

**SOUTHERN TELLER COUNTY
HEALTH SERVICES DISTRICT**

Management's Discussion and Analysis,

Financial Statements and

Supplemental Information

For the Years Ended December 31, 2016 and 2015

And

Independent Auditors' Report



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SOUTHERN TELLER COUNTY HEALTH SERVICES DISTRICT

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Southern Teller County Health Services District
Cripple Creek, Colorado

We have audited the accompanying financial statements of Southern Teller County Health Services District (the District), which comprise the statements of net position as of December 31, 2016 and 2015, and the related statements of revenues, expenses and changes in net position and cash flows for the years 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Southern Teller County Health Services District as of December 31, 2016 and 2015, and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 5 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplemental information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Report on Other Supplemental Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The supplemental combining financial statements and the budgeted and actual revenues and expenses, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic 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 is fairly stated in all material respects in relation to the basic financial statements as a whole.

Stockman Kast Ryan & Co., LLP

June 20, 2017

SOUTHERN TELLER COUNTY HEALTH SERVICES DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

This management's discussion and analysis of the financial performance of Southern Teller County Health Services District (the District) provides an overview of the District's financial activities for the years ended December 31, 2016 and 2015. It should be read in conjunction with the accompanying financial statements of the District.

Financial Highlights

- Net position increased by \$299,957 in 2016 compared with an increase of \$574,617 in 2015.
- Operating revenues increased by \$129,305 or 3.5% in 2016.
- Operating expenses increased by \$317,232 or 7.3% in 2016.
- Property tax revenue decreased by \$121,583 or 10.5% in 2016.

Financial Statements

The District's financial statements are prepared using proprietary fund accounting that focuses on the determination of changes in financial position and cash flows in a manner similar to private-sector businesses. The District is accounted for as a business-type activity and presents its financial statements using the economic resources measurement focus and the accrual basis of accounting. The District's financial statements consist of three statements: a *statement of net position*, a *statement of revenues, expenses and changes in net position* and a *statement of cash flows*.

The *statement of net position* presents information on the District's assets, deferred outflows, liabilities and deferred inflows, with the net difference reported as net position. Over time, increases or decreases in net position may indicate whether the financial position of the District is improving or deteriorating.

The *statement of revenues, expenses and changes in net position* presents both the operating revenues and expenses and non-operating revenues and expenses along with other changes in net position for the year. This statement is an indication of the success of the District's operations over the past year.

The *statement of cash flows* presents the change in cash and cash equivalents for the year resulting from operating activities, non-capital financing activities, capital and related financing activities and investing activities. The primary purpose of this statement is to provide information about the District's cash receipts and cash payments during the year.

Financial Position

	2016	2015	2014
Assets:			
Current assets	\$ 2,846,298	\$ 2,731,456	\$ 2,457,169
Capital assets, net	<u>1,437,379</u>	<u>1,269,485</u>	<u>1,069,213</u>
Total assets	<u>\$ 4,283,677</u>	<u>\$ 4,000,941</u>	<u>\$ 3,526,382</u>

	2016	2015	2014
Current liabilities	\$ <u>204,579</u>	\$ <u>192,931</u>	\$ <u>142,569</u>
Deferred inflows – deferred property tax revenue	<u>916,295</u>	<u>945,164</u>	<u>1,095,584</u>
Net position:			
Net investment in capital assets	1,437,379	1,269,485	1,069,213
Restricted for emergency reserve	141,373	133,088	127,721
Unrestricted	<u>1,584,051</u>	<u>1,460,273</u>	<u>1,091,295</u>
Total net position	<u>3,162,803</u>	<u>2,862,846</u>	<u>2,288,229</u>
Total liabilities, deferred inflows and net position	<u>\$ 4,283,677</u>	<u>\$ 4,000,941</u>	<u>\$ 3,526,382</u>

Current assets and net position increased due primarily to property tax revenue exceeding the losses from operations during 2016 and 2015. See information on capital assets below under Capital Assets.

