



Financial Statements and Report of Independent  
Certified Public Accountants

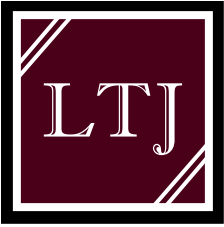
**Mountain Valley Developmental Services, Inc.**

June 30, 2011



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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, 2011, 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 2010 financial statements, and in our report dated September 2, 2010, 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, 2011, 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  
September 8, 2011

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## *Financial Statements*

Mountain Valley Developmental Services, Inc.  
STATEMENT OF FINANCIAL POSITION  
June 30, 2011  
(With summarized financial information for June 30, 2010)

ASSETS	2011	2010
Current assets		
Cash and cash equivalents	\$ 906,535	\$ 695,116
Accounts receivable		
Fees and grants from governmental agencies	638,326	611,855
Other	17,830	8,143
Inventories	118,936	107,838
Prepaid expenses and other	17,182	21,070
Total current assets	1,698,809	1,444,022
Land, building and equipment, net of accumulated depreciation and amortization	3,158,939	3,254,546
	\$ 4,857,748	\$ 4,698,568
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued expenses	\$ 744,796	\$ 647,472
Current portion of notes payable	30,351	263,708
Deferred revenue	4,553	4,088
Total current liabilities	779,700	915,268
Long-term liabilities		
Notes payable, net of current portion	519,786	314,113
Total liabilities	1,299,486	1,229,381
Net assets		
Unrestricted		
Board designation for workers compensation premium	60,000	60,000
Net investment in land, building and equipment	2,608,802	2,676,725
Undesignated	889,460	732,462
Total unrestricted net assets	3,558,262	3,469,187
	\$ 4,857,748	\$ 4,698,568

The accompanying notes are an integral part of this statement.

Mountain Valley Developmental Services, Inc.  
STATEMENT OF ACTIVITIES  
Year ended June 30, 2011  
(With summarized financial information for the year ended June 30, 2010)

	Total unrestricted	
	2011	2010
Fees and grants from governmental agencies		
Fees for services		
State of Colorado		
State General Fund		
Comprehensive	\$ 11,225	\$ 81,816
Adult supported living	43,556	41,787
Children and families	430,638	416,675
Medicaid		
Comprehensive	5,727,660	5,235,620
Adult supported living	288,263	243,317
Children's extensive support	30,424	16,171
Part C	141,672	125,951
ARRA	52,312	99,081
Counties	136,830	127,492
Grants and other		
Department of Housing and Urban Development	10,737	13,456
Department of Social Services	27,380	6,006
Other	1,828	5,650
	6,902,525	6,413,022
Public support - contributions	129,250	115,064
Residential room and board	615,076	617,620
In-kind donations	31,029	44,405
Production revenue	147,289	145,370
Other revenue	111,034	143,188
	7,936,203	7,478,669
Expenses		
Program services		
Medicaid comprehensive	5,718,232	5,721,971
State adult supported living	31,306	32,769
Medicaid adult supported living	288,698	248,689
Children's extensive support	28,522	18,529
Early intervention	528,377	458,713
Family support	92,355	153,314
Case management	461,485	446,603
	7,148,975	7,080,588
Supporting services		
Management and general	698,153	651,812
	7,847,128	7,732,400
CHANGE IN NET ASSETS	89,075	(253,731)
Net assets, beginning of year	3,469,187	3,722,918
Net assets, end of year	\$ 3,558,262	\$ 3,469,187

The accompanying notes are an integral part of this statement.

