

**DUNN COUNTY HEALTH CARE CENTER  
AN ENTERPRISE FUND OF DUNN COUNTY  
MENOMONIE, WISCONSIN**

**FINANCIAL STATEMENTS**

**YEARS ENDED DECEMBER 31, 2012 AND 2011**

**DUNN COUNTY HEALTH CARE CENTER  
AN ENTERPRISE FUND OF DUNN COUNTY  
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## INDEPENDENT AUDITORS' REPORT

County Board of Supervisors  
Dunn County  
Menomonie, Wisconsin

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Dunn County Health Care Center, an enterprise fund of Dunn County, Wisconsin (the Center), as of and for the years ended December 31, 2012 and 2011, and related notes to the financial statements, which collectively comprise the Center'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 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 auditors' 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 financial position of the Dunn County Health Care Center as of December 31, 2012 and 2011, and the respective changes in the financial position and cash flows, thereof and for the year then ended in conformity with accounting principles generally accepted in the United States of America.

***Emphasis-of-Matter***

As discussed in Note 1, the financial statements present only the Dunn County Health Care Center, an enterprise fund of Dunn County, and do not purport to, and do not, present fairly the financial position of Dunn County and results of its operations and the cash flows in conformity 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 schedule of funding progress as referenced in the table of contents, be presented to supplement the basic financial statements. Such information, although not 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.

The Center has omitted a management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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 the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Center's basic financial statements. The detail schedule of combined revenues and expenses, the combining statement of net position and the combining statement of revenues, expenses and changes in net position 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,

County Board of Supervisors  
Dunn County

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.

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Eau Claire, Wisconsin  
April 25, 2013.

**DUNN COUNTY HEALTH CARE CENTER  
AN ENTERPRISE FUND OF DUNN COUNTY  
STATEMENTS OF NET POSITION  
DECEMBER 31, 2012 AND 2011**

	2012	2011
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash and Cash Equivalents	\$ -	\$ -
Taxes Receivable	500,000	500,000
Accounts Receivable, Net of Allowance for Doubtful Accounts	974,951	999,565
Inventory	51,810	52,345
Prepaid Expenses	4,359	4,169
Total Current Assets	1,531,120	1,556,079
<b>Restricted Assets:</b>		
Restricted Cash - Resident Accounts	7,366	7,823
Restricted Cash and Investments - Construction Accounts	14,526,031	-
Total Restricted Assets	14,533,397	7,823
<b>Capital Assets:</b>		
Capital Assets Not Being Depreciated:		
Land	50,246	50,246
Construction Work in Progress	9,675,156	863,863
Capital Assets Being Depreciated:		
Other Capital Assets	7,177,524	7,350,902
Less: Accumulated Depreciation	(6,709,609)	(6,753,332)
Total Capital Assets	10,193,317	1,511,679
<b>Other Assets and Deferred Charges:</b>		
Unamortized Debt Issuance Costs	540,568	-
Total Assets	26,798,402	3,075,581
<b>LIABILITIES</b>		
<b>Current Liabilities:</b>		
Accounts Payable	193,373	154,546
Contracts Payable	938,323	-
Accrued Liabilities	301,883	275,403
Accrued Interest Payable	403,909	-
Due to Dunn County	1,079,122	2,334,139
Deferred Revenue	500,000	500,000
Vested Benefits	370,359	381,823
Patients Trust Fund Payable	7,366	7,823
Total Current Liabilities	3,794,335	3,653,734
<b>Noncurrent Liabilities:</b>		
Advance from Dunn County	32,500	32,500
Vested Benefits	279,393	288,042
Other Post-Employment Benefits	130,808	106,311
Bonds Payable	23,388,512	-
Total Noncurrent Liabilities	23,831,213	426,853
Total Liabilities	27,625,548	4,080,587
<b>NET POSITION</b>		
Invested in Capital Assets, Net of Related Debt	1,330,836	1,511,679
Unrestricted	(2,157,982)	(2,516,685)
Total Net Position (Deficit)	\$ (827,146)	\$ (1,005,006)

See accompanying Notes to Basic Financial Statements.

**DUNN COUNTY HEALTH CARE CENTER  
AN ENTERPRISE FUND OF DUNN COUNTY  
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS  
YEARS ENDED DECEMBER 31, 2012 AND 2011**

	2012	2011
<b>OPERATING REVENUES</b>		
Resident Services	\$ 9,177,825	\$ 9,042,670
Other	67,295	52,108
Total Operating Revenues	9,245,120	9,094,778
<b>OPERATING EXPENSES</b>		
Nursing Services	4,490,801	4,694,266
Laboratory and Radiology	48,862	23,229
Pharmacy	200,464	217,865
Physician	132,532	126,943
Social Services	124,134	146,741
Activities	180,026	180,954
Dietary	881,797	929,962
Plant Operations and Maintenance	454,006	501,394
Housekeeping	211,570	218,821
Laundry and Linen	185,903	147,787
Medical Records	30,297	37,411
Purchasing	38,097	32,726
Administrative	756,666	725,558
Depreciation	144,574	175,236
Employee Benefits	2,597,944	3,104,284
Total Operating Expenses	10,477,673	11,263,177
<b>LOSS FROM OPERATIONS</b>	(1,232,553)	(2,168,399)
<b>NONOPERATING REVENUES</b>		
Tax Levy Funds	500,000	750,000
Rental Income	46,016	29,418
Intergovernmental Transfer Program Funds	840,938	710,300
Total Nonoperating Revenues	1,386,954	1,489,718
<b>NONOPERATING EXPENSES</b>		
Investment Fees	10,255	-
Interest Expense and Amortization of Debt Premium	(33,714)	-
Total Nonoperating Expenses	(23,459)	-
<b>NET INCOME (LOSS)</b>	177,860	(678,681)
Net Position - Beginning of Year	(1,005,006)	(326,325)
<b>NET POSITION - END OF YEAR</b>	\$ (827,146)	\$ (1,005,006)

See accompanying Notes to Basic Financial Statements.