Operating Results and Changes in the District's Net Position

The District's net position increased in 2016 by \$299,957, compared with an increase in 2015 of \$574,617. These changes in net position are made up of different components as follows:

	2016	2015	2014
Operating revenues:			
Net patient service revenue	\$ 3,746,014	\$ 3,611,064	\$ 3,350,852
Other operating revenues	<u>55,047</u>	<u>60,692</u>	<u>67,563</u>
Total operating revenues	<u>3,801,061</u>	<u>3,671,756</u>	<u>3,418,415</u>
Operating expenses:			
Salaries and wages	2,375,882	2,218,162	2,098,103
Purchased services and professional fees	743,503	719,963	759,879
Employee benefits	648,364	593,009	577,893
Depreciation	191,863	154,937	134,509
Contributed building rent and fuel	53,202	54,941	60,429
Other	<u>740,707</u>	<u>695,277</u>	<u>626,580</u>
Total operating expenses	<u>4,753,521</u>	<u>4,436,289</u>	<u>4,257,393</u>
Non-operating income, net	<u>1,227,132</u>	<u>1,332,836</u>	<u>1,410,766</u>
Excess of revenues over expenses before grants restricted for capital assets	274,672	568,303	571,788
Grants restricted for capital assets	<u>25,285</u>	<u>6,314</u>	<u> </u>
Increase in net position	<u>\$ 299,957</u>	<u>\$ 574,617</u>	<u>\$ 571,788</u>

The decrease in the change in net position is primarily the result of increased expenses of \$317,232 from 2015 to 2016 due mainly to an increase in the number of employees and raises during 2016. Net patient service revenue increased \$134,950 due mainly to increased volume and rates.

The District's Cash Flows

Changes in the District's cash flows are consistent with changes in operating income and non-operating income discussed above.

Capital Assets

At December 31, 2016 and 2015, the District had \$1,437,379 and \$1,269,485, respectively, invested in capital assets, net of accumulated depreciation, as detailed in Note 3 to the financial statements. During 2016, the District acquired capital assets of \$359,448. Depreciation expense totaled \$191,863 during 2016.

Budgetary Comparison

During 2016, the District's increase in net position of \$299,957 exceeded budget by \$241,875. See further information on page 15.

Contacting the District's Financial Management

This financial report is designed to provide a general overview of the District's finances. If you have any questions about this report or need additional financial information, contact District Administration at (719) 689-2931.

SOUTHERN TELLER COUNTY HEALTH SERVICES DISTRICT

STATEMENTS OF NET POSITION DECEMBER 31, 2016 AND 2015

	2016	2015
ASSETS		
CURRENT ASSETS		
Cash and equivalents	\$ 1,452,707	\$ 1,327,645
Cash held for residents	16,436	24,048
Property taxes receivable	916,295	945,164
Patient accounts receivable, net	366,224	339,508
Inventory	22,632	70,609
Other current assets	<u>72,004</u>	<u>24,482</u>
Total current assets	2,846,298	2,731,456
CAPITAL ASSETS, NET	<u>1,437,379</u>	<u>1,269,485</u>
TOTAL	<u>\$ 4,283,677</u>	<u>\$ 4,000,941</u>
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION		
CURRENT LIABILITIES		
Accounts payable	\$ 53,216	\$ 33,597
Accrued expenses and other current liabilities	134,927	135,286
Deposits from residents	<u>16,436</u>	<u>24,048</u>
Total current liabilities	<u>204,579</u>	<u>192,931</u>
 DEFERRED INFLOWS OF RESOURCES		
Deferred property tax revenue	<u>916,295</u>	<u>945,164</u>
 NET POSITION		
Net investment in capital assets	1,437,379	1,269,485
Restricted for emergency reserve	141,373	133,088
Unrestricted	<u>1,584,051</u>	<u>1,460,273</u>
Total net position	<u>3,162,803</u>	<u>2,862,846</u>
TOTAL	<u>\$ 4,283,677</u>	<u>\$ 4,000,941</u>

See notes to financial statements.