Mountain Valley Developmental Services, Inc.  
STATEMENT OF CASH FLOWS  
Year ended June 30, 2011  
(With summarized financial information for the year ended June 30, 2010)

	2011	2010
Cash flows from operating activities		
Change in net assets	\$ 89,075	\$ (253,731)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation	250,864	262,524
Gain on sale of asset	-	(3,000)
Change in assets and liabilities		
Increase in accounts receivable	(36,158)	(15,604)
Increase in inventories	(11,098)	(766)
(Increase) decrease in prepaid expenses and other	3,888	(200)
Increase (decrease) in accounts payable and accrued expenses	97,324	(21,442)
Increase in deferred revenue	465	492
Net cash provided by (used in) operating activities	394,360	(31,727)
Cash flows from investing activities		
Purchase of land, building and equipment	(155,257)	(94,222)
Proceeds from sale of land, building and equipment	-	3,000
Net cash used in investing activities	(155,257)	(91,222)
Cash flows used in financing activities		
Payments on note payable	(27,684)	(28,924)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	211,419	(151,873)
Cash and cash equivalents, beginning of year	695,116	846,989
Cash and cash equivalents, end of year	\$ 906,535	\$ 695,116
Supplemental data		
Cash paid for interest	\$ 35,637	\$ 36,116

The accompanying notes are an integral part of this statement.

Mountain Valley Developmental Services, Inc.  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2011

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'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, 2011

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, 2011

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. *Subsequent Events*

The Center has evaluated events and transactions occurring subsequent to the end of the fiscal year for potential recognition or disclosure through September 8, 2011, 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.

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

6. *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 cash balances in a financial institution 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.

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

Mountain Valley Developmental Services, Inc.  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2011

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

8. *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.

9. *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

10. *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.

11. *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, 2011.

12. *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.

Mountain Valley Developmental Services, Inc.  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2011

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

13. *Net Assets*

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

14. *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, 2011.

15. *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, 2010 from which the summarized information was derived.

NOTE B – LAND, BUILDING AND EQUIPMENT

Land, building and equipment consists of the following at June 30, 2011:

Buildings and improvements	\$ 5,600,934
Equipment	126,378
Vehicles	<u>442,759</u>
	6,170,071
Less accumulated depreciation and amortization	<u>3,739,826</u>
	2,430,245
Land	<u>728,694</u>
	\$ <u>3,158,939</u>

Depreciation expense was \$250,864 for the year ended June 30, 2011.

Mountain Valley Developmental Services, Inc.  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2011

NOTE C – NOTES PAYABLE

On October 14, 2005, the Center borrowed \$326,056 from a financial institution with a fixed rate of 6%, which was due November 5, 2010. The loan was refinanced at the maturity date, with a fixed rate of 6.875%, a due date of November 5, 2017, 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, 2011 was \$236,025.

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, 2011 was \$314,112.

Future maturities of notes payable at June 30, 2011, are as follows:

Year ending June 30,	
2012	\$ 30,351
2013	32,483
2014	34,718
2015	37,109
2016	39,639
Thereafter	<u>375,837</u>
	550,137
Less current portion	<u>30,351</u>
	\$ <u>519,786</u>

Interest expense was \$35,637 for the year ended June 30, 2011.

NOTE D – DEFERRED REVENUE

Deferred revenue at June 30, 2011, consists of \$4,553 of unspent State adult supported living funds.

Mountain Valley Developmental Services, Inc.  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2011

NOTE E – 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, 2011 was \$174,992. Future minimum lease payments under noncancelable operating leases at June 30, 2011 are as follows:

Year ending June 30,	
2012	\$ 88,945
2013	46,426
2014	29,816
2015	<u>21,116</u>
	\$ <u>186,303</u>

NOTE F – RETIREMENT PLAN

The Center has adopted a contributory defined contribution plan for employees. On September 1, 2009, the Center amended the plan. Prior to the amendment, payments made by the Center were based on a percentage of an employee's salary ranging from 3% to 8% based on the number of years of service. An employee could enroll after two years of employment. After the amendment, employees are eligible to participate after one year of full time employment and the Center will match up to 8%, depending on years of service, which becomes fully vested after four years. During the year ended June 30, 2011, contributions to the plan by the Center were \$89,114.