**DUNN COUNTY HEALTH CARE CENTER  
AN ENTERPRISE FUND OF DUNN COUNTY  
STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2012 AND 2011**

	2012	2011
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Received from Residents and Third-Party Payers	\$ 10,156,688	\$ 9,719,088
Paid to Suppliers for Goods and Services	(1,717,750)	(2,633,414)
Paid to Employees for Services	(7,606,595)	(8,666,666)
Net Cash Used by Operating Activities	832,343	(1,580,992)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Tax Levy Funds	500,000	750,000
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Acquisition of Capital Assets	(8,827,064)	(236,715)
Proceeds from Issuance of Bonds	22,050,000	-
Proceeds from Bond Premium	1,395,066	-
Payment of Bond Issuance Costs	(159,499)	-
Net Cash Used by Capital and Related Financing Activities	14,458,503	(236,715)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investment Fees Paid	(10,255)	-
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	15,780,591	(1,067,707)
Cash and Cash Equivalents - Beginning of Year	(2,326,316)	(1,258,609)
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 13,454,275	\$ (2,326,316)

See accompanying Notes to Basic Financial Statements.

**DUNN COUNTY HEALTH CARE CENTER  
AN ENTERPRISE FUND OF DUNN COUNTY  
STATEMENTS OF CASH FLOWS (CONTINUED)  
YEARS ENDED DECEMBER 31, 2012 AND 2011**

	2012	2011
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES</b>		
Operating Loss	\$ (1,232,553)	\$ (2,168,399)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:		
Rental Income Received	46,016	29,418
Nursing Home Appeals		
Intergovernmental Transfer Program Funds Received	840,938	710,300
Noncash Items included in Income:		
Depreciation	144,574	175,236
Loss on disposal of capital assets	852	8,495
Change in Assets and Liabilities:		
Accounts Receivable	24,614	115,277
Inventory	535	(11,949)
Prepaid Expenses	(190)	103
Accounts Payable	977,150	(23,102)
Accrued Liabilities	26,480	(68,459)
Deferred Revenue	-	(319,600)
Patient Trust Payable	(457)	(412)
Vested Benefits	(20,113)	(44,961)
Other Post-Employment Benefits	24,497	17,061
Net Cash Used by Operating Activities	\$ 832,343	\$ (1,580,992)
<b>NON-CASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES</b>	None	None
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION</b>		
Cash and Cash Equivalents	\$ -	\$ -
Restricted Cash	14,533,397	7,823
Due to Dunn County	(1,079,122)	(2,334,139)
Total	\$ 13,454,275	\$ (2,326,316)

See accompanying Notes to Basic Financial Statements.

**DUNN COUNTY HEALTH CARE CENTER  
AN ENTERPRISE FUND OF DUNN COUNTY  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2012 AND 2011**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization**

The accounting policies of the Dunn County Health Care Center (the Center) conform to generally accepted accounting principles as applicable to enterprise funds of governmental units.

**Reporting Entity**

This report contains the financial information of the Center, which is a separate enterprise fund of Dunn County. The Center operates a 137-bed nursing home which provides skilled nursing care to the aged and disabled. The Center is directed by the Health Care Center Committee which is appointed by the County Board President.

Component units are legally separate entities for which the Dunn County Health Care Center (primary government) is financially accountable, or for which the exclusion of the component unit would render the financial statements of the Primary Government misleading. The criteria used to determine if the Primary Government is financially accountable for a component unit include whether or not the Primary Government appoints the voting majority of the potential component unit's governing body, is able to impose its will on the potential component unit, is in a relationship of financial benefit or burden with the potential component unit, or is fiscally depended upon by the potential component unit.

Based on these criteria, there are no organizations considered to be component units of the Dunn County Health Care Center.

**Measurement Focus and Basis of Accounting**

The accrual basis of accounting is used by the Center. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recorded as receivables and deferred revenue. Net position is segregated into "invested in capital assets" and "unrestricted" components.

The enterprise fund distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with an enterprise fund's principal ongoing operations. The principal operating revenues of the Center are charges to residents for care. Operating expenses for enterprise funds include the cost of providing services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

**DUNN COUNTY HEALTH CARE CENTER  
AN ENTERPRISE FUND OF DUNN COUNTY  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2012 AND 2011**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Measurement Focus and Basis of Accounting (Continued)**

The financial statements of the Center have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financials reporting principles. The GASB has issued a codification of governmental accounting and financial reporting standards.

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.

When both restricted and unrestricted resources are available for use, it is the Center's policy to use restricted resources first, then unrestricted resources as they are needed.

**Cash and Cash Equivalents**

For purposes of the statement of cash flows, the Center considers all highly liquid investments with an initial maturity of three months or less when acquired to be cash equivalents. Investment of the Center's funds is restricted by state statutes. Available investments are limited to:

1. Time deposits in any credit union, bank, savings bank or trust company maturing in three years or less.
2. Bonds or securities issued or guaranteed by the federal government.
3. Bonds or securities of any county, city, drainage district, technical college district, village, town, or school district of the state. Also, bonds issued by a local exposition district, a local professional baseball park district, a local professional football stadium district, a local cultural arts district, or by the University of Wisconsin Hospitals and Clinics Authority.
4. Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
5. Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
6. Bonds or securities issued under the authority of the municipality.
7. The local government investment pool.
8. Repurchase agreements with public depositories, with certain conditions.

