

Summary of Financial Results through March 31, 2015

From both an accrual basis and a cash basis, the financial performance is largely on track for the first nine months of the fiscal year. Revenue sources are mostly at or ahead of expectations and the major expense variance is due to higher costs from the customer Service Center which have been discussed in earlier presentations. The other large variance, on a cash basis, is for purchase of software licenses, the accrued expense of which is spread over multiple years.

The attached statements are prepared on an accrual (not cash) basis. The primary differences are that technology projects in process last summer were estimated and accrued (and audited) and, as allowed, Federal grant receivables included in assets. Revenues, expenses and capital expenditures were accrued in the prior fiscal year. Cash receipts and bills paid occurred in this fiscal year.

Statement of Activities

Details for the first three quarters of the fiscal year March 31, 2015 are provided. Total year-to-date revenues on an accrual basis, are \$72.5 million. As noted above, cash receipts from Federal grants will exceed accrued revenues and the negative March transaction reflects the net adjustment to accrual accounting. Total revenue is \$3.1 million ahead of budget.

The first quarterly revenue accrual for the estimated broad market assessment of just over \$4.0 million exceeds budget and we expect to raise this a bit higher as actual results are known. As previously noted, the Tax Credit Donations are on budget and the Cover Colorado and Individual Assessment fees are ahead of budget.

Expenses including depreciation are \$51.5 million year-to-date so net assets are up \$21.0 million since the same period a year ago. As noted above, the Customer Service Center expenses are the primary variance for the current results.

Statement of Financial Position

Current assets were \$56.8 million, \$38.6 million of this is in cash. Long-term assets total \$38.1 million and are being depreciated at a current rate of \$875,000 per month. At the end of March there were payables of \$11.0 million, a significant portion of which is for SES project and the Customer Service Center bills paid during April.