

**SOUTHERN TELLER COUNTY
HEALTH SERVICES DISTRICT**

Management's Discussion and Analysis,

Financial Statements and

Supplemental Information

For the Years Ended December 31, 2017 and 2016

And

Independent Auditors' Report

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July 24, 2018

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), as of and for the years ended December 31, 2017 and 2016, 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.

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, 2017 and 2016, 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 19, 2018

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, 2017 and 2016. It should be read in conjunction with the accompanying financial statements of the District.

Financial Highlights

- Net position increased by \$204,186 in 2017 compared with an increase of \$299,957 in 2016.
- Operating revenues decreased by \$108,975 in 2017.
- Operating expenses increased by \$95,028 in 2017.
- Property tax revenue decreased by \$31,239 in 2017.
- Grant revenue increased by \$139,542 in 2017.

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

	2017	2016	2015
Assets:			
Current assets	\$ 3,109,998	\$ 2,846,298	\$ 2,731,456
Capital assets, net	<u>1,624,862</u>	<u>1,437,379</u>	<u>1,269,485</u>
Total assets	<u>\$ 4,734,860</u>	<u>\$ 4,283,677</u>	<u>\$ 4,000,941</u>

	2017	2016	2015
Current liabilities	\$ 302,926	\$ 204,579	\$ 192,931
Deferred inflows – deferred property tax revenue	<u>1,064,945</u>	<u>916,295</u>	<u>945,164</u>
Net position:			
Net investment in capital assets	1,624,862	1,437,379	1,269,485
Restricted for emergency reserve	143,709	141,373	133,088
Unrestricted	<u>1,598,418</u>	<u>1,584,051</u>	<u>1,460,273</u>
Total net position	<u>3,366,989</u>	<u>3,162,803</u>	<u>2,862,846</u>
Total liabilities, deferred inflows and net position	<u>\$ 4,734,860</u>	<u>\$ 4,283,677</u>	<u>\$ 4,000,941</u>

Current assets and net position increased due primarily to property tax revenue and grants and gifts exceeding the losses from operations during 2017 and 2016. 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 by \$204,186 in 2017, compared with an increase in 2016 of \$299,957. These changes in net position are made up of different components as follows:

	2017	2016	2015
Operating revenues:			
Net patient service revenue	\$ 3,637,417	\$ 3,746,014	\$ 3,611,064
Other operating revenues	<u>53,919</u>	<u>54,297</u>	<u>60,692</u>
Total operating revenues	<u>3,691,336</u>	<u>3,800,311</u>	<u>3,671,756</u>
Operating expenses:			
Salaries and wages	2,465,067	2,375,882	2,218,162
Purchased services and professional fees	748,056	743,503	719,963
Employee benefits	637,869	648,364	593,009
Depreciation	220,068	191,863	154,937
Contributed building rent and fuel	53,299	53,202	54,941
Other	<u>723,440</u>	<u>739,957</u>	<u>695,277</u>
Total operating expenses	<u>4,847,799</u>	<u>4,752,771</u>	<u>4,436,289</u>
Non-operating income, net	<u>1,205,498</u>	<u>1,227,132</u>	<u>1,332,836</u>
Excess of revenues over expenses before grants restricted for capital assets	<u>49,035</u>	<u>274,672</u>	<u>568,303</u>
Grants restricted for capital assets	<u>155,151</u>	<u>25,285</u>	<u>6,314</u>
Increase in net position	<u>\$ 204,186</u>	<u>\$ 299,957</u>	<u>\$ 574,617</u>

The decrease in the change in net position is primarily the result of increased expenses of \$95,028 from 2016 to 2017 due mainly to an increase in the number of employees and raises during 2017. Net patient service revenue also decreased \$108,597 due mainly to decreased volume.

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, 2017 and 2016, the District had \$1,624,862 and \$1,437,379, respectively, invested in capital assets, net of accumulated depreciation, as detailed in Note 3 to the financial statements. During 2017, the District acquired capital assets of \$407,551. Depreciation expense totaled \$220,068 during 2017.

