

**THE NEIGHBORS OF DUNN COUNTY
AN ENTERPRISE FUND OF DUNN COUNTY
MENOMONIE, WISCONSIN**

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2014 AND 2013

**THE NEIGHBORS OF DUNN COUNTY
AN ENTERPRISE FUND OF DUNN COUNTY
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CliftonLarsonAllen LLP
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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 The Neighbors of Dunn County, an enterprise fund of Dunn County, Wisconsin (The Neighbors), as of and for the years ended December 31, 2014 and 2013, and related notes to the financial statements, which collectively comprise The Neighbors' 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 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 opinion.



Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Neighbors of Dunn County as of December 31, 2014 and 2013, and the changes in its financial position and its cash flows for the years 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 Neighbors of Dunn County, 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. Our opinion is not modified with respect to that matter.

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 Neighbors 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 opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise The Neighbors' basic financial statements. The detail schedule of revenues and expenses is presented for purposes of additional analysis and is 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.



CliftonLarsonAllen LLP

Eau Claire, Wisconsin
April 8, 2015

**THE NEIGHBORS OF DUNN COUNTY
AN ENTERPRISE FUND OF DUNN COUNTY
STATEMENTS OF NET POSITION
DECEMBER 31, 2014 AND 2013**

	2014	2013
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ -	\$ 503,708
Taxes Receivable	-	500,000
Accounts Receivable, Net of Allowance for Doubtful Accounts	1,742,952	1,969,192
Inventory	56,587	55,435
Prepaid Expenses	5,075	4,545
Total Current Assets	1,804,614	3,032,880
Restricted Assets:		
Restricted Cash - Resident Accounts	12,927	6,490
Restricted Cash and Investments - Bond Escrow	56,056	302,132
Total Restricted Assets	68,983	308,622
Capital Assets:		
Capital Assets Not Being Depreciated:		
Land	20,200	20,200
Capital Assets Being Depreciated:		
Other Capital Assets	22,306,304	22,294,040
Less: Accumulated Depreciation	(1,568,290)	(856,352)
Total Capital Assets	20,758,214	21,457,888
Other Assets:		
Total Assets	22,631,811	24,799,390
LIABILITIES		
Current Liabilities:		
Accounts Payable	313,237	332,555
Contracts Payable	-	396,965
Accrued Liabilities	336,158	351,122
Accrued Interest Payable	190,825	195,125
Due to Dunn County	2,541,012	2,045,529
Vested Benefits	333,802	411,692
Patients Trust Fund Payable	12,927	6,490
Bonds Payable	880,000	860,000
Total Current Liabilities	4,607,961	4,599,478
Noncurrent Liabilities:		
Advance from Dunn County	32,500	32,500
Vested Benefits	421,676	310,575
Other Post-Employment Benefits	110,041	154,573
Bonds Payable	21,431,844	22,419,320
Total Noncurrent Liabilities	21,996,061	22,916,968
Total Liabilities	26,604,022	27,516,446
DEFERRED INFLOWS OF RESOURCES		
Subsequent Year's Property Taxes	-	500,000
NET POSITION		
Net Investment in Capital Assets	(1,553,630)	(1,519,300)
Unrestricted	(2,418,581)	(1,697,756)
Total Net Position Deficit	\$ (3,972,211)	\$ (3,217,056)

See accompanying Notes to Basic Financial Statements.

**THE NEIGHBORS OF DUNN COUNTY
AN ENTERPRISE FUND OF DUNN COUNTY
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEARS ENDED DECEMBER 31, 2014 AND 2013**

