	-	43,461	224	3,988
Dues and subscriptions	-	23,078	-	938
Food	-	159,946	1,252	1,382
Insurance	-	49,933	481	6,520
Interest	-	24,759	-	-
Other	-	25,600	-	682
In-kind donations	-	48,911	-	-
Total direct program expenses	-	5,349,078	40,744	470,086
Purchased services	-	-	-	-
Expenses before depreciation and amortization	-	5,349,078	40,744	470,086
Depreciation and amortization	-	204,598	294	18,057
Total expenses	\$ -	\$ 5,553,676	\$ 41,038	\$ 488,143

Program Services

Children's extensive support	Early interven- tion	Family support	Case manage- ment	Management and general	Total	
					2009	2008
\$ -	\$ 2,227	\$ 543	\$ 2,252	\$ 2,071	\$ 70,662	\$ 76,979
-	1,456	351	1,422	179	35,163	43,707
-	2,095	524	2,094	524	52,363	35,381
-	-	-	-	-	91,506	71,841
-	1,606	508	3,846	11,190	278,324	253,962
-	485	173	1,256	3,897	133,482	126,414
-	-	-	-	-	-	1,936
-	594	-	803	29,044	51,900	98,006
-	-	-	-	-	23,094	23,307
-	-	-	-	-	5,790	7,122
-	-	-	-	-	59,468	61,703
-	2,555	2,443	7,139	11,911	128,804	122,833
-	3,742	670	4,322	15,919	72,326	63,702
-	23	8	43	12,342	36,432	48,646
-	183	-	-	-	162,763	154,497
-	1,744	536	2,046	3,232	64,492	62,377
-	-	-	-	-	24,759	21,451
38,097	1,875	103,740	-	33,848	203,842	182,084
-	150	-	-	-	49,061	54,660
38,097	416,381	162,978	425,411	678,424	7,581,199	6,961,210
-	-	-	-	-	-	-
38,097	416,381	162,978	425,411	678,424	7,581,199	6,961,210
-	2,252	1,145	3,029	18,771	248,146	249,600
<u>\$ 38,097</u>	<u>\$ 418,633</u>	<u>\$ 164,123</u>	<u>\$ 428,440</u>	<u>\$ 697,195</u>	<u>\$ 7,829,345</u>	<u>\$ 7,210,810</u>

Mountain Valley Developmental Services, Inc.
SUMMARY OF REVENUE AND EXPENSES BY PROGRAM (CONTINUED)
Year ended June 30, 2009
(With summarized financial information for the year ended June 30, 2008)

	Program Services			Medicaid
	Non specified	Medicaid comprehen- sive	State adult supported living	adult supported living
Total expenses	\$ -	\$ 5,553,676	\$ 41,038	\$ 488,143
Less unallowable expenses	-	547,548	-	-
Less private pay	-	23,237	-	-
Total allowable expenses	-	4,982,891	41,038	488,143
Net allocated management and general (note A)	-	408,214	3,016	35,880
Adjusted total expenses	\$ -	\$ 5,391,105	\$ 44,054	\$ 524,023

Statistical Data (Unaudited)

1. Total days in residential used - State, Medicaid, private pay, etc.	29,528		
2. Total days in residential used - State and Medicaid only	28,980		
3. Unduplicated number of individuals	88	3	42

Cost per unit of service

Adjusted total expenses/item 2	\$ 186		
Adjusted total expenses/item 3		\$ 14,685	\$ 12,477

Note A:

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

Program Services

Children's extensive support	Early interven- tion	Family support	Case manage- ment	Management and general	Total	
					2009	2008
\$ 38,097	\$ 418,633	\$ 164,123	\$ 428,440	\$ 697,195	\$ 7,829,345	\$ 7,210,810
-	-	-	-	2,071	549,619	493,965
-	-	-	-	-	23,237	29,901
38,097	418,633	164,123	428,440	695,124	7,256,489	6,686,944
2,800	30,771	12,064	31,492	(524,237)	-	-
<u>\$ 40,897</u>	<u>\$ 449,404</u>	<u>\$ 176,187</u>	<u>\$ 459,932</u>	<u>\$ 170,887</u>	<u>\$ 7,256,489</u>	<u>\$ 6,686,944</u>

