

**Delta County Ambulance District
Delta County, Colorado
Financial Statements and
Report of Independent Certified Public Accountants
As of
December 31, 2017**

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Office of the State Auditor

September 27, 2018

**Delta County Ambulance District
Delta County, Colorado
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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Delta County Ambulance District
Delta, Colorado 81416

We have audited the accompanying financial statements of the business-type activities of the Delta County Ambulance District as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Delta County Ambulance District, as of December 31, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3-7 and 18 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 supplementary 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.

Blair and Associates, P.C.

Cedaredge, Colorado

September 6, 2018

**Delta County Ambulance District
Management's Discussion and Analysis
Year Ended December 31, 2017**

This narrative overview and analysis of the Delta County Ambulance District, (DCAD), performance through December 31, 2017 is provided as a supplement to DCAD yearend financial statements. Please read it in conjunction with the transmittal letter at the beginning of this report, the basic financial statements following this section and the notes to the basic financial statements.

Financial Highlights

- The assets of DCAD exceeded the liabilities at December 31, 2017 by \$603,014, (net position). Of this amount there is a deficiency of \$129,854 in unassigned net position, \$622,950 is invested in capital assets, net of related debt and \$109,918 is restricted, committed or assigned for other purposes.
- The DCAD total net position decreased by \$96,697 (14%) from the prior year.
- Operating revenues increased by \$259,341 (18%), in comparison to 2017 due to increase in patient services revenues and taxes.
- Operating expenses increased \$64,487, in comparison to the prior year largely in part because of an increase in patient care other costs.

Overview of the Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to DCAD basic financial statements. The DCAD basic financial statements are comprised of two components: 1) the Basic Financial Statements and 2) Notes to the Basic Financial Statements that provide additional disclosure of some of the information in the basic financial statements.

The balance sheets present information on DCAD's assets and liabilities and deferred inflow of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as useful indicators as to whether the DCAD's financial health is improving or deteriorating.

The Statement of Revenues, Expenses and Changes in Net Position present information showing how DCAD's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Therefore, revenues and expenses are reported for some items that will only result in cash flows in future years.

The **Statement of Cash Flows** report how DCAD's cash and cash equivalents were used in and provided by its operating, noncapital financing, capital and related financing, and investing activities during the periods reported. The net of these activities is added to the beginning year cash balance to reconcile to the cash and cash equivalents balances at December 31, 2017. The DCAD uses the direct method of presenting cash flows, which includes a reconciliation of operating activities to operating income. These statements provide answers to such questions as where did cash come from, how was cash used, and what was the change in the cash balance during the year.

Notes to the Basic Financial Statements provide financial statement disclosures that are an integral part of the basic financial statements. Such disclosures are essential to a comprehensive understanding of the information provided in the basic financial statements.

Financial Analysis

Net position is summarized in the table below:

	2016	2017
Current assets	\$ 837,709	\$ 1,370,108
Capital assets, net	734,548	622,950
Total assets	<u>1,572,257</u>	<u>1,993,058</u>
Current liabilities	415,052	355,784
Total liabilities	<u>415,052</u>	<u>355,784</u>
Deferred inflow of resources	457,494	1,034,260
Invested in capital assets, net of related debt	734,548	622,950
Reserved for emergencies	46,976	69,504
Reserved for capital acquisition	62,634	37,711
Reserved for employee education	2,703	2,703
Unrestricted	<u>(147,150)</u>	<u>(129,854)</u>
Total net position	<u>\$ 699,711</u>	<u>\$ 603,014</u>

The DCAD's current ratio reflects the relationship between current assets and current liabilities and is a measure of DCAD's ability to pay short-term obligations. At December 31, 2017, DCAD's current ratio is 3.9:1.

A large portion of DCAD's net position, (103%), consists of its investment in capital assets net of outstanding related debt. The DCAD utilizes the capital assets to fulfill its mission of providing ambulance services to residents of Delta County.