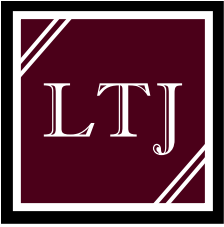
NOTE G – RELATED PARTY TRANSACTIONS

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 \$638,326 and the Center has a payable to the State of Colorado in the amount of \$71,278 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, 2011, 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 25 has been summarized from the Center's records and was 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  
September 8, 2011

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Mountain Valley Developmental Services, Inc.  
SUMMARY OF REVENUE AND EXPENSES BY PROGRAM  
Year ended June 30, 2011  
(With summarized financial information for the year ended June 30, 2010)

	<b>Program Services</b>			Medicaid
	Non specified	Medicaid comprehen- sive	State adult supported living	adult supported living
Fees and grants from governmental agencies				
Fees for services				
State of Colorado				
State General Fund				
Comprehensive	\$ -	\$ -	\$ -	\$ -
Adult supported living	-	-	27,218	-
Children and families	-	-	-	-
Medicaid				
Comprehensive	-	5,282,655	-	-
Adult supported living	-	-	-	288,263
Children's extensive support	-	-	-	-
Part C	-	-	-	-
ARRA	-	-	-	-
Counties	-	-	-	-
Grants and other				
Department of Housing and Urban Development	-	10,737	-	-
Department of Social Services	-	27,380	-	-
Other	-	-	-	-
Total fees and grants from governmental agencies	-	5,320,772	27,218	288,263
Public support - contributions	93,869	9,081	-	-
Residential room and board	-	615,076	-	-
In-kind donations	-	28,044	-	-
Production revenue	-	147,289	-	-
Other revenue	1,183	28,278	4,088	9,476
Total support and revenue	<u>\$ 95,052</u>	<u>\$ 6,148,540</u>	<u>\$ 31,306</u>	<u>\$ 297,739</u>
Expenses				
Salaries				
Direct care	\$ -	\$ 3,126,000	\$ 14,661	\$ 101,769
Other	-	86,139	-	-
Payroll taxes	-	294,086	1,579	9,792
Employee benefits	-	605,138	4,464	20,269
Total personal services	-	4,111,363	20,704	131,830
Medical professional services				
Physicians	-	12,465	-	-
Other	-	94,442	-	10,283

**Program Services**

Children's extensive support	Early interven- tion	Family support	Case manage- ment	Management and general	Total	
					2011	2010
\$ -	\$ -	\$ -	\$ -	\$ 11,225	\$ 11,225	\$ 81,816
-	-	-	6,295	10,043	43,556	41,787
-	239,960	70,275	65,692	54,711	430,638	416,675
-	-	-	411,841	33,164	5,727,660	5,235,620
-	-	-	-	-	288,263	243,317
30,424	-	-	-	-	30,424	16,171
-	104,340	-	19,184	18,148	141,672	125,951
-	42,850	-	1,900	7,562	52,312	99,081
-	10,000	11,375	-	115,455	136,830	127,492
-	-	-	-	-	10,737	13,456
-	-	-	-	-	27,380	6,006
-	-	-	1,828	-	1,828	5,650
30,424	397,150	81,650	506,740	250,308	6,902,525	6,413,022
-	25,300	1,000	-	-	129,250	115,064
-	-	-	-	-	615,076	617,620
-	-	-	-	2,985	31,029	44,405
-	-	-	-	-	147,289	145,370
-	26,139	-	7,421	34,449	111,034	143,188
<u>\$ 30,424</u>	<u>\$ 448,589</u>	<u>\$ 82,650</u>	<u>\$ 514,161</u>	<u>\$ 287,742</u>	<u>\$ 7,936,203</u>	<u>\$ 7,478,669</u>
\$ 309	\$ 172,127	\$ 10,310	\$ 316,330	\$ -	\$ 3,741,506	\$ 3,716,327
-	-	-	-	401,167	487,306	475,927
24	14,884	945	27,645	29,863	378,818	437,456
-	17,188	2,310	60,365	62,157	771,891	694,522
333	204,199	13,565	404,340	493,187	5,379,521	5,324,232
-	-	-	-	-	12,465	10,898
-	260,701	5,329	1,555	100	372,410	315,178

(Continued)

