



**SOUTHERN TELLER COUNTY  
HEALTH SERVICES DISTRICT**

**Management's Discussion and Analysis,**

**Financial Statements and**

**Supplemental Information**

**For the Years Ended December 31, 2018 and 2017**

**And**

**Independent Auditors' Report**

# 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, 2018 and 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.

### **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, 2018 and 2017, 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*

August 20, 2019

# SOUTHERN TELLER COUNTY HEALTH SERVICES DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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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, 2018 and 2017. It should be read in conjunction with the accompanying financial statements of the District.

### Financial Highlights

- Net position increased by \$463,349 in 2018 compared with an increase of \$204,186 in 2017.
- Operating revenues increased by \$391,118 in 2018.
- Operating expenses increased by \$459,166 in 2018.
- Property tax revenue increased by \$160,880 in 2018.
- Grant revenue increased by \$161,002 in 2018.

### 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

	2018	2017	2016
Assets:			
Current assets	\$ 3,546,232	\$ 3,109,998	\$ 2,846,298
Capital assets, net	<u>1,722,193</u>	<u>1,624,862</u>	<u>1,437,379</u>
Total assets	<u>\$ 5,268,425</u>	<u>\$ 4,734,860</u>	<u>\$ 4,283,677</u>

	<b>2018</b>	<b>2017</b>	<b>2016</b>
Current liabilities	<u>\$ 231,766</u>	<u>\$ 302,926</u>	<u>\$ 204,579</u>
Deferred inflows – deferred property tax revenue	<u>1,206,321</u>	<u>1,064,945</u>	<u>916,295</u>
Net position:			
Net investment in capital assets	1,722,193	1,624,862	1,437,379
Restricted for emergency reserve	159,209	143,709	141,373
Unrestricted	<u>1,948,936</u>	<u>1,598,418</u>	<u>1,584,051</u>
Total net position	<u>3,830,338</u>	<u>3,366,989</u>	<u>3,162,803</u>
Total liabilities, deferred inflows and net position	<u>\$ 5,268,425</u>	<u>\$ 4,734,860</u>	<u>\$ 4,283,677</u>

Current assets and net position increased due primarily to operating revenues, property tax revenue and grants and gifts exceeding the losses from operations during 2018 and 2017. 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 \$463,349 in 2018, compared with an increase in 2017 of \$204,186. These changes in net position are made up of different components as follows:

	<b>2018</b>	<b>2017</b>	<b>2016</b>
Operating revenues:			
Net patient service revenue	\$ 3,987,046	\$ 3,637,417	\$ 3,746,014
Other operating revenues	<u>95,408</u>	<u>53,919</u>	<u>54,297</u>
Total operating revenues	<u>4,082,454</u>	<u>3,691,336</u>	<u>3,800,311</u>
Operating expenses:			
Salaries and wages	2,925,019	2,465,067	2,375,882
Employee benefits	789,047	637,869	648,364
Purchased services and professional fees	558,649	748,056	743,503
Depreciation	223,109	220,068	191,863
Contributed building rent and fuel	55,907	53,299	53,202
Other	<u>755,234</u>	<u>723,440</u>	<u>739,957</u>
Total operating expenses	<u>5,306,965</u>	<u>4,847,799</u>	<u>4,752,771</u>
Non-operating income, net	<u>1,586,964</u>	<u>1,205,498</u>	<u>1,227,132</u>
Excess of revenues over expenses before grants restricted for capital assets	<u>362,453</u>	<u>49,035</u>	<u>274,672</u>
Grants restricted for capital assets	<u>100,896</u>	<u>155,151</u>	<u>25,285</u>
Increase in net position	<u>\$ 463,349</u>	<u>\$ 204,186</u>	<u>\$ 299,957</u>

The increase in the change in net position is primarily the result of increases in property tax revenues and grants and gifts. Operating revenues increased \$391,118 due primarily to an increase in residency at the Nursing Home. Expenses increased \$459,166 from 2017 to 2018 due mainly to an increase in salaries and wages due to hiring additional employees.

### **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, 2018 and 2017, the District had \$1,722,193 and \$1,624,862, respectively, invested in capital assets, net of accumulated depreciation, as detailed in Note 3 to the financial statements. During 2018, the District acquired capital assets of \$331,101. Depreciation expense totaled \$223,109 during 2018.