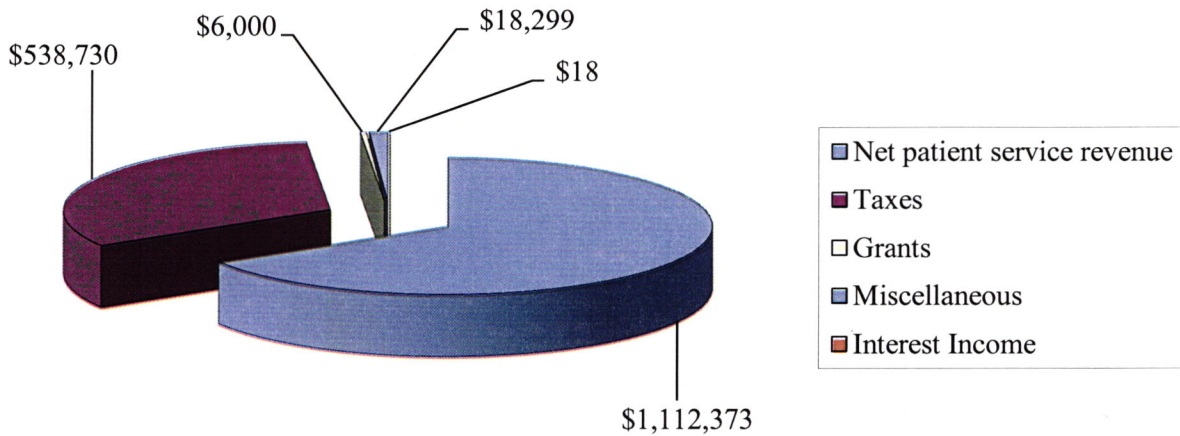
The remaining portion of net position is unrestricted and represents resources that could be used to meet ongoing obligations.

Changes in net position are summarized in the table below:

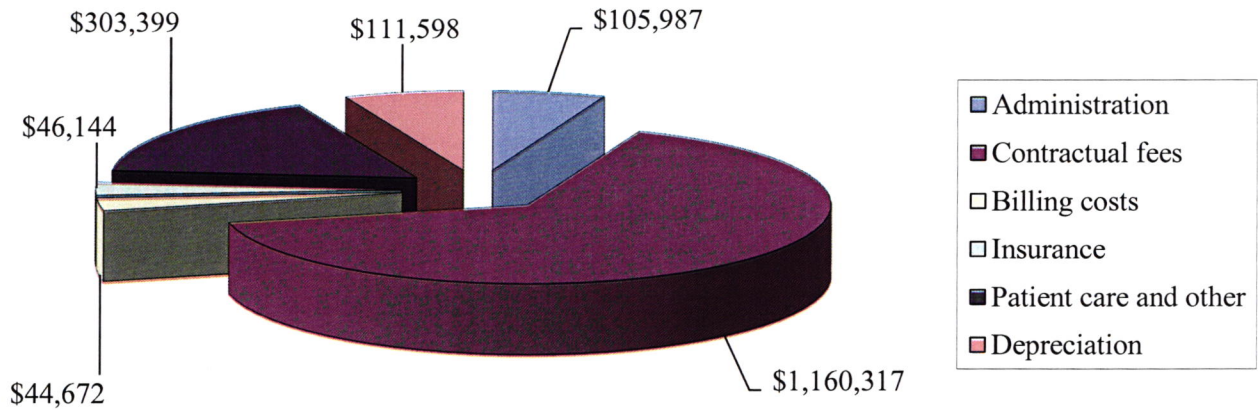
	2016	2017
Operating revenues	\$ 1,416,061	\$ 1,675,402
Operating expenses	1,707,630	1,772,117
Operating (loss) income	(291,569)	(96,715)
Nonoperating revenues (expenses)	60	18
Changes in net position	(291,509)	(96,697)
Net position, January	991,220	699,711
Net position, December	<u>\$ 699,711</u>	<u>\$ 603,014</u>

The DCAD had an overall decrease in net position of \$96,697 in 2017.