Budgetary Comparison

During 2017, the District's increase in net position of \$204,186 was under budget by \$29,953. 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, 2017 AND 2016

	2017	2016
ASSETS		
CURRENT ASSETS		
Cash and equivalents	\$ 1,488,017	\$ 1,452,707
Cash held for residents	19,064	16,436
Property taxes receivable	1,064,945	916,295
Patient accounts receivable, net	384,793	366,224
Inventory	43,659	22,632
Other current assets	<u>109,520</u>	<u>72,004</u>
Total current assets	3,109,998	2,846,298
CAPITAL ASSETS, NET	<u>1,624,862</u>	<u>1,437,379</u>
TOTAL	<u>\$ 4,734,860</u>	<u>\$ 4,283,677</u>
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION		
CURRENT LIABILITIES		
Accounts payable	\$ 139,569	\$ 53,216
Accrued expenses and other current liabilities	144,293	134,927
Deposits from residents	<u>19,064</u>	<u>16,436</u>
Total current liabilities	<u>302,926</u>	<u>204,579</u>
 DEFERRED INFLOWS OF RESOURCES		
Deferred property tax revenue	<u>1,064,945</u>	<u>916,295</u>
 NET POSITION		
Net investment in capital assets	1,624,862	1,437,379
Restricted for emergency reserve	143,709	141,373
Unrestricted	<u>1,598,418</u>	<u>1,584,051</u>
Total net position	<u>3,366,989</u>	<u>3,162,803</u>
TOTAL	<u>\$ 4,734,860</u>	<u>\$ 4,283,677</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, 2017 AND 2016

	2017	2016
OPERATING REVENUES		
Net patient service revenue, net of provision for bad debts of \$241,738 and \$130,804, respectively	\$ 3,637,417	\$ 3,746,014
Contributed building rent and fuel	53,299	53,202
Other operating revenue	<u>620</u>	<u>1,095</u>
Total operating revenues	<u>3,691,336</u>	<u>3,800,311</u>
OPERATING EXPENSES		
Salaries and wages	2,465,067	2,375,882
Purchased services and professional fees	748,056	743,503
Employee benefits	637,869	648,364
Depreciation	220,068	191,863
Contributed building rent and fuel	53,299	53,202
Other	<u>723,440</u>	<u>739,957</u>
Total operating expenses	<u>4,847,799</u>	<u>4,752,771</u>
LOSS FROM OPERATIONS	<u>(1,156,463)</u>	<u>(952,460)</u>
NON-OPERATING INCOME		
Property taxes	1,003,039	1,034,278
Non-capital grants and gifts	202,453	192,777
Interest income	<u>6</u>	<u>77</u>
Non-operating income, net	<u>1,205,498</u>	<u>1,227,132</u>
EXCESS OF REVENUE OVER EXPENSES BEFORE GRANTS RESTRICTED FOR CAPITAL ASSETS	49,035	274,672
OTHER CHANGES IN NET POSITION		
Grants restricted for capital assets	<u>155,151</u>	<u>25,285</u>
INCREASE IN NET POSITION	204,186	299,957
NET POSITION, Beginning of year	<u>3,162,803</u>	<u>2,862,846</u>
NET POSITION, End of year	<u>\$ 3,366,989</u>	<u>\$ 3,162,803</u>

See notes to financial statements.