SOUTHERN TELLER COUNTY HEALTH SERVICES DISTRICT

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

	2016	2015
OPERATING REVENUES		
Net patient service revenue, net of provision for bad debts of \$130,804 and \$105,333, respectively	\$ 3,746,014	\$ 3,611,064
Contributed building rent and fuel	53,202	54,941
Other operating revenue	<u>1,845</u>	<u>5,751</u>
Total operating revenues	<u>3,801,061</u>	<u>3,671,756</u>
OPERATING EXPENSES		
Salaries and wages	2,375,882	2,218,162
Purchased services and professional fees	743,503	719,963
Employee benefits	648,364	593,009
Depreciation	191,863	154,937
Contributed building rent and fuel	53,202	54,941
Other	<u>740,707</u>	<u>695,277</u>
Total operating expenses	<u>4,753,521</u>	<u>4,436,289</u>
LOSS FROM OPERATIONS	<u>(952,460)</u>	<u>(764,533)</u>
NON-OPERATING INCOME		
Property taxes	1,034,278	1,155,861
Non-capital grants and gifts	192,777	176,975
Interest income	<u>77</u>	<u> </u>
Non-operating income, net	<u>1,227,132</u>	<u>1,332,836</u>
EXCESS OF REVENUE OVER EXPENSES BEFORE GRANTS RESTRICTED FOR CAPITAL ASSETS	274,672	568,303
OTHER CHANGES IN NET POSITION		
Grants restricted for capital assets	<u>25,285</u>	<u>6,314</u>
INCREASE IN NET POSITION	299,957	574,617
NET POSITION, Beginning of year	<u>2,862,846</u>	<u>2,288,229</u>
NET POSITION, End of year	<u>\$ 3,162,803</u>	<u>\$ 2,862,846</u>

See notes to financial statements.

SOUTHERN TELLER COUNTY HEALTH SERVICES DISTRICT

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

	2016	2015
OPERATING ACTIVITIES		
Receipts from and on behalf of patients	\$ 3,719,298	\$ 3,539,297
Payments to suppliers and contractors	(2,112,500)	(1,998,188)
Payments to employees	(2,376,241)	(2,208,761)
Other receipts, net	<u>1,536</u>	<u>5,751</u>
Net cash used in operating activities	<u>(767,907)</u>	<u>(661,901)</u>
NON-CAPITAL FINANCING ACTIVITIES		
Non-capital grants and gifts	192,777	176,975
Property taxes	<u>1,034,278</u>	<u>1,155,861</u>
Net cash provided by non-capital financing activities	<u>1,227,055</u>	<u>1,332,836</u>
CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchases of capital assets	(359,448)	(355,209)
Grants restricted for capital assets	<u>25,285</u>	<u>6,314</u>
Net cash used in capital and related financing activities	<u>(334,163)</u>	<u>(348,895)</u>
INVESTING ACTIVITIES		
Net cash provided by investing activities —		
Investment income	<u>77</u>	<u> </u>
NET INCREASE IN CASH AND EQUIVALENTS	125,062	322,040
CASH AND EQUIVALENTS, Beginning of year	<u>1,327,645</u>	<u>1,005,605</u>
CASH AND EQUIVALENTS, End of year	<u>\$ 1,452,707</u>	<u>\$ 1,327,645</u>
RECONCILIATION OF LOSS FROM OPERATIONS TO NET CASH USED IN OPERATING ACTIVITIES		
Loss from operations	\$ (952,460)	\$ (764,533)
Adjustments to reconcile loss from operations to net cash used in operating activities:		
Depreciation	191,863	154,937
Changes in operating assets and liabilities:		
Patient accounts receivable, net	(26,716)	(71,767)
Inventory and other current assets	146	(17,429)
Accounts payable and accrued expenses	<u>19,260</u>	<u>36,891</u>
NET CASH USED IN OPERATING ACTIVITIES	<u>\$ (767,907)</u>	<u>\$ (661,901)</u>

See notes to financial statements.

SOUTHERN TELLER COUNTY HEALTH SERVICES DISTRICT

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General — Southern Teller County Health Services District (the District) is located in Cripple Creek, Colorado. The District operates Cripple Creek Care Center (the Nursing Home) and S.W.T.C. Emergency Medical Services (EMS). The District also includes a fund which accounts for the Mill Levy and Board of Director (Mill Levy) bank accounts and related activity. The District is governed by a Board of Directors consisting of individuals elected by residents of the District. The District does not have component units and is not a component unit of another governmental entity.