	<u>2014</u>	<u>2013</u>
OPERATING REVENUES		
Resident Services	\$ 12,271,431	\$ 10,267,098
Other	70,061	61,628
Total Operating Revenues	<u>12,341,492</u>	<u>10,328,726</u>
OPERATING EXPENSES		
Nursing Services	6,606,219	5,617,781
Laboratory and Radiology	42,592	38,615
Pharmacy	211,576	229,537
Physician	135,450	133,857
Social Services	161,391	130,807
ICP Coordinator	-	23
Activities	135,419	181,962
Dietary	923,081	912,173
Plant Operations and Maintenance	569,445	529,420
Housekeeping	155,070	194,796
Laundry and Linen	26,069	171,762
Medical Records	38,111	34,865
Purchasing	32,076	29,499
Property and Ownership	21,358	17,788
Administrative	815,804	880,669
Depreciation	744,125	741,119
Capital Outlay	259,586	24,192
Employee Benefits	2,880,071	2,832,119
Total Operating Expenses	<u>13,757,443</u>	<u>12,700,984</u>
LOSS FROM OPERATIONS	(1,415,951)	(2,372,258)
NONOPERATING REVENUES		
Tax Levy Funds	500,000	500,000
Rental Income	17,293	44,199
Interest Income	113	1,997
Intergovernmental Transfer Program Funds	807,299	726,700
Total Nonoperating Revenues	<u>1,324,705</u>	<u>1,272,896</u>
NONOPERATING EXPENSES		
Investment Fees	-	2,709
Amortization of Debt Premium	(107,477)	(109,192)
Interest Expense	767,600	195,295
Total Nonoperating Expenses	<u>660,123</u>	<u>88,812</u>
NET LOSS BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS TO GENERAL COUNTY	(751,369)	(1,188,174)
Capital Contributions to General County	(3,786)	(485,818)
Transfers Out	-	(175,350)
Total Transfers and Capital Contributions to General County	<u>(3,786)</u>	<u>(661,168)</u>
NET LOSS	(755,155)	(1,849,342)
Net Position - Beginning of Year	<u>(3,217,056)</u>	<u>(1,367,714)</u>
NET POSITION - END OF YEAR	<u>\$ (3,972,211)</u>	<u>\$ (3,217,056)</u>

See accompanying Notes to Basic Financial Statements.

**THE NEIGHBORS OF DUNN COUNTY
AN ENTERPRISE FUND OF DUNN COUNTY
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2014 AND 2013**

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Received from Residents and Third-Party Payers	\$ 13,392,324	\$ 10,105,384
Paid to Suppliers for Goods and Services	(5,101,448)	(4,018,867)
Paid to Employees for Services	(8,349,682)	(8,087,109)
Net Cash Used by Operating Activities	(58,806)	(2,000,592)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Tax Levy Funds	500,000	500,000
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of Capital Assets	(48,238)	(12,689,084)
Payment of Principal	(967,476)	-
Payment of Interest and Bond Issuance Costs	(664,423)	(406,788)
Transfers In	-	(93,007)
Net Cash Used by Capital and Related Financing Activities	(1,680,137)	(13,188,879)
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment Income	113	1,997
NET CHANGE IN CASH AND CASH EQUIVALENTS	(1,238,830)	(14,687,474)
Cash and Cash Equivalents - Beginning of Year	(1,233,199)	13,454,275
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ (2,472,029)	\$ (1,233,199)

See accompanying Notes to Basic Financial Statements.

**THE NEIGHBORS OF DUNN COUNTY
AN ENTERPRISE FUND OF DUNN COUNTY
STATEMENTS OF CASH FLOWS (CONTINUED)
YEARS ENDED DECEMBER 31, 2014 AND 2013**

	2014	2013
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating Loss	\$ (1,415,951)	\$ (2,372,258)
Adjustments to Reconcile Operating Loss to Net Cash Provide (Used) by Operating Activities:		
Rental Income Received	17,293	44,199
Intergovernmental Transfer Program Funds Received	807,299	726,700
Noncash Items Included in Income:		
Depreciation	744,126	856,352
Change in Assets and Liabilities:		
Accounts Receivable	226,240	(994,241)
Inventory	(1,152)	(3,625)
Prepaid Expenses	(530)	(186)
Accounts Payable	(416,283)	(402,176)
Accrued Liabilities	(14,964)	49,239
Patient Trust Payable	6,437	(876)
Vested Benefits	33,211	72,515
Other Post-Employment Benefits	(44,532)	23,765
Net Cash Used by Operating Activities	\$ (58,806)	\$ (2,000,592)
 RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENTS OF NET POSITION		
Cash and Cash Equivalents	\$ -	\$ 503,708
Restricted Cash	68,983	308,622
Due to Dunn County	(2,541,012)	(2,045,529)
Total	\$ (2,472,029)	\$ (1,233,199)

See accompanying Notes to Basic Financial Statements.