### **Budgetary Comparison**

During 2018, the District's increase in net position of \$463,349 was under budget by \$347,507. 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, 2018 AND 2017

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	2018	2017
<b>ASSETS</b>		
CURRENT ASSETS		
Cash and equivalents	\$ 1,624,452	\$ 1,488,017
Cash held for residents	15,126	19,064
Property taxes receivable	1,206,321	1,064,945
Patient accounts receivable, net	500,919	384,793
Inventory	70,042	43,659
Other current assets	<u>129,372</u>	<u>109,520</u>
Total current assets	3,546,232	3,109,998
CAPITAL ASSETS, NET	<u>1,722,193</u>	<u>1,624,862</u>
TOTAL	<u>\$ 5,268,425</u>	<u>\$ 4,734,860</u>
 <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>		
CURRENT LIABILITIES		
Accounts payable	\$ 37,212	\$ 139,569
Accrued expenses and other current liabilities	179,428	144,293
Deposits from residents	<u>15,126</u>	<u>19,064</u>
Total current liabilities	<u>231,766</u>	<u>302,926</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred property tax revenue	<u>1,206,321</u>	<u>1,064,945</u>
NET POSITION		
Net investment in capital assets	1,722,193	1,624,862
Restricted for emergency reserve	159,209	143,709
Unrestricted	<u>1,948,936</u>	<u>1,598,418</u>
Total net position	<u>3,830,338</u>	<u>3,366,989</u>
TOTAL	<u>\$ 5,268,425</u>	<u>\$ 4,734,860</u>

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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, 2018 AND 2017

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	2018	2017
OPERATING REVENUES		
Net patient service revenue, net of provision for bad debts of \$570,802 and \$241,738, respectively	\$ 3,987,046	\$ 3,637,417
Contributed building rent and fuel	55,907	53,299
Other operating revenue	<u>39,501</u>	<u>620</u>
Total operating revenues	<u>4,082,454</u>	<u>3,691,336</u>
OPERATING EXPENSES		
Salaries and wages	2,925,019	2,465,067
Employee benefits	789,047	637,869
Purchased services and professional fees	558,649	748,056
Depreciation	223,109	220,068
Contributed building rent and fuel	55,907	53,299
Other	<u>755,234</u>	<u>723,440</u>
Total operating expenses	<u>5,306,965</u>	<u>4,847,799</u>
LOSS FROM OPERATIONS	<u>(1,224,511)</u>	<u>(1,156,463)</u>
NON-OPERATING INCOME		
Property taxes	1,163,919	1,003,039
Non-capital grants and gifts	417,710	202,453
Interest income	323	6
Other	<u>5,012</u>	<u>        </u>
Non-operating income, net	<u>1,586,964</u>	<u>1,205,498</u>
EXCESS OF REVENUE OVER EXPENSES BEFORE GRANTS RESTRICTED FOR CAPITAL ASSETS		
	362,453	49,035
OTHER CHANGES IN NET POSITION		
Grants restricted for capital assets	<u>100,896</u>	<u>155,151</u>
INCREASE IN NET POSITION	463,349	204,186
NET POSITION, Beginning of year	<u>3,366,989</u>	<u>3,162,803</u>
NET POSITION, End of year	<u>\$ 3,830,338</u>	<u>\$ 3,366,989</u>

See notes to financial statements.