Deposits and investments for the Center are covered under Dunn County's investment policy. Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on quoted market prices. No investments are reported at amortized cost. Adjustments are necessary to record investments at fair value and are recorded in the operating statement as increases or decreases in investment income.

**DUNN COUNTY HEALTH CARE CENTER  
AN ENTERPRISE FUND OF DUNN COUNTY  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2012 AND 2011**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Accounts Receivable**

Accounts receivable have been shown net of an allowance for uncollectible accounts. The provision for uncollectible patient accounts was \$17,913 and \$41,302 at December 31, 2012 and 2011, respectively. All accounts receivable are uncollateralized.

**Inventories**

Inventory is stated at the lower of cost (first-in, first-out method) or market.

**Restricted Assets**

Mandatory segregation of assets is presented as restricted assets. Such segregation may be required by external parties. Funds held in a custodian capacity are maintained in separate bank accounts.

**Capital Assets**

Capital assets are generally defined by the Center as assets with an initial, individual cost of more than \$1,000 and an estimated useful life which extends substantially beyond the year of acquisition. All capital assets are valued at historical cost or estimated historical cost if actual amounts are unavailable. Donated fixed assets are recorded at their estimated fair value at the date of donation. The Center has no infrastructure assets.

Depreciation of all exhaustible capital assets is recorded as an expense in the statement of revenues, expenses, and changes in net position, with accumulated depreciation reflected in statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

	<u>Estimated Useful Lives</u>
Building and Improvements	10 - 30 Years
Furniture and Equipment	3 - 10 Years
Transportation Equipment	5 Years

**Vested Benefits**

Under terms of employment, employees are granted sick leave and vacation in varying amounts. Only benefits considered to be vested are disclosed in these statements. All vested vacation and estimated vested sick leave pay is accrued when incurred in the financial statements. Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at year end are determined on the basis of current salary rates and include salary related payments.

**DUNN COUNTY HEALTH CARE CENTER  
AN ENTERPRISE FUND OF DUNN COUNTY  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2012 AND 2011**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Equity Classifications**

Equity is classified as net position and displayed in two components:

**Invested in Capital Assets** – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances (excluding unspent debt proceeds) of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

**Unrestricted Net Position** – All other net position are available for use, it is the Center's policy to use restricted resources first, then unrestricted resources as they are needed.

**Third-Party Reimbursement Contracts**

The Center's reimbursement under the Medicare program is based on prospective payment system, (PPS). These rates may vary according to a resident classification system (RUGS III) that is based on a minimum data set (MDS) of diagnostic and other information.

The Center participates in the Medical Assistance Program whereby reimbursement is based on a predetermined rate formula under a contractual arrangement with the Medical Assistance Program under Title XIX of the Social Security Act. Rate adjustments under this program are reflected in income when determinable.

**NOTE 2 CASH AND CASH EQUIVALENTS**

The Center's balances at individual financial institutions were subject to coverage under federal depository insurance and amounts appropriated by Sections 20.144(1)(a) and 34.08 of the Wisconsin Statutes (State Guarantee Fund). Federal depository insurance provides for coverage of up to \$250,000 for time and savings deposits and unlimited coverage for all non-interest bearing transaction accounts.

Coverage under the State Guarantee Fund may not exceed \$400,000 above the amount of coverage under federal depository insurance at any institution and is limited by the availability of the appropriations authorized therein. (Due to the relatively small size of the State Guarantee Fund in relation to the total coverage, total recovery of losses may not be available.) Also, Section 34.07 of the Wisconsin Statutes authorizes the Center to collateralize its deposits that exceed the amount of coverage provided by federal depository insurance and the State Guarantee Fund.

**DUNN COUNTY HEALTH CARE CENTER  
AN ENTERPRISE FUND OF DUNN COUNTY  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2012 AND 2011**

**NOTE 2 CASH AND CASH EQUIVALENTS (CONTINUED)**

The Dunn County Health Care Center holds deposits and investments which are pooled with other accounts held at financial institutions maintained by Dunn County. The custodial credit risk pertaining specifically to the Health Care Center's resources cannot be determined. Please refer to the County's basic financial statements for information on overall deposit and investment risks.

The carrying amount of the Center's deposits at December 31, 2012 and 2011 was (\$1,079,122) and (\$2,334,139), respectively. The deficit balances at year-end are classified as Due to Dunn County on the statement of net position.

**NOTE 3 RESTRICTED ASSETS**

**A. Restricted Cash – Resident Accounts:**

The Center is the custodian for funds held on behalf of its patients. These funds presented as restricted cash and offsetting patients trust fund payable and totaled \$7,366 and \$7,823 on December 31, 2012 and 2011, respectively.

**B. Restricted Cash and Investments – Construction Accounts.**

During 2012, the Center issued bonds for the purpose of constructing a new health care facility. A portion of the proceeds from these bonds were placed in escrow accounts at American Deposit Management, LLC. Individual investments within these escrow accounts consist of money market funds and certificates of deposit with various financial institutions held in the County's name. Holdings at each financial institution do not individually exceed FDIC insurance levels. Total cash and investments held in escrow at December 31, 2012 and 2011 were \$14,526,031 and zero, respectively.