Revenues by Source



Expenses by Source



Capital Assets and Debt Administration

The DCAD's capital assets are summarized in the table below:

	2016	2017
Ambulance	\$ 674,723	\$ 674,723
Equipment	716,036	716,036
Buildings and Land	672,422	672,422
Total capital assets	<u>2,063,181</u>	<u>2,063,181</u>
Less accumulated depreciation	<u>(1,328,633)</u>	<u>(1,440,231)</u>
Net capital assets	<u>\$ 734,548</u>	<u>\$ 622,950</u>

Additional information on DCAD's capital assets can be found in Note F to the basic financial statements.

Long term debt

The district has no debt at the end of 2017.

Request for Information

This financial report is designated to provide the reader with a general overview of DCAD's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Delta County Ambulance District
Kirby Clock, Administrator
Delta, Colorado 81416

**Delta County Ambulance District
Statement of Net Position
December 31, 2017 and 2016**

	2017	2016
Assets		
Current Assets		
Cash	\$ 176,301	\$ 191,892
Investments	5,522	70,477
Accounts receivable	148,471	116,652
Accrued interest income	162	162
Prepaid expenses	5,392	1,032
Property taxes receivable	1,034,260	457,494
Total current assets	1,370,108	837,709
Capital assets, Net (Note F)	622,950	734,548
Total assets	1,993,058	1,572,257
Liabilities and net position		
Current liabilities		
Accounts payable	355,784	415,052
Total current liabilities	355,784	415,052
Deferred inflow of resources		
Deferred revenue-property taxes	1,034,260	457,494
Net position		
Invested in capital assets, net of related debt	622,950	734,548
Restricted for emergencies	69,504	46,976
Committed for capital acquisition	37,711	62,634
Assigned for employee education	2,703	2,703
Unassigned	(129,854)	(147,150)
Total net position	\$ 603,014	\$ 699,711

The accompanying notes are an integral part of this statement.

Delta County Ambulance District
Statement of Revenues, Expenses and Changes in Net Position
Year Ended December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Operating Revenues		
Net patient service revenue	\$ 1,112,373	\$ 879,150
Taxes	538,730	536,558
Grants	6,000	-
Miscellaneous	18,299	353
Total operating revenues	<u>1,675,402</u>	<u>1,416,061</u>
Operating expenses		
Administration costs	105,987	115,515
Contractual fees	1,160,317	1,155,753
Billing costs	44,672	37,526
Insurance	46,144	49,846
Patient care other costs	303,399	229,840
Depreciation	111,598	119,150
Total operating expenses	<u>1,772,117</u>	<u>1,707,630</u>
Operating income	(96,715)	(291,569)
Non-operating revenues and expenses		
Interest Income	18	60
Total Non-Operating revenues and expenses	<u>18</u>	<u>60</u>
Change in net position	(96,697)	(291,509)
Net position, January 1	<u>699,711</u>	<u>991,220</u>
Net position, December 31	<u>\$ 603,014</u>	<u>\$ 699,711</u>

The accompanying notes are an integral part of this statement.