2 187 77 332

\$ 20,449 \$ 2,403 \$ 2,288 \$ 1,385

Mountain Valley Developmental Services, Inc.
SCHEDULE OF MEDICAID ADULT SUPPORTED LIVING SERVICES
Year ended June 30, 2009

	<u>Personal assistance</u>	<u>Day habilitation</u>	<u>Supported employment</u>
Revenue			
Medicaid	\$ 90,881	\$ 231,107	\$ 84,575
Total expenses	105,481	233,667	82,390
Less unallowable expenses	-	-	-
Total allowable expenses	105,481	233,667	82,390
Net allocated management and general (note A)	7,753	17,176	6,056
Adjusted total expenses	113,234	250,843	88,446
Excess (deficiency) of revenues over expenses	<u>\$ (22,353)</u>	<u>\$ (19,736)</u>	<u>\$ (3,871)</u>

Statistical Data (Unaudited)

1. Unduplicated number of individuals	30	42	18
2. Number of units provided	23,857	45,456	13,592
3. Number of occurrences provided			

Cost per unit of service

Adjusted total expenses/item 2	\$ 5	\$ 6	\$ 7
Adjusted total expenses/item 3			

Note A:

Net management and general costs are allocated to the different Medicaid Adult Supported Living Services categories based on the individual category's expenses as a percentage to total Medicaid Adult Supported Living Services expense.

Professiona services	Trans- portation	Dental/ vision/ hearing	Environ- mental engineering	Total
\$ 643	\$ 41,988	\$ 18,664	\$ 400	\$ 468,258
672	44,844	20,689	400	488,143
-	-	-	-	-
672	44,844	20,689	400	488,143
49	3,296	1,521	29	35,880
721	48,140	22,210	429	524,023
<u>\$ (78)</u>	<u>\$ (6,152)</u>	<u>\$ (3,546)</u>	<u>\$ (29)</u>	<u>\$ (55,765)</u>

2	20	20	1
83	1,911	29	1

\$ 9	\$ 25	\$ 766	\$ 429
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Mountain Valley Developmental Services, Inc.
SCHEDULE OF CASE MANAGEMENT SERVICES
Year ended June 30, 2009

	Targeted case manage- ment	Other case manage- ment	Total
Fees and grants from governmental agencies			
Fees for services			
State of Colorado			
State General Fund			
Comprehensive	\$ -	\$ 49,491	\$ 49,491
Medicaid			
Comprehensive	290,413	-	290,413
Part C	-	48,853	48,853
Counties	80,566	-	80,566
Total fees and grants from governmental agencies	370,979	98,344	469,323
Other revenue	-	-	-
Total support and revenue	\$ 370,979	\$ 98,344	\$ 469,323
Expenses			
Salaries			
Direct care	\$ 196,132	\$ 117,739	\$ 313,871
Other	-	-	-
Payroll taxes	19,528	10,476	30,004
Employee benefits	30,758	15,369	46,127
Total personal services	246,418	143,584	390,002
Medical professional services			
Physicians	-	-	-
Other	510	1,330	1,840
Other professional services	475	-	475
Staff development	2,807	259	3,066
Staff travel	2,314	2,491	4,805
Vehicles			
Fuel and oil	1,109	1,143	2,252
Maintenance	711	711	1,422
Leases	1,047	1,047	2,094
Occupancy			
Rent	-	-	-
Maintenance	2,729	1,117	3,846
Utilities	876	380	1,256

(Continued)

Mountain Valley Developmental Services, Inc.
SCHEDULE OF CASE MANAGEMENT SERVICES (CONTINUED)
Year ended June 30, 2009