**DUNN COUNTY HEALTH CARE CENTER  
AN ENTERPRISE FUND OF DUNN COUNTY  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2012 AND 2011**

**NOTE 4 CAPITAL ASSETS**

Changes in capital assets during 2012 are as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets Not Being Depreciated:				
Land	\$ 50,246	\$ -	\$ -	\$ 50,246
Construction Work in Progress	863,863	8,811,293	-	9,675,156
Total Capital Assets Not Being Depreciated	914,109	8,811,293	-	9,725,402
Capital Assets Being Depreciated:				
Land Improvements	352,663	-	-	352,663
Buildings	4,710,987	-	95,639	4,615,348
Fixed Equipment	994,548	5,541	13,131	986,958
Major Moveable Equipment	1,292,704	10,230	80,379	1,222,555
Total Capital Assets Being Depreciated	7,350,902	15,771	189,149	7,177,524
Less: Accumulated Depreciation:				
Land Improvements	288,971	7,636	-	296,607
Buildings	4,477,136	74,663	95,639	4,456,160
Fixed Equipment	909,006	15,515	13,056	911,465
Major Moveable Equipment	1,078,219	46,760	79,602	1,045,377
Total Accumulated Depreciation	6,753,332	144,574	188,297	6,709,609
Net Capital Assets	<u>\$ 1,511,679</u>	<u>\$ 8,682,490</u>	<u>\$ 852</u>	<u>\$ 10,193,317</u>

**DUNN COUNTY HEALTH CARE CENTER  
AN ENTERPRISE FUND OF DUNN COUNTY  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2012 AND 2011**

**NOTE 4 CAPITAL ASSETS (CONTINUED)**

Changes in capital assets during 2011 are as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets Not Being Depreciated:				
Land	\$ 50,246	\$ -	\$ -	\$ 50,246
Construction Work in Progress	669,847	194,016	-	863,863
Total Capital Assets Not Being Depreciated	720,093	194,016	-	914,109
Capital Assets Being Depreciated:				
Land Improvements	352,663	-	-	352,663
Buildings	4,732,540	-	21,553	4,710,987
Fixed Equipment	1,000,660	-	6,112	994,548
Major Moveable Equipment	1,279,283	42,699	29,278	1,292,704
Total Capital Assets Being Depreciated	7,365,146	42,699	56,943	7,350,902
Less: Accumulated Depreciation:				
Land Improvements	278,620	10,351	-	288,971
Buildings	4,397,796	100,175	20,835	4,477,136
Fixed Equipment	898,635	16,024	5,653	909,006
Major Moveable Equipment	1,051,493	48,686	21,960	1,078,219
Total Accumulated Depreciation	6,626,544	175,236	48,448	6,753,332
Net Capital Assets	<u>\$ 1,458,695</u>	<u>\$ 61,479</u>	<u>\$ 8,495</u>	<u>\$ 1,511,679</u>

**NOTE 5 VESTED BENEFITS**

As of December 31, 2012 and 2011, vested vacation pay benefits payable were \$249,614 and \$272,408, respectively, and vested sick leave payable were \$400,138 and \$397,457, respectively. The changes in vested benefits during 2012 and 2011 are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
2012	\$ 669,865	\$ 268,240	\$ 288,353	\$ 649,752	\$ 370,359
2011	714,826	244,992	289,953	669,865	381,823

**DUNN COUNTY HEALTH CARE CENTER  
AN ENTERPRISE FUND OF DUNN COUNTY  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2012 AND 2011**

**NOTE 6 LONG-TERM OBLIGATIONS**

Changes in long-term obligations for the year ended December 31, 2012 were as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Bonds Payable	\$ -	\$ 22,050,000	\$ -	\$ 22,050,000	\$ -

Annual requirements for retirement of long-term obligations outstanding at year-end are as follows:

Year	Principal	Interest	Total
2013	\$ -	\$ 988,633	\$ 988,633
2014	860,000	771,900	1,631,900
2015	880,000	754,500	1,634,500
2016	895,000	736,750	1,631,750
2017	920,000	714,000	1,634,000
2018-2022	5,035,000	3,127,600	8,162,600
2023-2027	6,055,000	2,106,100	8,161,100
2028-2032	7,405,000	764,100	8,169,100
	<u>\$ 22,050,000</u>	<u>\$ 9,963,583</u>	<u>\$ 32,013,583</u>

On June 25, 2012, the County issued General Obligation Health Care Center Bonds in the amount of \$22,050,000 for the financing of the new health care facility. The bonds bear interest between 2.0% and 4.0% and mature on April 1, 2032.

**NOTE 7 OPERATING REVENUES**

**A. Net Resident Revenues**

Net resident revenue is reported at the estimated net realizable amounts from residents, third-party payors, and others for services rendered. Revenue under third-party payor agreements is subject to audit and retroactive adjustment. Provisions for estimated third-party payor settlements are provided in the period the related services are rendered. Differences between the estimated amounts accrued and interim and final settlements are reported in operations in the year of settlement.

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DECEMBER 31, 2012 AND 2011**

**NOTE 7 OPERATING REVENUES (CONTINUED)**

**A. Net Resident Revenues (Continued)**

**Third-Party Reimbursement Agreements**

**Medicaid**

The Home participates in the Medicaid program that is administrated by the Wisconsin Department of Human Services (DHFS). Revenues for provided services are recognized by the Home as services are provided. Rates for services provided to residents under the Title XIX Wisconsin Medical Assistance Program are based on cost reports submitted by the Home and a formula determined by the Wisconsin Department of Human Services. Average Title XIX rates cannot exceed private pay rates. Title XIX rates are subject to retroactive adjustment.