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# SOUTHERN TELLER COUNTY HEALTH SERVICES DISTRICT

## STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

	2018	2017
<b>OPERATING ACTIVITIES</b>		
Receipts from and on behalf of patients	\$ 3,870,920	\$ 3,618,848
Payments to suppliers and contractors	(2,251,522)	(2,081,555)
Payments to employees	(2,889,884)	(2,455,701)
Other receipts, net	<u>39,501</u>	<u>620</u>
Net cash used in operating activities	<u>(1,230,985)</u>	<u>(917,788)</u>
<b>NON-CAPITAL FINANCING ACTIVITIES</b>		
Non-capital grants and gifts	417,710	202,453
Property taxes	<u>1,163,919</u>	<u>1,003,039</u>
Net cash provided by non-capital financing activities	<u>1,581,629</u>	<u>1,205,492</u>
<b>CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Purchases of capital assets	(331,101)	(407,551)
Grants restricted for capital assets	100,896	155,151
Proceeds from disposal of capital assets	<u>15,673</u>	<u>          </u>
Net cash used in capital and related financing activities	<u>(214,532)</u>	<u>(252,400)</u>
<b>INVESTING ACTIVITIES</b>		
Net cash provided by investing activities —		
Investment income	<u>323</u>	<u>6</u>
<b>NET INCREASE IN CASH AND EQUIVALENTS</b>	136,435	35,310
CASH AND EQUIVALENTS, Beginning of year	<u>1,488,017</u>	<u>1,452,707</u>
CASH AND EQUIVALENTS, End of year	<u>\$ 1,624,452</u>	<u>\$ 1,488,017</u>
<b>RECONCILIATION OF LOSS FROM OPERATIONS TO NET CASH USED IN OPERATING ACTIVITIES</b>		
Loss from operations	\$ (1,224,511)	\$(1,156,463)
Adjustments to reconcile loss from operations to net cash used in operating activities:		
Depreciation	223,109	220,068
Changes in operating assets and liabilities:		
Patient accounts receivable, net	(116,126)	(18,569)
Inventory and other current assets	(46,235)	(58,543)
Accounts payable and accrued expenses	<u>(67,222)</u>	<u>95,719</u>
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<u>\$ (1,230,985)</u>	<u>\$ (917,788)</u>

See notes to financial statements.

# SOUTHERN TELLER COUNTY HEALTH SERVICES DISTRICT

## NOTES TO FINANCIAL STATEMENTS

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### 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% of its financial support from property taxes during 2018 and 2017. 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 \$707,538 and \$182,762 as of December 31, 2018 and 2017, 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, 2018 and 2017, the carrying amount of the District's cash is \$1,624,452 and \$1,488,017, respectively. The bank balances of these accounts total \$1,689,278 and \$1,529,555, respectively. Of the bank balances, \$759,204 and \$550,683 was covered by federal depository insurance and \$930,074 and \$978,872 is collateralized with securities held by the pledging financial institution as of December 31, 2018 and 2017, respectively.

## 3. CAPITAL ASSETS

Capital assets activity is as follows for the years ended December 31, 2018 and 2017:

	<b>Balance at January 1, 2018</b>	<b>Additions</b>	<b>Decreases</b>	<b>Balance at December 31, 2018</b>
<b>2018:</b>				
Land and improvements	\$ 140,337			\$ 140,337
Building and leasehold improvements	1,533,752	\$ 4,700		1,538,452
Equipment	<u>1,687,325</u>	<u>326,401</u>	<u>\$ (169,060)</u>	<u>1,844,666</u>
Total capital assets	3,361,414	331,101	(169,060)	3,523,455
Total accumulated depreciation	<u>(1,736,552)</u>	<u>(223,109)</u>	<u>158,399</u>	<u>(1,801,262)</u>
Capital assets, net	<u>\$ 1,624,862</u>	<u>\$ 107,992</u>	<u>\$ (10,661)</u>	<u>\$ 1,722,193</u>

	<b>Balance at January 1, 2017</b>	<b>Additions</b>	<b>Decreases</b>	<b>Balance at December 31, 2017</b>
<b>2017:</b>				
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>

#### **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 2018 and 2017.

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, 2018 and 2017.

#### **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, 2018

	NURSING HOME	S.W.T.C. EMS	MILL LEVY	TOTALS
<b>ASSETS</b>				
CURRENT ASSETS				
Cash and equivalents	\$ 271,823	\$ 294,746	\$ 1,057,883	\$ 1,624,452
Cash held for residents	15,126			15,126
Property taxes receivable			1,206,321	1,206,321
Patient accounts receivable, net	460,352	40,567		500,919
Inventory	20,639	49,403		70,042
Other current assets	108,902	20,470		129,372
Due to / from affiliates		20,000	(20,000)	
Total current assets	876,842	425,186	2,244,204	3,546,232
CAPITAL ASSETS, NET	1,228,971	493,222		1,722,193
TOTAL	\$ 2,105,813	\$ 918,408	\$ 2,244,204	\$ 5,268,425
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>				
CURRENT LIABILITIES				
Accounts payable	\$ 28,687	\$ 8,525		\$ 37,212
Accrued expenses and other current liabilities	122,267	57,161		179,428
Deposits from residents	15,126			15,126
Total current liabilities	166,080	65,686	\$ —	231,766
DEFERRED INFLOWS OF RESOURCES				
Deferred property tax revenue			1,206,321	1,206,321
NET POSITION				
Net investment in capital assets	1,228,971	493,222		1,722,193
Restricted for emergency reserve	116,344	41,247	1,618	159,209
Unrestricted	594,418	318,253	1,036,265	1,948,936
Total net position	1,939,733	852,722	1,037,883	3,830,338
TOTAL	\$ 2,105,813	\$ 918,408	\$ 2,244,204	\$ 5,268,425