**THE NEIGHBORS OF DUNN COUNTY
AN ENTERPRISE FUND OF DUNN COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

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

Reporting Entity

This report contains the financial information of The Neighbors, which is a separate enterprise fund of Dunn County. The Neighbors operates a 137-bed nursing home which provides skilled nursing care to the aged and disabled. The Neighbors 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 Neighbors (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 Neighbors of Dunn County.

Measurement Focus and Basis of Accounting

The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Nonexchange transactions, in which The Neighbors gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements, and donations. 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 inflows of resources. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Unbilled receivables, if material, are recorded as revenues when services are provided.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in financial statements and accompanying notes. Actual results could differ from those estimates.

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

**THE NEIGHBORS OF DUNN COUNTY
AN ENTERPRISE FUND OF DUNN COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

For purposes of the statement of cash flows, The Neighbors considers all highly liquid investments with an initial maturity of three months or less when acquired to be cash equivalents. Investment of The Neighbors' 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 Neighbors 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.

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.

Accounts Receivable

Accounts receivable have been shown net of an allowance for uncollectible accounts. The provision for uncollectible patient accounts was \$166,036 and \$242,620 at December 31, 2014 and 2013, respectively. All accounts receivable are uncollateralized.

Inventories

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

**THE NEIGHBORS OF DUNN COUNTY
AN ENTERPRISE FUND OF DUNN COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

Capital assets are generally defined by The Neighbors as assets with an initial, individual cost of more than \$5,000 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 Neighbors 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	20 - 35 Years
Furniture and Equipment	5 - 20 Years
Transportation Equipment	8 - 12 Years

Deferred Inflows of Resources

The Neighbors' financial statements report a separate section for deferred inflows of resources. This separate financial statement element reflects an increase in net position that applies to a future period. The Neighbors will not recognize the related revenue until a future event occurs. The Neighbors has one type of deferred inflows of resources for property tax receivables which are recorded in the current year, but the revenue will be recorded in the subsequent year.

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.

Defining Operating Revenue and Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of The Neighbors are charges to residents for care. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses

**THE NEIGHBORS OF DUNN COUNTY
AN ENTERPRISE FUND OF DUNN COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity Classifications

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

Net Investment 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 Neighbors' policy to use restricted resources first, then unrestricted resources as they are needed.

Third-Party Reimbursement Contracts

The Neighbors' 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 Neighbors 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 Neighbors' 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 an additional \$250,000 for demand deposits.

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 Neighbors to collateralize its deposits that exceed the amount of coverage provided by federal depository insurance and the State Guarantee Fund.

**THE NEIGHBORS OF DUNN COUNTY
AN ENTERPRISE FUND OF DUNN COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013**

NOTE 2 CASH AND CASH EQUIVALENTS (CONTINUED)

The Neighbors 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 Neighbors' 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 Neighbors' deposits at December 31, 2014 and 2013 was (\$2,541,012) and (\$1,541,821) 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 Neighbors 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 \$12,927 and \$6,490 on December 31, 2014 and 2013, respectively.

B. Restricted Cash and Investments – Bond Escrow.

During 2012, The Neighbors 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 2014 and 2013 were \$56,056 and \$302,132, respectively.