**Medicare**

By state statute, a nursing facility which participates in the Medicaid program must also participate in the Medicare program. This program is administered by the Centers for Medicare and Medicaid Services.

The Home is paid under the Medicare prospective payment system (PPS) for residents who are Medicare eligible. The PPS is a per diem price-based system.

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

A summary of resident service revenues and contractual adjustments is as follows:

	2012	2011
Total Resident Service Revenue	\$ 12,665,602	\$ 11,718,363
Revenue Adjustments:		
Contractual Adjustments	(3,490,563)	(2,586,778)
Provision for Bad Debts	2,786	(88,915)
Total Contractual Adjustments and Provisions for Bad Debts	(3,487,777)	(2,675,693)
Net Resident Service Revenue	\$ 9,177,825	\$ 9,042,670

**B. Intergovernmental Transfer Program (ITP)**

The Center is participating in the Intergovernmental Transfer Program (ITP) which a state program that reimburses nursing homes for a portion of their losses from operations. During 2012, the Center recognized \$840,938 of ITP revenue. This entire amount was received in 2012. In 2011, the Center recognized \$710,300 of ITP revenue. This entire amount was received in 2011.

**DUNN COUNTY HEALTH CARE CENTER  
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**NOTE 8 EMPLOYEES' RETIREMENT SYSTEM**

All eligible Dunn County employees participate in the Wisconsin Retirement System (System), a cost-sharing multiple-employer defined benefit public employee retirement system (PERS). The payroll for the County employees covered by the System and the County's total payroll for the years ended December 31, 2012 and 2011 was as follows:

	Dunn County Health Care Center	All Other Funds	Total All Funds
<u>2012</u>			
Payroll for County Employees Covered By the System	\$ 4,577,429	\$ 14,861,753	\$ 19,439,182
Total County Payroll	\$ 4,998,430	\$ 15,288,911	\$ 20,287,341
<u>2011</u>			
Payroll for County Employees Covered By the System	\$ 4,803,008	\$ 15,574,432	\$ 20,377,440
Total County Payroll	\$ 5,408,049	\$ 15,809,120	\$ 21,217,169

The following information is for Dunn County as a whole, including Dunn County Health Care Center, an enterprise fund of the County.

All eligible Health Care Center employees participate in the Wisconsin Retirement System (WRS), a cost-sharing multiple-employer defined benefit public employee retirement system (PERS). All employees, initially employed by a participating WRS employer prior to July 1, 2011, expected to work at least 600 hours a year (440 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS. Note: Employees hired to work nine or ten months per year, (e.g. teachers contracts), but expected to return year after year are considered to have met the one-year requirement.

Prior to June 29, 2011, covered employees in the General/Teacher/Educational Support Personnel category were required by statute to contribute 6.5% of their salary (3.9% for Executives and Elected Officials, 5.8% for Protective Occupations with Social Security, and 4.8% for Protective Occupations without Social Security) to the plan. Employers could make these contributions to the plan on behalf of employees. Employers were required to contribute an actuarially determined amount necessary to fund the remaining projected cost of future benefits.

**DUNN COUNTY HEALTH CARE CENTER  
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**NOTE 8 EMPLOYEES' RETIREMENT SYSTEM (CONTINUED)**

Effective the first day of the pay period on or after June 29, 2011 the employee required contribution was changed to one-half of the actuarially determined contribution rate for General category employees, including Teachers, and Executives and Elected Officials. Required contributions for protective contributions are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provide for an existing collective bargaining agreement. Contribution rates for 2012 are:

	<u>Employee</u>	<u>Employer</u>
General (including Teachers)	5.90%	5.90%
Executives & Elected Officials	7.05%	7.05%
Protective with Social Security	5.90%	15.60%
Protective without Social Security	5.90%	17.90%

The payroll for all Dunn County employees covered by the WRS for the year ended December 31, 2012 was \$16,362,722; the employer's total payroll was \$20,287,341. The total required contribution for the year ended December 31, 2012 was \$2,363,783 or 11.6 percent of covered payroll. Total contributions for the years ending December 31, 2011 and 2010 were \$2,363,783 and \$2,246,597, respectively, equal to the required contributions for each year.

Employees who retire at or after age 65 (62 for elected officials and 54 for protective occupation employees with less than 25 years of service, 53 for protective occupation employees with more than 25 years of service) are entitled to receive a retirement benefit. Employees may retire at age 55 (50 for protective occupation employees) and receive actuarially reduced benefits. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor. A final average earnings is the average of the employees' three highest years' earnings. Employees terminating covered employment and submitting application before becoming eligible for a retirement benefit may withdraw their contributions and, by doing so, forfeit all rights to any subsequent benefit. For employees beginning participation after January 1, 1990 and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998 are immediately vested. Participants who initially become WRS eligible on or after July 1, 2011 must have five years of creditable service to be vested.

The WRS also provides death and disability benefits for employees. Eligibility for and the amount of all benefits is determined under Chapter 40 of Wisconsin Statutes. The WRS issues an annual financial report which may be obtained by writing to the Department of Employee Trust Funds, P.O. Box 7931, Madison, WI 53707-7931.

**DUNN COUNTY HEALTH CARE CENTER  
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**NOTE 9 RISK MANAGEMENT**

The Center is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; workers compensation; and health care of its employees. The County carries commercial insurance to provide coverage for losses from theft of, damage to, or destruction of assets. It participates in a public entity risk pool called WCMIC to provide coverage for losses from torts and errors and omissions. However, other risks, such as workers compensation and health care of its employees are accounted for and financed by the County in an internal service fund. See the County's basic financial statements for additional information on the County's risk management. There have been no significant reductions in insurance coverage from the prior year. Settlement amounts have not exceeded insurance coverage in any of the previous three years.