Mountain Valley Developmental Services, Inc.  
SUMMARY OF REVENUE AND EXPENSES BY PROGRAM (CONTINUED)  
Year ended June 30, 2011  
(With summarized financial information for the year ended June 30, 2010)

	<b>Program Services</b>			
	Non specified	Medicaid comprehen- sive	State adult supported living	Medicaid adult supported living
Other professional services	\$ -	\$ 102,753	\$ 1,162	\$ 106,560
Staff development	-	8,739	46	329
Staff travel	-	21,516	112	2,657
Vehicles				
Fuel and oil	-	59,456	1,531	8,184
Maintenance	-	34,341	1,045	2,312
Leases	-	48,197	1,185	3,414
Occupancy				
Rent	-	113,534	-	2,000
Maintenance	-	223,745	702	2,077
Utilities	-	110,706	967	1,503
Equipment				
Leases	-	2,536	-	-
Maintenance	-	33,752	378	4,044
Supplies				
Medical and client care supplies	-	21,633	1	1,232
Pharmacy	-	16,644	-	-
Production materials	-	65,218	-	-
Other	-	82,393	97	2,035
Telephone	-	42,825	322	1,669
Dues and subscriptions	-	34,144	103	1,192
Food	-	136,911	300	143
Insurance	-	43,175	1,772	2,691
Interest	-	35,637	-	-
Other	-	3,053	-	85
In-kind donations	-	28,044	-	-
Total direct program expenses	-	5,487,222	30,427	284,240
Depreciation and amortization	-	231,010	879	4,458
Total expenses	\$ -	\$ 5,718,232	\$ 31,306	\$ 288,698

**Program Services**

Children's extensive support	Early interven- tion	Family support	Case manage- ment	Management and general	Total	
					2011	2010
\$ -	\$ 29,120	\$ -	\$ -	\$ 71,184	\$ 310,779	\$ 280,624
-	-	-	496	1,537	11,147	12,705
-	11,977	1,030	9,995	10,229	57,516	46,622
-	1,334	150	1,906	3,950	76,511	66,159
-	1,218	98	2,015	995	42,024	36,039
-	1,422	142	1,708	854	56,922	56,918
-	-	-	-	-	115,534	111,661
-	4,364	708	14,505	11,271	257,372	261,715
-	1,149	246	3,773	4,334	122,678	122,294
-	-	-	-	-	2,536	1,705
-	370	497	2,072	25,489	66,602	63,894
-	-	-	-	-	22,866	14,861
-	-	-	-	-	16,644	12,085
-	-	-	-	-	65,218	72,515
-	4,695	753	5,690	15,274	110,937	122,603
-	2,886	585	3,892	14,134	66,313	63,418
-	855	-	2,145	13,537	51,976	46,874
-	-	-	-	-	137,354	138,700
-	1,454	184	3,434	5,103	57,813	67,221
-	-	-	-	-	35,637	36,116
28,189	995	68,648	894	14,596	116,460	140,434
-	-	-	-	2,985	31,029	44,405
28,522	526,739	91,935	458,420	688,759	7,596,264	7,469,876
-	1,638	420	3,065	9,394	250,864	262,524
<u>\$ 28,522</u>	<u>\$ 528,377</u>	<u>\$ 92,355</u>	<u>\$ 461,485</u>	<u>\$ 698,153</u>	<u>\$ 7,847,128</u>	<u>\$ 7,732,400</u>

(Continued)

Mountain Valley Developmental Services, Inc.  
SUMMARY OF REVENUE AND EXPENSES BY PROGRAM (CONTINUED)  
Year ended June 30, 2011  
(With summarized financial information for the year ended June 30, 2010)

	Program Services			Medicaid adult supported living
	Non specified	Medicaid comprehen- sive	State adult supported living	
Total expenses	\$ -	\$ 5,718,232	\$ 31,306	\$ 288,698
Less unallowable expenses	-	593,757	-	-
Less private pay	-	-	-	-
Total allowable expenses	-	5,124,475	31,306	288,698
Net allocated management and general (note A)	-	325,757	1,783	16,447
Adjusted total expenses	\$ -	\$ 5,450,232	\$ 33,089	\$ 305,145