**THE NEIGHBORS OF DUNN COUNTY
AN ENTERPRISE FUND OF DUNN COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013**

NOTE 4 CAPITAL ASSETS

Changes in capital assets during 2014 are as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets Not Being Depreciated:				
Land	\$ 20,200	\$ -	\$ -	\$ 20,200
Capital Assets Being Depreciated:				
Land Improvements	658,998	-	-	658,998
Buildings	20,246,593	-	-	20,246,593
Fixed Equipment	1,304,519	33,285	-	1,337,804
Major Moveable Equipment	83,930	14,953	35,974	62,909
Total Capital Assets Being Depreciated	22,294,040	48,238	35,974	22,306,304
Less: Accumulated Depreciation:				
Land Improvements	32,950	32,950	-	65,900
Buildings	578,474	578,474	-	1,156,948
Fixed Equipment	164,782	130,833	-	295,615
Major Moveable Equipment	80,146	1,869	32,188	49,827
Total Accumulated Depreciation	856,352	744,126	32,188	1,568,290
Net Capital Assets	<u>\$ 21,457,888</u>	<u>\$ (695,888)</u>	<u>\$ 3,786</u>	<u>\$ 20,758,214</u>

**THE NEIGHBORS OF DUNN COUNTY
AN ENTERPRISE FUND OF DUNN COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013**

NOTE 4 CAPITAL ASSETS (CONTINUED)

Changes in capital assets during 2013 are as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets Not Being Depreciated:				
Land	\$ 50,246	\$ -	\$ 30,046	\$ 20,200
Construction Work in Progress	9,675,156	-	9,675,156	-
Total Capital Assets Not Being Depreciated	9,725,402	-	9,705,202	20,200
Capital Assets Being Depreciated:				
Land Improvements	352,663	658,998	352,663	658,998
Buildings	4,615,078	20,246,593	4,615,078	20,246,593
Fixed Equipment	987,228	1,211,073	893,782	1,304,519
Major Moveable Equipment	1,222,555	-	1,138,625	83,930
Total Capital Assets Being Depreciated	7,177,524	22,116,664	7,000,148	22,294,040
Less: Accumulated Depreciation:				
Land Improvements	296,607	32,950	296,607	32,950
Buildings	4,456,160	578,474	4,456,160	578,474
Fixed Equipment	911,465	128,614	875,297	164,782
Major Moveable Equipment	1,045,377	1,081	966,312	80,146
Total Accumulated Depreciation	6,709,609	741,119	6,594,376	856,352
Net Capital Assets	<u>\$ 10,193,317</u>	<u>\$ 21,375,545</u>	<u>\$ 10,110,974</u>	<u>\$ 21,457,888</u>

NOTE 5 VESTED BENEFITS

As of December 31, 2014 and 2013, vested vacation pay benefits payable were \$271,386 and \$291,833 respectively, and vested sick leave payable were \$484,092 and \$430,434 respectively. The changes in vested benefits during 2014 and 2013 are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
2014	\$ 722,267	\$ 406,449	\$ 373,238	\$ 755,478	\$ 333,802
2013	649,752	481,983	409,468	722,267	411,692

**THE NEIGHBORS OF DUNN COUNTY
AN ENTERPRISE FUND OF DUNN COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013**

NOTE 6 LONG-TERM OBLIGATIONS

Changes in long-term obligations for the years ended December 31, 2014 and 2013, respectively, were as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
2014					
Bonds Payable	\$ 22,050,000	\$ -	\$ 860,000	\$ 21,190,000	\$ 880,000
Debt Premium	1,229,320	-	107,476	1,121,844	N/A
2013					
Bonds Payable	\$ 22,050,000	\$ -	\$ -	\$ 22,050,000	\$ 860,000
Debt Premium	1,338,512	-	109,192	1,229,320	N/A

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

Year	Principal	Interest	Total
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	945,000	686,025	1,631,025
2019	975,000	657,225	1,632,225
2020-2024	5,390,000	2,771,050	8,161,050
2025-2029	6,565,000	1,601,500	8,166,500
2030-2032	4,620,000	282,000	4,902,000
	<u>\$ 21,190,000</u>	<u>\$ 8,203,050</u>	<u>\$ 29,393,050</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%, mature on April 1, 2032 and are backed by the full faith and credit of the County.

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.