The Center's professional liability insurance covers losses of up to \$3,000,000 per claim and \$3,000,000 per year of claims incurred during a policy year regardless of when the claim was filed ("claims-incurred" coverage). The professional liability insurance policy is renewable annually and has been renewed by the insurance carrier for the annual period extending to December 31, 2013.

The health care industry is subject to numerous laws and regulations of federal, state, and local governments. These laws and regulations include, but are not necessarily limited to, matters such as licensure, accreditation, government health care program participation requirements, reimbursement for resident services, and Medicare and Medicaid fraud and abuse. Recently, government activity has increased with respect to investigations and allegations concerning possible violations of fraud and abuse statutes and regulations by health care providers. Violations of these laws and regulations could result in expulsion from government health care programs together with the imposition of significant fines and penalties, as well as significant repayments for resident services previously billed.

**NOTE 10 OTHER POST-EMPLOYMENT BENEFITS**

The County adopted Governmental Accounting Standards Board (GASB) Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*. The County engaged an actuary to determine the County's liability for postemployment healthcare benefits other than pensions.

**A. Plan Description**

All employees who retire through the Wisconsin Retirement System are eligible to participate in the retiree medical plan if they pay 100% of the retiree premium. As of January 1, 2011 there were approximately 363 active participants and 9 retired participants receiving benefits from the County's health plans. Of those, the Center accounted for 108 active participants and 5 retirees.

**B. Funding Policy**

The County funds its OPEB obligation on a pay as you go basis. For fiscal year 2012, the County contributed an estimated \$80,706 to the plan.

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**NOTE 10 OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)**

**C. Annual OPEB Cost and Net OPEB Obligation**

The County's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any un-funded actuarial liabilities over a period not to exceed thirty years. The following table shows the components of the County's annual OPEB cost for the year, the amount actually paid from the plan, and changes in the County's net OPEB obligation. The Center's portion of the total liability was \$130,808 and \$106,311 on December 2012 and 2011, respectively.

Annual Required Contribution	\$ 227,850
Interest on Net OPEB Obligation	19,101
Adjustment to Annual Required Contribution	<u>(18,978)</u>
Annual OPEB Cost (Expense)	227,973
Contributions Made	<u>(80,706)</u>
Increase in Net OPEB Obligation	147,267
Net OPEB Obligation- Beginning of Year	<u>477,536</u>
Net OPEB Obligation- End of Year	<u><u>\$ 624,803</u></u>

The County's annual OPEB cost, the percentage of the annual OPEB cost contributed to the plan, and the net OPEB obligation for 2012 and the prior two years is as follows:

Fiscal Year Ended	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/2012	\$ 227,973	\$ 80,706	35.4%	\$ 624,803
12/31/2011	173,694	80,455	46.3	477,536
12/31/2010	185,930	63,814	34.3	384,287

**D. Funded Status and Funding Progress**

As of January 1, 2012, the most recent actuarial valuation date, the County's unfunded actuarial accrued liability (UAAL) was \$2,207,376, or 10.4% of \$21,217,170 in covered payroll.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare cost trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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**NOTE 10 OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)**

**E. Actuarial Methods and Assumptions**

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the January 1, 2010 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4% interest discount rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date. The initial healthcare trend rate was 9.5%, reduced by decrements to an ultimate rate of 4.5% by the year 2019. The UAAL is being amortized as a level percentage of projected payrolls on an open basis. The remaining amortization period at December 31, 2012 was 26 years.

**NOTE 11 NEW HEALTH CARE FACILITY**

For the past several years, Dunn County has considered the idea of replacing the current 40-year old, 3 story, 137-bed, skilled nursing facility. This would enable the County to re-use the existing building following a renovation for new office space for certain other County departments. At the January 2012 Board of Supervisors meeting, following years of work on financial feasibility, design, market, budget, legislative changes to nursing home reimbursement for Dunn County facilities, property incentive grants, etc., the Board voted to finance the project utilizing general obligation bonds.

The design for the new facilities is meant to rid the nursing home of the institutional, hospital look it has today and meet the requirements for a more home-like environment which qualified the design for three (3) State property incentive grants so long as we build the new facilities to be 50-beds or less. Thus, our project was approved for two 46-bed facilities and one 45-bed facility on contiguous land directly west of the existing facility. Each facility will have three households of 13-16 beds connected to a common core area that can be shared by residents and staff and includes offices, a spa, a chapel, activity room, employee break-room, etc. The 45-bed facility includes three households also but is connected to a much larger core area that includes a therapy gym, administration and business office areas, a bistro, community room, larger chapel, library, spa, resident store and related storage areas and staff offices. All resident rooms in the new facilities, (unlike the current facility) will be private, with private bathrooms and showers and is expected to enhance resident privacy, dignity and satisfaction.

**DUNN COUNTY HEALTH CARE CENTER  
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**NOTE 11 NEW HEALTH CARE FACILITY (CONTINUED)**

In 2012, construction of the new facilities began. On June 6, 2012, general obligation bonds in the amount of \$22,050,000 were issued to finance the construction. Each of the three facilities will be licensed and certified separately instead of being under a single license. Transformational cultural workplace change training is planned for the staff during the construction period to ensure successful transition of operations to the new resident-centered facilities. Market studies have shown the new facilities will have a high occupancy and should be financially self-sustaining without resorting to a tax levy after fiscal year 2014. The current facility does not meet fire sprinkler requirements that go into affect August 13, 2013. Therefore, residents and staff will be moved into and operating out of the new facilities by August 1, 2013.