Basis of Presentation — The financial statements of the District have been prepared in accordance with accounting principles generally accepted in the United States of America, including all applicable statements of the Governmental Accounting Standards Board (GASB). The financial statements have been prepared on the accrual basis of accounting using the economic resources measurement focus. Revenues, expenses, gains, losses, assets and liabilities from exchange and exchange-like transactions are recognized when the exchange transaction takes place, while those from government-mandated non-exchange transactions (principally federal and state grants) are recognized when all applicable eligibility requirements are met. Operating revenues and expenses include exchange transactions and program-specific, government-mandated non-exchange transactions. Government-mandated non-exchange transactions that are not program specific, property taxes, investment income, and interest expense are included in non-operating revenues and expenses. The District first applies restricted net position when an expense or outlay is incurred for purposes for which both restricted and unrestricted net position are available.

Use of Estimates — The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and 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.

Cash and Equivalents — The District considers all liquid investments with the original maturities of three months or less to be cash equivalents.

Property Taxes — The District received approximately 21% and 23% of its financial support from property taxes during 2016 and 2015 respectively. These funds were used to support operations.

Property taxes are levied on December 15 based on the assessed value of property as certified by the County Assessor on October 1. Assessed values are an approximation of market value. Under Colorado law, all property taxes attach as an enforceable lien on the property as of January 1 in the year following that in which they are levied. Taxes are levied for the current year prior to November 1 and are payable in full April 30 of the subsequent year or in two installments on February 28 and June 15. Revenue from property taxes is recognized in the year for which the taxes are levied.

Patient Accounts Receivable — The District reports patient accounts receivable for services rendered at net realizable amounts from third-party payers, patients and others. The District provides an allowance for bad debts based upon a review of outstanding receivables, historical collection information and existing economic conditions. As a service to the patient, the District bills third-party payors directly and bills the patient when the patient's liability is determined. Patient accounts receivable are due in full when billed. Accounts are considered delinquent and subsequently written off as bad debts based on individual credit evaluation and specific circumstances of the patient or third-party payor. Patient accounts receivable are net of an allowance for contractual adjustments and doubtful accounts of \$480,861 and \$527,476 as of December 31, 2016 and 2015, respectively.

Inventory — Inventory is stated at the lower of cost, determined using the first-in, first-out basis, or market.

Capital Assets — Capital assets are recorded at cost at the date of acquisition or fair value at the date of donation if acquired by gift. Depreciation is computed using the straight-line method over the estimated useful life of each asset. Assets under capital lease obligations and leasehold improvements are depreciated over the shorter of the lease term or their respective estimated useful lives. The following estimated useful lives are being used by the District:

Land improvements	5 – 20 years
Buildings and leasehold improvements	4 – 40 years
Equipment	3 – 20 years

Net Position — The District's net position is classified in the following components:

- **Net Investment in Capital Assets** — This component consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds, the portion of the debt attributable to the unspent proceeds is not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.
- **Restricted** — This component consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Restricted assets are assets which have restrictions placed on the use of the assets through external constraints imposed by creditors (such as through debt covenants), contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation. Generally, a liability relates to restricted assets if the asset results from a resource flow that also results in the recognition of a liability or if the liability will be liquidated with the restricted assets reported.
- **Unrestricted** — This component consists of the net amount of assets, deferred outflows of resources, liabilities and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

Net Patient Service Revenue — The District has agreements with third-party payers that provide for payments to the District at amounts different from its established rates. Net patient service revenue is reported at the estimated net realizable amounts from patients, third-party payers and others for services rendered and include estimated retroactive revenue adjustments and a provision for bad debts.

Income Taxes — The District is exempt from income taxes under the Internal Revenue Code and State law.

Subsequent Events — The District has evaluated subsequent events for recognition or disclosure through the date of the Independent Auditors' Report, which is the date the financial statements were available for issuance.

2. DEPOSITS

The Colorado Public Deposit Protection Act, (PDPA) requires that all units of local government deposit cash into eligible public depositories as determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA which allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the aggregate uninsured deposits.