SOUTHERN TELLER COUNTY HEALTH SERVICES DISTRICT

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	2017	2016
OPERATING ACTIVITIES		
Receipts from and on behalf of patients	\$ 3,618,848	\$ 3,719,298
Payments to suppliers and contractors	(2,081,555)	(2,112,500)
Payments to employees	(2,455,701)	(2,376,241)
Other receipts, net	<u>620</u>	<u>1,536</u>
Net cash used in operating activities	<u>(917,788)</u>	<u>(767,907)</u>
NON-CAPITAL FINANCING ACTIVITIES		
Non-capital grants and gifts	202,453	192,777
Property taxes	<u>1,003,039</u>	<u>1,034,278</u>
Net cash provided by non-capital financing activities	<u>1,205,492</u>	<u>1,227,055</u>
CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchases of capital assets	(407,551)	(359,448)
Grants restricted for capital assets	<u>155,151</u>	<u>25,285</u>
Net cash used in capital and related financing activities	<u>(252,400)</u>	<u>(334,163)</u>
INVESTING ACTIVITIES		
Net cash provided by investing activities —		
Investment income	<u>6</u>	<u>77</u>
NET INCREASE IN CASH AND EQUIVALENTS	35,310	125,062
CASH AND EQUIVALENTS, Beginning of year	<u>1,452,707</u>	<u>1,327,645</u>
CASH AND EQUIVALENTS, End of year	<u>\$ 1,488,017</u>	<u>\$ 1,452,707</u>
RECONCILIATION OF LOSS FROM OPERATIONS TO NET CASH USED IN OPERATING ACTIVITIES		
Loss from operations	\$ (1,156,463)	\$ (952,460)
Adjustments to reconcile loss from operations to net cash used in operating activities:		
Depreciation	220,068	191,863
Changes in operating assets and liabilities:		
Patient accounts receivable, net	(18,569)	(26,716)
Inventory and other current assets	(58,543)	146
Accounts payable and accrued expenses	<u>95,719</u>	<u>19,260</u>
NET CASH USED IN OPERATING ACTIVITIES	<u>\$ (917,788)</u>	<u>\$ (767,907)</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 20% and 21% of its financial support from property taxes during 2017 and 2016, 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 \$182,762 and \$480,861 as of December 31, 2017 and 2016, respectively.

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

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. The District capitalizes all capital assets exceeding \$1,000. 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, 2017 and 2016, the carrying amount of the District's cash is \$1,488,017 and \$1,452,707, respectively. The bank balances of these accounts total \$1,529,555 and \$1,497,694, respectively. Of the bank balances, \$550,683 and \$629,722 was covered by federal depository insurance and \$978,872 and \$867,972 is collateralized with securities held by the pledging financial institution as of December 31, 2017 and 2016, respectively.

3. CAPITAL ASSETS

Capital assets activity is as follows for the years ended December 31, 2017 and 2016:

	Balance at January 1, 2017	Additions	Decreases	Balance at December 31, 2017
2017:				
Land and improvements	\$ 140,337			\$ 140,337
Building and leasehold improvements	1,408,755	\$ 124,997		1,533,752
Equipment	<u>1,404,771</u>	<u>282,554</u>		<u>1,687,325</u>
Total capital assets	2,953,863	407,551		3,361,414
Total accumulated depreciation	<u>(1,516,484)</u>	<u>(220,068)</u>		<u>(1,736,552)</u>
Capital assets, net	<u>\$ 1,437,379</u>	<u>\$ 187,483</u>	<u>\$ —</u>	<u>\$ 1,624,862</u>
	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>

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 2017 and 2016.

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, 2017 and 2016.

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, 2017

	NURSING HOME	S.W.T.C. EMS	MILL LEVY	TOTALS
ASSETS				
CURRENT ASSETS				
Cash and equivalents	\$ 524,110	\$ 38,991	\$ 924,916	\$ 1,488,017
Cash held for residents	19,064			19,064
Property taxes receivable			1,064,945	1,064,945
Patient accounts receivable, net	335,167	49,626		384,793
Inventory	18,360	25,299		43,659
Other current assets	95,157	14,363		109,520
Due to / from affiliates		20,000	(20,000)	
Total current assets	991,858	148,279	1,969,861	3,109,998
CAPITAL ASSETS, NET	1,304,217	320,645		1,624,862
TOTAL	\$ 2,296,075	\$ 468,924	\$ 1,969,861	\$ 4,734,860
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION				
CURRENT LIABILITIES				
Accounts payable	\$ 139,521	\$ 48		\$ 139,569
Accrued expenses and other current liabilities	113,710	30,583		144,293
Deposits from residents	19,064			19,064
Total current liabilities	272,295	30,631	\$ —	302,926
DEFERRED INFLOWS OF RESOURCES				
Deferred property tax revenue			1,064,945	1,064,945
NET POSITION				
Net investment in capital assets	1,304,217	320,645		1,624,862
Restricted for emergency reserve	104,878	38,831		143,709
Unrestricted	614,685	78,817	904,916	1,598,418
Total net position	2,023,780	438,293	904,916	3,366,989
TOTAL	\$ 2,296,075	\$ 468,924	\$ 1,969,861	\$ 4,734,860