At December 31, 2012, the County is committed to a number of contracts for the construction of the new facilities. The County's remaining commitment under these contracts is \$11,570,071.

**REQUIRED SUPPLEMENTARY INFORMATION**

**DUNN COUNTY HEALTH CARE CENTER  
AN ENTERPRISE FUND OF DUNN COUNTY  
OTHER POST-EMPLOYMENT BENEFIT PLAN  
SCHEDULE OF FUNDING PROGRESS**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
1/1/2012	\$ -	\$ 2,207,376	\$ 2,207,376	0%	\$ 21,217,170	10.4%
1/1/2011	-	1,693,576	1,693,576	0%	21,151,681	7.9%
1/1/2010	-	1,779,836	1,779,836	0%	20,889,011	8.5%

The above information is for Dunn County as a whole, including Dunn County Health Care Center, an enterprise fund of the County.

**SUPPLEMENTARY INFORMATION**

**DUNN COUNTY HEALTH CARE CENTER  
AN ENTERPRISE FUND OF DUNN COUNTY  
DETAIL SCHEDULE OF COMBINED REVENUES AND EXPENSES  
YEARS ENDED DECEMBER 31, 2012 AND 2011**

	<u>2012</u>	<u>2011</u>
<b>OPERATING REVENUES</b>		
Resident Services	\$ 9,177,825	\$ 9,042,670
Other Revenue:		
Cafeteria	13,486	13,802
Other Operating Revenue	11,206	6,906
Operating Rental Revenue	27,273	26,298
OBRA Level I Screens	5,100	5,102
Total Other Revenue	<u>67,295</u>	<u>52,108</u>
Total Operating Revenues	9,245,120	9,094,778
<b>OPERATING EXPENSES</b>		
Nursing Services:		
Salaries and Wages	3,439,566	3,797,916
Purchased Services	828,299	657,101
Supplies and Expenses	222,936	239,249
Total	<u>4,490,801</u>	<u>4,694,266</u>
Laboratory and Radiology:		
Supplies and Expense	48,862	23,229
Pharmacy:		
Drugs and Medicines	192,150	209,903
Purchased Services	8,314	7,962
Total	<u>200,464</u>	<u>217,865</u>
Physician:		
Purchased Services	132,532	126,536
Supplies and Expense	-	407
Total	<u>132,532</u>	<u>126,943</u>
Social Services:		
Salaries and Wages	123,835	145,809
Supplies and Expense	299	932
Total	<u>124,134</u>	<u>146,741</u>

**DUNN COUNTY HEALTH CARE CENTER  
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DETAIL SCHEDULE OF COMBINED REVENUES AND EXPENSES (CONTINUED)  
YEARS ENDED DECEMBER 31, 2012 AND 2011**

	<u>2012</u>	<u>2011</u>
<b>OPERATING EXPENSES (Continued)</b>		
Patent Activities:		
Salaries and Wages	\$ 169,866	\$ 173,909
Supplies and Expense	10,160	7,045
Total	<u>180,026</u>	<u>180,954</u>
Dietary		
Salaries and wages	572,037	617,602
Purchased services	400	999
Supplies and expense	309,360	311,361
Total	<u>881,797</u>	<u>929,962</u>
Plant Operations and Maintenance:		
Salaries and Wages	126,863	146,251
Purchased Services	17,743	14,397
Supplies and Expense	59,714	49,309
Utilities	249,686	291,437
Total	<u>454,006</u>	<u>501,394</u>
Housekeeping:		
Salaries and Wages	177,389	189,091
Purchased Services	100	40
Supplies and Expense	34,081	29,690
Total	<u>211,570</u>	<u>218,821</u>
Laundry and Linen:		
Salaries and Wages	95,495	60,902
Purchased Services	69,800	68,893
Supplies and Expense	20,608	17,992
Total	<u>185,903</u>	<u>147,787</u>
Medical Records:		
Salaries and Wages	25,298	30,990
Purchased Services	4,979	5,041
Supplies and Expense	20	1,380
Total	<u>30,297</u>	<u>37,411</u>
Purchasing:		
Salaries and Wages	26,526	32,154
Supplies and Expense	11,571	572
Total	<u>38,097</u>	<u>32,726</u>

**DUNN COUNTY HEALTH CARE CENTER  
AN ENTERPRISE FUND OF DUNN COUNTY  
DETAIL SCHEDULE OF COMBINED REVENUES AND EXPENSES (CONTINUED)  
YEARS ENDED DECEMBER 31, 2012 AND 2011**

	<u>2012</u>	<u>2011</u>
<b>OPERATING EXPENSES (Continued)</b>		
Administrative:		
Salaries and Wages	\$ 282,640	\$ 271,399
Insurance	39,842	44,482
Purchased Service	98,344	43,655
Telephone	11,336	24,356
Supplies and Expense	45,024	62,186
Assessment	279,480	279,480
Total	<u>756,666</u>	<u>725,558</u>
Depreciation	144,574	175,236
Employee Benefits	<u>2,597,944</u>	<u>3,104,284</u>
Total Operating Expenses	<u>10,477,673</u>	<u>11,263,177</u>
Loss from Operations	<u>(1,232,553)</u>	<u>(2,168,399)</u>
Nonoperating Revenues:		
Tax Levy Funds	500,000	750,000
Nonoperating Rental Income	46,016	29,418
Intergovernmental Transfer Program Funds	840,938	710,300
Total Nonoperating Revenues	<u>1,386,954</u>	<u>1,489,718</u>
Nonoperating Expenses:		
Investment Fees	10,255	-
Interest Expense and Amortization of Debt Premium	<u>(33,714)</u>	-
Total Nonoperating Expenses	<u>(23,459)</u>	-
<b>NET INCOME (LOSS)</b>	<u>\$ 177,860</u>	<u>\$ (678,681)</u>