Delta County Ambulance District
Statement of Cash Flows
Year Ended December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Cash Flows From Operating Activities		
Cash received from charges for services	\$ 1,080,554	\$ 917,965
Cash received from taxes	538,730	536,558
Cash received from grants and other	24,299	353
Cash payments for goods and services	(559,470)	(376,279)
Cash payments for contractual services	(1,164,677)	(1,148,274)
Net cash provided (used) by operating activities	<u>(80,564)</u>	<u>(69,677)</u>
Cash Flows from Capital and Related Financing Activities		
Acquisition of fixed assets	-	(30,890)
Net cash provided (used) by capital and related financing activities	<u>-</u>	<u>(30,890)</u>
Cash Flows from Investing Activities		
Interest on investments	18	60
Net cash provided by investing activities	<u>18</u>	<u>60</u>
Net increase (decrease) in cash and equivalents	(80,546)	(100,507)
Cash balances, January 1	<u>262,369</u>	<u>362,876</u>
Cash balances, December 31	<u><u>\$ 181,823</u></u>	<u><u>\$ 262,369</u></u>
Reconciling of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	(96,715)	(291,569)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation expense	111,598	119,150
Assets (increase) decrease:		
Accounts receivables	(31,819)	38,815
Prepaid and deposits	(4,360)	7,479
Liabilities increase (decrease):		
Accounts payable	(59,268)	56,448
Total adjustments	<u>16,151</u>	<u>221,892</u>
Net cash provided (used) by operating activities	<u><u>\$ (80,564)</u></u>	<u><u>\$ (69,677)</u></u>

The accompanying notes are an integral part of this statement.

Delta County Ambulance District
Delta County, Colorado
Notes to the Financial Statements
December 31, 2017

Note A Summary of Significant Accounting Policies

Basis of Accounting

The Delta County Ambulance District (the District) was created in December of 1998. The District operates under a Board of Directors form of government and provides ambulance services to residents within their District.

The accounting and reporting policies of the District relating to the funds and account groups included in the accompanying financial statements conform to generally accepted accounting principles applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants in the publication entitled Audits of State and Local Governmental Units. Accordingly, the requirements of Statement of Governmental Accounting Standards No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus- an amendment of GASB Statements No. 21 and No. 34 and No. 38, Certain Financial statement presentation.

The financial statements of the Authority are prepared on the accrual basis of accounting whereby revenues are recognized when earned and expenses are recognized when incurred.

Financial Reporting Entity

The District's financial statements include the accounts of all District operations. The criteria for including organizations as component units within the District's reporting entity, as set forth in Section 2100 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, include whether:

- the organization is legally separate (can sue and be sued in their own name)
- the District holds the corporate powers of the organization
- the District appoints a voting majority of the organization's board
- the District is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the District
- there is fiscal dependency by the organization on the District

Based on the aforementioned criteria, the Delta County Ambulance District has no component units.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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.

Delta County Ambulance District
Delta County, Colorado
Notes to the Financial Statements
December 31, 2017

Note A Summary of Significant Accounting Policies (continued)

Cash and Cash Equivalents

Cash and cash equivalents include investments in highly liquid debt instruments with an original maturity of three months or less.

Budgetary Control

The District adheres to the following procedures in establishing the budgetary data reflected in the financial statements.

Budgets are required by state law for proprietary funds. During October the proposed budget is submitted to the Board of Directors for the fiscal year commencing the following January 1. The budget includes proposed expenditures and the means of financing them.

A public hearing is conducted by the Directors to obtain taxpayers comments.

Prior to December 31, the budget is adopted and appropriations made by formal resolution.

Expenditures may not legally exceed appropriations at the fund level. Board approval is required for changes in budgets. Budget amounts included in the financial statements are based on the final, legally amended budget.

Budget appropriations lapse at the end of each year.

The budget is adopted on a basis that differs from generally accepted accounting principles. The District does not budget for depreciation costs.

Encumbrances

Encumbrances accounting, under which purchase orders, contracts and other commitments for the expenditures of money are recorded in order to reserve that portion of the applicable appropriation, is not employed by the District because it is at present considered not necessary to assure effective budgetary control or facilitate effective cash planning and control.

Property Taxes

Property taxes are levied on January 1 and attached as a lien on property as of December 31. They are payable in full by April 30 or in two equal installments due February 28 and June 15. Property taxes levied in the current year and payable in the following year are reported as a receivable at December 31, net of an estimated uncollectible portion. However, since taxes are not available to pay current liabilities, the net receivables are recorded as deferred inflows of resources.