# SOUTHERN TELLER COUNTY HEALTH SERVICES DISTRICT

## COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION FOR THE YEAR ENDED DECEMBER 31, 2018

	NURSING HOME	S.W.T.C. EMS	MILL LEVY	TOTALS
<b>OPERATING REVENUES</b>				
Net patient service revenue	\$ 3,689,829	\$ 297,217		\$ 3,987,046
Contributed building rent and fuel		55,907		55,907
Other operating revenue	22,174	17,327		39,501
Total operating revenues	3,712,003	370,451	\$ —	4,082,454
<b>OPERATING EXPENSES</b>				
Salaries and wages	2,099,698	825,321		2,925,019
Employee benefits	474,104	314,943		789,047
Purchased services and professional fees	501,369	27,006	30,274	558,649
Depreciation	141,176	81,933		223,109
Contributed building rent and fuel		55,907		55,907
Other	661,780	69,788	23,666	755,234
Total operating expenses	3,878,127	1,374,898	53,940	5,306,965
LOSS FROM OPERATIONS	(166,124)	(1,004,447)	(53,940)	(1,224,511)
<b>NON-OPERATING INCOME</b>				
Property taxes			1,163,919	1,163,919
Non-capital grants and gifts		417,710		417,710
Interest income	323			323
Other	1,011	4,001		5,012
Non-operating income, net	1,334	421,711	1,163,919	1,586,964
<b>REVENUES OVER (UNDER) EXPENSES BEFORE OTHER CHANGES IN NET POSITION</b>				
	(164,790)	(582,736)	1,109,979	362,453
<b>OTHER CHANGES IN NET POSITION</b>				
Transfers from (to) affiliates	80,743	896,269	(977,012)	
Grants restricted for capital assets		100,896		100,896
INCREASE (DECREASE) IN NET POSITION	(84,047)	414,429	132,967	463,349
NET POSITION, Beginning of year	2,023,780	438,293	904,916	3,366,989
NET POSITION, End of year	\$ 1,939,733	\$ 852,722	\$ 1,037,883	\$ 3,830,338

## SOUTHERN TELLER COUNTY HEALTH SERVICES DISTRICT

### SUPPLEMENTAL SCHEDULE OF REVENUES AND EXPENSES – COMPARED TO BUDGET FOR THE YEAR ENDED DECEMBER 31, 2018

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	Budget	Actual	Favorable (Unfavorable) Variance
<b>OPERATING REVENUES</b>			
Net patient service revenue	\$ 4,224,335	\$ 3,987,046	\$ (237,289)
Contributed building rent and fuel		55,907	55,907
Other operating revenue	<u>950</u>	<u>39,501</u>	<u>38,551</u>
Total operating revenues	<u>4,225,285</u>	<u>4,082,454</u>	<u>(142,831)</u>
<b>OPERATING EXPENSES</b>			
Salaries and benefits	3,420,148	3,714,066	(293,918)
Contributed building rent and fuel		55,907	(55,907)
Other	<u>1,611,855</u>	<u>1,536,992</u>	<u>74,863</u>
Total operating expenses	<u>5,032,003</u>	<u>5,306,965</u>	<u>(274,962)</u>
LOSS FROM OPERATIONS	<u>(806,718)</u>	<u>(1,224,511)</u>	<u>(417,793)</u>
<b>NON-OPERATING INCOME AND CAPITAL GRANTS</b>			
Property taxes	1,065,413	1,163,919	98,506
Non-capital and capital grants and gifts	552,161	518,606	(33,555)
Other	<u></u>	<u>5,335</u>	<u>5,335</u>
Total non-operating income and capital grants	<u>1,617,574</u>	<u>1,687,860</u>	<u>70,286</u>
INCREASE IN NET POSITION	<u>\$ 810,856</u>	<u>\$ 463,349</u>	<u>\$ (347,507)</u>