SOUTHERN TELLER COUNTY HEALTH SERVICES DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>NURSING HOME</u>	<u>S.W.T.C. EMS</u>	<u>MILL LEVY</u>	<u>TOTALS</u>
OPERATING REVENUES				
Net patient service revenue	\$ 3,413,717	\$ 223,700		\$ 3,637,417
Contributed building rent and fuel		53,299		53,299
Other operating revenue	620			620
Total operating revenues	<u>3,414,337</u>	<u>276,999</u>	<u>\$ —</u>	<u>3,691,336</u>
OPERATING EXPENSES				
Salaries and wages	1,667,591	797,476		2,465,067
Purchased services and professional fees	682,398	28,411	37,247	748,056
Employee benefits	370,516	267,353		637,869
Depreciation	158,062	62,006		220,068
Contributed building rent and fuel		53,299		53,299
Other	618,655	85,807	18,978	723,440
Total operating expenses	<u>3,497,222</u>	<u>1,294,352</u>	<u>56,225</u>	<u>4,847,799</u>
LOSS FROM OPERATIONS	<u>(82,885)</u>	<u>(1,017,353)</u>	<u>(56,225)</u>	<u>(1,156,463)</u>
NON-OPERATING INCOME				
Property taxes			1,003,039	1,003,039
Non-capital grants and gifts		202,453		202,453
Interest income	6			6
Non-operating income, net	<u>6</u>	<u>202,453</u>	<u>1,003,039</u>	<u>1,205,498</u>
REVENUES OVER (UNDER) EXPENSES BEFORE OTHER CHANGES IN NET				
	(82,879)	(814,900)	946,814	49,035
OTHER CHANGES IN NET POSITION				
Transfers from (to) affiliates	132,442	633,155	(765,597)	
Grants restricted for capital assets	64,890	90,261		155,151
INCREASE (DECREASE) IN NET POSITION	114,453	(91,484)	181,217	204,186
NET POSITION, Beginning of year	<u>1,909,327</u>	<u>529,777</u>	<u>723,699</u>	<u>3,162,803</u>
NET POSITION, End of year	<u>\$ 2,023,780</u>	<u>\$ 438,293</u>	<u>\$ 904,916</u>	<u>\$ 3,366,989</u>

SOUTHERN TELLER COUNTY HEALTH SERVICES DISTRICT

SUPPLEMENTAL SCHEDULE OF REVENUES AND EXPENSES – COMPARED TO BUDGET FOR THE YEAR ENDED DECEMBER 31, 2017

	Budget	Actual	Favorable (Unfavorable) Variance
OPERATING REVENUES			
Net patient service revenue	\$ 3,815,093	\$ 3,637,417	\$ (177,676)
Contributed building rent and fuel		53,299	53,299
Other operating revenue	<u>2,030</u>	<u>620</u>	<u>(1,410)</u>
Total operating revenues	<u>3,817,123</u>	<u>3,691,336</u>	<u>(125,787)</u>
OPERATING EXPENSES			
Salaries and benefits	2,936,057	3,102,936	(166,879)
Contributed building rent and fuel		53,299	(53,299)
Other	<u>1,854,522</u>	<u>1,691,564</u>	<u>162,958</u>
Total operating expenses	<u>4,790,579</u>	<u>4,847,799</u>	<u>(57,220)</u>
LOSS FROM OPERATIONS	<u>(973,456)</u>	<u>(1,156,463)</u>	<u>(183,007)</u>
NON-OPERATING INCOME AND CAPITAL GRANTS			
Property taxes	916,295	1,003,039	86,744
Non-capital and capital grants and gifts	291,000	357,604	66,604
Interest income	<u>300</u>	<u>6</u>	<u>(294)</u>
Total non-operating income and capital grants	<u>1,207,595</u>	<u>1,360,649</u>	<u>153,054</u>
INCREASE IN NET POSITION	<u>\$ 234,139</u>	<u>\$ 204,186</u>	<u>\$ (29,953)</u>