Delta County Ambulance District
Delta County, Colorado
Notes to the Financial Statements
December 31, 2017

Note A Summary of Significant Accounting Policies (continued)

Deferred Outflows / Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section of deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and will not be recognize as an outflow of resources (expense/ expenditure) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section of deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and will not be recognize as an inflow of resources (revenue) until that time. Property taxes revenue that are related to a future period have been recorded as deferred inflows. Grants and entitlements received before eligibility requirements are met (e.g., cash advances) are recorded as deferred inflows. These amounts are deferred and will be recognized as an inflow of resources in the period that the amounts become available.

Net Patient Services Revenue

Net patient service revenue is reported at estimated net realizable amounts from patients, third-party payers and others for services rendered and includes estimated retroactive revenue adjustments due to future audits, reviews and investigation. Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are rendered, and such amounts are adjusted in future periods as adjustments become known or as years are no longer subject to such audits, reviews and investigations.

Revenue from the Medicare and Medicaid programs are subject to the laws and regulations governing those programs and are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates could change by a material amount in the near term.

Property and Equipment

Property and equipment are recorded at cost or, if contributed property, at their fair market value at the time of contribution. Repairs and maintenance are recorded as expenses; renewals and betterments are capitalized.

Assets capitalized have an original cost of \$5,000 or more and over one year of life. Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

Ambulances	3-7 years
Equipment	5-7 years
Buildings	40 years

Delta County Ambulance District
Delta County, Colorado
Notes to the Financial Statements
December 31, 2017

Note B Contingent Liabilities

Risk Management

The District is exposed to various risks of loss related to torts; theft of, damages to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District purchases general liability and property insurance through commercial insurers.

Note C Deposits and Investments

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories; eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA 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 the aggregate uninsured deposits. Collateral in the pool is considered to be equal to depository insurance pursuant to definitions listed in GASB Statement No. 40. At December 31, 2017, the bank balance of the District's deposits was \$179,582 of which all was covered by federal depository insurance.

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local government entities may invest. Authorized investments include obligations of the United States and certain U.S. government agency securities; certain international agency securities; general obligation and revenue bonds of U.S. local government entities; bankers' acceptances of certain banks; commercial paper; local government investment pools; written repurchase agreements collateralized by certain authorized securities; certain money market funds; and, guaranteed investment contracts. The District's investment policy follows Colorado statutes. At December 31, 2017 the District's investments included money market funds.

Note D Reconciliation of Revenues and Expenses - Budget Basis to GAAP Basis

Excess of revenue over expenses, (Non-GAAP budgetary basis)	\$ 14,901
Adjustments	
Less: depreciation	(111,598)
Add: capital outlay	-
Changes in net assets	<u>\$ (96,697)</u>

Delta County Ambulance District
Delta County, Colorado
Notes to the Financial Statements
December 31, 2017

Note E Tax, Spending and Debt Limitations

In November 1992, Colorado voters passed an amendment (Amendment One) to the State Constitution (Article X, Section 20) which limits the revenue raising and spending abilities of the state and local governments. The limits on property taxes, revenue, and "fiscal year spending" include allowable annual increases tied to inflation and local growth in construction valuation. Fiscal year spending as defined by the amendment excludes spending from certain revenue and financing sources such as federal funds, gifts, property sales, fund transfers, damage awards and fund reserves (balances). The amendment requires voter approval for any increase in mill levy or tax rates, new taxes, or creation of multi-year debt. Revenue earned in excess of the "spending limit" must be refunded or approved to be retained by the District under specified voting requirements by the entire electorate. The amendment also requires that reserves be established for declared emergencies, with 3% of fiscal year spending required in 1994 and thereafter.

The taxpayers, per election on November 2, 1999, allowed the District to debruce for the purpose of allowing the District to spend all tax and other revenues regardless of spending limitations contained in TABOR without raising the mill levy.

The District's management believes it is in compliance with the remaining provisions of TABOR; however, TABOR is complex and subject to interpretation.