Statistical Data (Unaudited)

1. Total days in residential used - State, Medicaid, private pay, etc.	30,956		
2. Total days in residential used - State and Medicaid only	30,956		
3. Unduplicated number of individuals	89	4	39

Cost per unit of service

Adjusted total expenses/item 2	\$ 176		
Adjusted total expenses/item 3		\$ 8,272	\$ 7,824

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	
					2011	2010
\$ 28,522	\$ 528,377	\$ 92,355	\$ 461,485	\$ 698,153	\$ 7,847,128	\$ 7,732,400
-	-	-	-	3,147	596,904	595,265
-	-	-	-	-	-	4,512
28,522	528,377	92,355	461,485	695,006	7,250,224	7,132,623
1,625	30,101	5,261	26,290	(407,264)	-	-
<u>\$ 30,147</u>	<u>\$ 558,478</u>	<u>\$ 97,616</u>	<u>\$ 487,775</u>	<u>\$ 287,742</u>	<u>\$ 7,250,224</u>	<u>\$ 7,132,623</u>

1                    260                    60                    404

\$ 30,147    \$ 2,148    \$ 1,627    \$ 1,207

Mountain Valley Developmental Services, Inc.  
SCHEDULE OF CASE MANAGEMENT SERVICES  
Year ended June 30, 2011

	Targeted case manage- ment	Other case manage- ment	Total
	<u>          </u>	<u>          </u>	<u>          </u>
Fees and grants from governmental agencies			
Fees for services			
State of Colorado			
State General Fund			
Adult supported living	\$ -	\$ 6,295	\$ 6,295
Children and families	-	65,692	65,692
Medicaid			
Comprehensive	411,841	-	411,841
Part C	-	19,184	19,184
ARRA	-	1,900	1,900
Grants and other			
Other	1,505	323	1,828
Total fees and grants from governmental agencies	<u>413,346</u>	<u>93,394</u>	<u>506,740</u>
Other revenue	-	7,421	7,421
Total support and revenue	<u>\$ 413,346</u>	<u>\$ 100,815</u>	<u>\$ 514,161</u>
 Expenses			
Salaries			
Direct care	\$ 249,310	\$ 67,020	\$ 316,330
Other	-	-	-
Payroll taxes	21,569	6,076	27,645
Employee benefits	41,340	19,025	60,365
Total personal services	<u>312,219</u>	<u>92,121</u>	<u>404,340</u>
Medical professional services			
Physicians	-	-	-
Other	780	775	1,555
Other professional services	-	-	-
Staff development	-	496	496
Staff travel	6,705	3,290	9,995
Vehicles			
Fuel and oil	953	953	1,906
Maintenance	995	1,020	2,015
Leases	854	854	1,708
Occupancy			
Rent	-	-	-
Maintenance	9,413	5,092	14,505
Utilities	2,492	1,281	3,773

(Continued)

Mountain Valley Developmental Services, Inc.  
SCHEDULE OF CASE MANAGEMENT SERVICES (CONTINUED)  
Year ended June 30, 2011

	Targeted case manage- ment	Other case manage- ment	Total
Equipment			
Leases	\$ -	\$ -	\$ -
Maintenance	628	1,444	2,072
Supplies			
Medical and client care supplies	-	-	-
Pharmacy	-	-	-
Production materials	-	-	-
Other	2,165	3,525	5,690
Telephone	1,444	2,448	3,892
Dues and subscriptions	855	1,290	2,145
Food	-	-	-
Insurance	2,268	1,166	3,434
Interest	-	-	-
Other	-	894	894
In-kind donations	-	-	-
Total direct program expenses	<u>341,771</u>	<u>116,649</u>	<u>458,420</u>
Depreciation and amortization	<u>1,860</u>	<u>1,205</u>	<u>3,065</u>
Total expenses	<u>\$ 343,631</u>	<u>\$ 117,854</u>	<u>\$ 461,485</u>

Statistical Data (Unaudited)

Unduplicated number of individuals	236	168
Full-time equivalents	6.15	1.50