At December 31, 2016 and 2015, the carrying amount of the District's cash is \$1,452,707 and \$1,327,645, respectively. The bank balances of these accounts total \$1,497,694 and \$1,413,151, respectively. Of the bank balances, \$629,722 and \$688,841 was covered by federal depository insurance and \$867,972 and \$724,310 is collateralized with securities held by the pledging financial institution as of December 31, 2016 and 2015, respectively.

3. CAPITAL ASSETS

Capital assets activity is as follows for the years ended December 31, 2016 and 2015:

	Balance at January 1, 2016	Additions	Decreases	Balance at December 31, 2016
2016:				
Land and improvements	\$ 140,337			\$ 140,337
Building and leasehold improvements	1,261,883	\$ 190,909	\$ (44,037)	1,408,755
Equipment	<u>1,486,837</u>	<u>168,539</u>	<u>(250,605)</u>	<u>1,404,771</u>
Total capital assets	2,889,057	359,448	(294,642)	2,953,863
Total accumulated depreciation	<u>(1,619,572)</u>	<u>(191,863)</u>	<u>294,951</u>	<u>(1,516,484)</u>
Capital assets, net	<u>\$ 1,269,485</u>	<u>\$ 167,585</u>	<u>\$ 309</u>	<u>\$ 1,437,379</u>
	Balance at January 1, 2015	Additions	Decreases	Balance at December 31, 2015
2015:				
Land and improvements	\$ 140,337			\$ 140,337
Building and leasehold improvements	981,559	\$ 280,324		1,261,883
Equipment	<u>1,411,952</u>	<u>74,885</u>		<u>1,486,837</u>
Total capital assets	2,533,848	355,209		2,889,057
Total accumulated depreciation	<u>(1,464,635)</u>	<u>(154,937)</u>		<u>(1,619,572)</u>
Capital assets, net	<u>\$ 1,069,213</u>	<u>\$ 200,272</u>	<u>\$ —</u>	<u>\$ 1,269,485</u>

4. RISK MANAGEMENT

The District is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District carries commercial insurance for these risks of loss. There were no claims resulting from these risks that exceeded commercial insurance coverage during 2016 and 2015.

The District purchases medical malpractice insurance under a claims-made policy on a fixed premium basis. Further, the District is subject to the provisions of the Colorado Government Immunity Act which provides a limitation on the liability of the District. The District is not aware of any unasserted claims, unreported incidents or claims outstanding which are expected to exceed malpractice insurance coverage limits as of December 31, 2016 and 2015.

5. TAX, SPENDING AND DEBT LIMITATIONS

In 1999 Colorado voters approved Amendment 1 to the state Constitution which is commonly known as the Taxpayer's Bill of Rights or the TABOR Amendment. The amendment applies to all units of local governments and limits taxes, spending, revenue, and multi-year debt (excepting bond refundings to lower interest rates and adding employees to pension plans). The District believes that it is in compliance with the provisions of TABOR, as it is currently understood. Many of the provisions may not become fully understood without judicial review.

The District has recorded an emergency reserve of 3% of its annual spending as required by TABOR.

**SOUTHERN TELLER COUNTY
HEALTH SERVICES DISTRICT**

Supplemental Information

SOUTHERN TELLER COUNTY HEALTH SERVICES DISTRICT

COMBINING STATEMENT OF NET POSITION DECEMBER 31, 2016

	NURSING HOME	S.W.T.C EMS	MILL LEVY	TOTALS
ASSETS				
CURRENT ASSETS				
Cash and equivalents	\$ 594,258	\$ 114,750	\$ 743,699	\$ 1,452,707
Cash held for residents	16,436			16,436
Property taxes receivable			916,295	916,295
Patient accounts receivable, net	172,201	194,023		366,224
Inventory	10,951	11,681		22,632
Other current assets	48,953	23,051		72,004
Due to / from affiliates		20,000	(20,000)	
Total current assets	842,799	363,505	1,639,994	2,846,298
CAPITAL ASSETS, NET	1,244,735	192,644		1,437,379
TOTAL	\$ 2,087,534	\$ 556,149	\$ 1,639,994	\$ 4,283,677
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION				
CURRENT LIABILITIES				
Accounts payable	\$ 50,180	\$ 3,036		\$ 53,216
Accrued expenses and other current liabilities	111,591	23,336		134,927
Deposits from residents	16,436			16,436
Total current liabilities	178,207	26,372	\$ -	204,579
DEFERRED INFLOWS OF RESOURCES				
Deferred property tax revenue			916,295	916,295
NET POSITION				
Net investment in capital assets	1,244,735	192,644		1,437,379
Restricted for emergency reserve	102,494	38,879		141,373
Unrestricted	562,098	298,254	723,699	1,584,051
Total net position	1,909,327	529,777	723,699	3,162,803
TOTAL	\$ 2,087,534	\$ 556,149	\$ 1,639,994	\$ 4,283,677