Note F Property and Equipment

A summary of property and equipment for the year ended December 31, 2017:

	Balance 1/1/2017	Increases	Decreases	Balance 12/31/2017
Capital assets, not being depreciated				
Land	\$ 55,420	\$ -	\$ -	\$ 55,420
Total capital assets, not being depreciated	<u>55,420</u>	<u>-</u>	<u>-</u>	<u>55,420</u>
Capital assets, being depreciated				
Building and improvements	617,002	-	-	617,002
Equipment and vehicles	716,036	-	-	716,036
Ambulances	674,723	-	-	674,723
Total capital assets, being depreciated	<u>2,007,761</u>	<u>-</u>	<u>-</u>	<u>2,007,761</u>
Less accumulated depreciation for:				
Building and improvements	(204,571)	(17,090)	-	(221,661)
Equipment and vehicles	(573,031)	(43,724)	-	(616,755)
Ambulances	(551,031)	(50,784)	-	(601,815)
Total accumulated depreciation	<u>(1,328,633)</u>	<u>(111,598)</u>	<u>-</u>	<u>(1,440,231)</u>
Total capital assets, being depreciated, net	<u>679,128</u>	<u>(111,598)</u>	<u>-</u>	<u>567,530</u>
Total capital assets, net	<u>\$ 734,548</u>	<u>\$ (111,598)</u>	<u>\$ -</u>	<u>\$ 622,950</u>

Delta County Ambulance District
Delta County, Colorado
Notes to the Financial Statements
December 31, 2017

Note G Fund Equity

Beginning with fiscal year 2011, the District implemented GASB Statement 54 “Fund Balance Reporting and Governmental Fund Type Definitions”. This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government’s fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Non-spendable fund balance amounts that are not in spendable form (such as inventory) or are required to be maintained intact;
- Restricted fund balance-amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions or by enabling legislation;
- Committed fund balance-amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- Assigned fund balance-amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- Unassigned fund balance-amounts that are available for any purpose; positive amounts are reported only in the general fund.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless Board of Directors has provided otherwise in its commitment or assignment actions.

Note H Contractual Fees

The following is a detail summary of expenses for contractual fees paid in 2017 to Delta County Memorial Hospital:

	2017
Salaries	\$ 970,827
Cal and fringe	174,394
Medical supplies	6,713
Medical supplies non charge	2,306
Cost of drugs	5,133
Department supplies	819
Office supplies	125
Total	\$ 1,160,317

Delta County Ambulance District
Delta County, Colorado
Notes to the Financial Statements
December 31, 2017

Note I Commitments

There is an intergovernmental agreement between the District and the Delta County Memorial Hospital by which the hospital will provide the District with payroll and HR services, as well as sell supplies and medications, per the contract period in effect from January 1, 2017 to December 31, 2017. The contract renews automatically each year unless cancelled by either the District or Delta County Memorial Hospital by November of the year proceeding the effective start date. The hospital will bill the District monthly for expenses incurred for providing these services.

Delta County Ambulance District
Schedule of Revenues, Expenses and Changes in Available Resources
Budget and Actual
For the Year Ended December 31, 2017

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Net patient service revenues	\$ 919,235	\$ 1,112,373	\$ 193,138
Taxes	523,494	538,730	15,236
Grants and contracts	122,744	6,000	(116,744)
Miscellaneous	300	18,299	17,999
Interest	90	18	(72)
Total revenues	<u>1,565,863</u>	<u>1,675,420</u>	<u>109,557</u>
Expenditures			
Administrative costs	87,129	105,987	(18,858)
Contractual fees and operations costs	1,401,354	1,441,566	(40,212)
Billing costs	36,769	44,672	(7,903)
Insurance	40,611	46,144	(5,533)
Capital Outlay		22,150	(22,150)
Total expenditures	<u>1,565,863</u>	<u>1,660,519</u>	<u>(94,656)</u>
Excess revenues over (under) expenditures	<u>\$ -</u>	<u>\$ 14,901</u>	<u>\$ 14,901</u>

The accompanying notes are an integral part of this statement.