	Targeted case manage- ment	Other case manage- ment	Total
Equipment			
Leases	\$ -	\$ -	\$ -
Maintenance	705	98	803
Supplies			
Medical and client care supplies	-	-	-
Pharmacy	-	-	-
Production materials	-	-	-
Other	4,809	2,330	7,139
Telephone	2,182	2,140	4,322
Dues and subscriptions	31	12	43
Food	-	-	-
Insurance	1,363	683	2,046
Interest	-	-	-
Other	-	-	-
In-kind donations	-	-	-
Total direct program expenses	<u>268,086</u>	<u>157,325</u>	<u>425,411</u>
Depreciation and amortization	1,980	1,049	3,029
Total expenses	<u>\$ 270,066</u>	<u>\$ 158,374</u>	<u>\$ 428,440</u>

Statistical Data (Unaudited)

Unduplicated number of individuals	178	154
Full-time equivalents	5	3

Mountain Valley Developmental Services, Inc.
SCHEDULE OF ROOM AND BOARD AND OTHER UNALLOWABLE EXPENSES
Year ended June 30, 2009
(Unaudited)

Program Services

	Non specified	Medicaid comprehen- sive	State adult supported living	Medicaid adult supported living
Salaries				
Direct care	\$ -	\$ -	\$ -	\$ -
Other	-	19,718	-	-
Payroll taxes	-	1,972	-	-
Employee benefits	-	3,944	-	-
Total personal services	-	25,634	-	-
Medical professional services				
Physicians	-	-	-	-
Other	-	-	-	-
Other professional services	-	-	-	-
Staff development	-	-	-	-
Staff travel	-	-	-	-
Vehicles				
Fuel and oil	-	-	-	-
Maintenance	-	-	-	-
Leases	-	-	-	-
Occupancy				
Rent and taxes	-	63,312	-	-
Maintenance	-	157,419	-	-
Utilities	-	90,282	-	-
Equipment				
Leases	-	-	-	-
Maintenance	-	9,861	-	-
Supplies				
Medical and client care supplies	-	-	-	-
Pharmacy	-	-	-	-
Production materials	-	-	-	-
Other	-	793	-	-
Telephone	-	-	-	-
Dues and subscriptions	-	19,303	-	-
Food	-	156,306	-	-
Insurance	-	7,349	-	-
Interest	-	17,289	-	-
Other	-	-	-	-
In-kind donations	-	-	-	-
Total direct program expenses	-	547,548	-	-
Purchased services	-	-	-	-
Expenses before depreciation and amortization	-	547,548	-	-
Depreciation and amortization	-	-	-	-
Total expenses	\$ -	\$ 547,548	\$ -	\$ -

Program Services

<u>Children's extensive support</u>	<u>Early interven- tion</u>	<u>Family support</u>	<u>Case manage- ment</u>	<u>Management and general</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	19,718
-	-	-	-	-	1,972
-	-	-	-	-	3,944
-	-	-	-	-	25,634
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	2,071	2,071
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	63,312
-	-	-	-	-	157,419
-	-	-	-	-	90,282
-	-	-	-	-	-
-	-	-	-	-	9,861
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	793
-	-	-	-	-	-
-	-	-	-	-	19,303
-	-	-	-	-	156,306
-	-	-	-	-	7,349
-	-	-	-	-	17,289
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	2,071	549,619
-	-	-	-	-	-
-	-	-	-	2,071	549,619
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,071</u>	<u>\$ 549,619</u>

Mountain Valley Developmental Services, Inc.
 SCHEDULE OF ACCOUNTS RECEIVABLE - FEES AND
 GRANTS FROM GOVERNMENTAL AGENCIES
 June 30, 2009

State of Colorado		
General Fund		
Adult supported living	\$	599
Management fee		117
Medicaid		
Comprehensive		443,218
Adult supported living		82,546
Children's extensive service		2,986
Targeted case management		26,422
Management fee		11,049
County		22,500
		<hr/>
	\$	<u>589,437</u>