**DUNN COUNTY HEALTH CARE CENTER  
AN ENTERPRISE FUND OF DUNN COUNTY  
COMBINING STATEMENT OF NET POSITION  
YEAR ENDED DECEMBER 31, 2012**

	Fund 604	Fund 420	Total
<b>ASSETS</b>			
<b>Current Assets:</b>			
Cash and Cash Equivalents	\$ -	\$ -	\$ -
Taxes Receivable	500,000	-	500,000
Accounts Receivable, Net of Allowance for Doubtful Accounts	974,951	-	974,951
Inventory	51,810	-	51,810
Prepaid Expenses	4,359	-	4,359
Total Current Assets	1,531,120	-	1,531,120
<b>Restricted Assets:</b>			
Restricted Cash - Resident Accounts	7,366	-	7,366
Restricted Cash and Investments - Construction Accounts	-	14,526,031	14,526,031
Total Restricted Assets	7,366	14,526,031	14,533,397
<b>Capital Assets:</b>			
<b>Capital Assets Not Being Depreciated:</b>			
Land	50,246	-	50,246
Construction Work in Progress	50,000	9,625,156	9,675,156
<b>Capital Assets Being Depreciated:</b>			
Other Capital Assets	7,177,524	-	7,177,524
Less: Accumulated Depreciation	(6,709,609)	-	(6,709,609)
Total Capital Assets	568,161	9,625,156	10,193,317
<b>Other Assets and Deferred Charges:</b>			
Unamortized Debt Issuance Costs	-	540,568	540,568
Total Assets	2,106,647	24,691,755	26,798,402
<b>LIABILITIES</b>			
<b>Current Liabilities:</b>			
Accounts Payable	193,373	-	193,373
Contracts Payable	-	938,323	938,323
Accrued Liabilities	301,883	-	301,883
Accrued Interest Payable	-	403,909	403,909
Due to Dunn County	1,079,122	-	1,079,122
Deferred Revenue	500,000	-	500,000
Vested Benefits	370,359	-	370,359
Patients Trust Fund Payable	7,366	-	7,366
Total Current Liabilities	2,452,103	1,342,232	3,794,335
<b>Noncurrent Liabilities:</b>			
Advance from Dunn County	32,500	-	32,500
Vested Benefits	279,393	-	279,393
Other Post-Employment Benefits	130,808	-	130,808
Bonds Payable	-	23,388,512	23,388,512
Total Noncurrent Liabilities	442,701	23,388,512	23,831,213
Total Liabilities	2,894,804	24,730,744	27,625,548
<b>NET POSITION</b>			
Invested in Capital Assets, Net of Related Debt	568,161	762,675	1,330,836
Unrestricted	(1,356,318)	(801,664)	(2,157,982)
Total Net Position (Deficit)	\$ (788,157)	\$ (38,989)	\$ (827,146)

**DUNN COUNTY HEALTH CARE CENTER  
AN ENTERPRISE FUND OF DUNN COUNTY  
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
YEAR ENDED DECEMBER 31, 2012**

	<u>Fund 604</u>	<u>Fund 420</u>	<u>Total</u>
<b>OPERATING REVENUES</b>			
Resident Services	\$ 9,177,825	\$ -	\$ 9,177,825
Other	67,295	-	67,295
Total Operating Revenues	<u>9,245,120</u>	<u>-</u>	<u>9,245,120</u>
<b>OPERATING EXPENSES</b>			
Nursing Services	4,490,801	-	4,490,801
Laboratory and Radiology	48,862	-	48,862
Pharmacy	200,464	-	200,464
Physician	132,532	-	132,532
Social Services	124,134	-	124,134
Activities	180,026	-	180,026
Dietary	881,797	-	881,797
Plant Operations and Maintenance	454,006	-	454,006
Housekeeping	211,570	-	211,570
Laundry and Linen	185,903	-	185,903
Medical Records	30,297	-	30,297
Purchasing	38,097	-	38,097
Administrative	694,218	62,448	756,666
Depreciation	144,574	-	144,574
Employee Benefits	2,597,944	-	2,597,944
Total Operating Expenses	<u>10,415,225</u>	<u>62,448</u>	<u>10,477,673</u>
<b>LOSS FROM OPERATIONS</b>	(1,170,105)	(62,448)	(1,232,553)
<b>NONOPERATING REVENUES</b>			
Tax Levy Funds	500,000	-	500,000
Rental Income	46,016	-	46,016
Intergovernmental Transfer Program Funds	840,938	-	840,938
Total Nonoperating Revenues	<u>1,386,954</u>	<u>-</u>	<u>1,386,954</u>
<b>NONOPERATING EXPENSES</b>			
Investment Fees	-	10,255	10,255
Interest Expense and Amortization of Debt Premium	-	(33,714)	(33,714)
Total Nonoperating Expenses	<u>-</u>	<u>(23,459)</u>	<u>(23,459)</u>
<b>NET INCOME (LOSS)</b>	216,849	(38,989)	177,860
Net Position - Beginning of Year	<u>(1,005,006)</u>	<u>-</u>	<u>(1,005,006)</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ (788,157)</u>	<u>\$ (38,989)</u>	<u>\$ (827,146)</u>