SOUTHERN TELLER COUNTY HEALTH SERVICES DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION FOR THE YEAR ENDED DECEMBER 31, 2016

	NURSING HOME	S.W.T.C. EMS	MILL LEVY	TOTALS
OPERATING REVENUES				
Net patient service revenue	\$ 3,366,888	\$ 379,126		\$ 3,746,014
Contributed building rent and fuel		53,202		53,202
Other operating revenue	1,845			1,845
Total operating revenues	3,368,733	432,328	\$ -	3,801,061
OPERATING EXPENSES				
Salaries and wages	1,599,503	776,379		2,375,882
Purchased services and professional fees	673,692	42,941	26,870	743,503
Employee benefits	382,193	266,171		648,364
Depreciation	141,309	50,554		191,863
Contributed building rent and fuel		53,202		53,202
Other	619,782	101,645	19,280	740,707
Total operating expenses	3,416,479	1,290,892	46,150	4,753,521
LOSS FROM OPERATIONS	(47,746)	(858,564)	(46,150)	(952,460)
NON-OPERATING INCOME				
Property taxes			1,034,278	1,034,278
Non-capital grants and gifts		192,777		192,777
Interest income	77			77
Non-operating income, net	77	192,777	1,034,278	1,227,132
REVENUES OVER (UNDER) EXPENSES BEFORE OTHER CHANGES IN NET POSITION				
	(47,669)	(665,787)	988,128	274,672
OTHER CHANGES IN NET POSITION				
Transfers from (to) affiliates	273,762	627,257	(901,019)	
Grants restricted for capital assets		25,285		25,285
INCREASE (DECREASE) IN NET POSITION	226,093	(13,245)	87,109	299,957
NET POSITION, Beginning of year	1,683,234	543,022	636,590	2,862,846
NET POSITION, End of year	\$ 1,909,327	\$ 529,777	\$ 723,699	\$ 3,162,803

SOUTHERN TELLER COUNTY HEALTH SERVICES DISTRICT

SUPPLEMENTAL SCHEDULE OF REVENUES AND EXPENSES – COMPARED TO BUDGET FOR THE YEAR ENDED DECEMBER 31, 2016

	Budget	Actual	Variance
OPERATING REVENUES			
Net patient service revenue	\$ 3,895,770	\$ 3,746,014	\$ (149,756)
Contributed rent and fuel		53,202	53,202
Other operating revenue	<u>6,200</u>	<u>1,845</u>	<u>(4,355)</u>
Total operating revenues	<u>3,901,970</u>	<u>3,801,061</u>	<u>(100,909)</u>
OPERATING EXPENSES			
Salaries and benefits	2,982,017	3,024,246	42,229
Contributed rent and fuel		53,202	53,202
Other	<u>1,972,435</u>	<u>1,676,073</u>	<u>(296,362)</u>
Total operating expenses	<u>4,954,452</u>	<u>4,753,521</u>	<u>(200,931)</u>
LOSS FROM OPERATIONS	<u>(1,052,482)</u>	<u>(952,460)</u>	<u>100,022</u>
NON-OPERATING INCOME AND CAPITAL GRANTS			
Property taxes	945,164	1,034,278	89,114
Non-capital and capital grants	165,000	218,062	53,062
Interest income	<u>400</u>	<u>77</u>	<u>(323)</u>
Total non-operating income and capital grants	<u>1,110,564</u>	<u>1,252,417</u>	<u>141,853</u>
INCREASE IN NET POSITION	<u>\$ 58,082</u>	<u>\$ 299,957</u>	<u>\$ 241,875</u>