**THE NEIGHBORS OF DUNN COUNTY
AN ENTERPRISE FUND OF DUNN COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013**

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 Neighbors 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:

	<u>2014</u>	<u>2013</u>
Total Resident Service Revenue	\$ 15,947,787	\$ 13,943,082
Revenue Adjustments:		
Contractual Adjustments	(3,652,002)	(3,412,845)
Provision for Bad Debts	<u>(24,354)</u>	<u>(263,139)</u>
Total Contractual Adjustments and Provisions for Bad Debts	<u>(3,676,356)</u>	<u>(3,675,984)</u>
Net Resident Service Revenue	<u>\$ 12,271,431</u>	<u>\$ 10,267,098</u>

B. Intergovernmental Transfer Program (ITP)

The Neighbors 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 2014, The Neighbors recognized \$807,299 of ITP revenue. This entire amount was received in 2014. In 2013, The Neighbors recognized \$726,700 of ITP revenue. This entire amount was received in 2013.

**THE NEIGHBORS OF DUNN COUNTY
AN ENTERPRISE FUND OF DUNN COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013**

NOTE 8 EMPLOYEES' RETIREMENT SYSTEM

All eligible Dunn County employees participate in the Wisconsin Retirement System (WRS), a cost-sharing multiple-employer defined benefit public employee retirement system. The payroll for the County employees covered by the System and the County's total payroll for the years ended December 31, 2014 and 2013 was as follows:

	<u>Dunn County Health Care Center</u>	<u>All Other Funds</u>	<u>Total All Funds</u>
<u>2014</u>			
Payroll for County Employees Covered By the System	\$ 4,404,118	\$ 14,325,541	\$ 18,729,659
Total County Payroll	\$ 4,888,053	\$ 14,858,486	\$ 19,746,539
<u>2013</u>			
Payroll for County Employees Covered By the System	\$ 4,917,699	\$ 14,741,108	\$ 19,658,807
Total County Payroll	\$ 5,449,567	\$ 15,273,078	\$ 20,722,645

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

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.

Effective the first day of the first 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 provided for by an existing collective bargaining agreement. Contribution rates for 2014 are:

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NOTE 8 EMPLOYEES' RETIREMENT SYSTEM (CONTINUED)

	<u>Employee</u>	<u>Employer</u>
General (Including Teachers)	7.00%	7.00%
Executives & Elected Officials	7.75%	7.75%
Protective with Social Security	7.00%	10.10%
Protective without Social Security	7.00%	13.70%

The payroll for all Dunn County employees covered by the WRS for the year ended December 31, 2014 was \$18,729,659; the employer's total payroll was \$19,746,539. The total required contribution for the year ended December 31, 2014 was \$2,844,335 or 14 percent of covered payroll. Total contributions for the years ending December 31, 2013 and 2012 were \$2,845,184 and \$2,575,583, 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 employee's 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 on or 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 and prior to July 1, 2011 are immediately vested. Participants who initially became 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.

**THE NEIGHBORS OF DUNN COUNTY
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NOTE 9 RISK MANAGEMENT

The Neighbors 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 Neighbors' 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, 2014.

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, 2014 there were approximately 6 retired participants receiving benefits from the County's health plans. As of December 31, 2014, current active employees are no longer eligible for the retiree health benefits.

B. Funding Policy

The County funds its OPEB obligation on a pay as you go basis. For fiscal year 2014, the County contributed an estimated \$35,516 to the plan.

**THE NEIGHBORS OF DUNN COUNTY
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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 Neighbors' portion of the total liability was \$110,041 and \$154,573 on December 2014 and 2013, respectively.

	2014	2013
Annual Required Contribution	\$ 35,516	\$ 227,850
Interest on Net OPEB Obligation	29,541	24,992
Adjustment to Annual Required Contribution	(123,046)	(24,830)
Annual OPEB Cost (Expense)	(57,989)	228,012
Contributions Made	(35,516)	(114,289)
Increase in Net OPEB Obligation	(93,505)	113,723
Net OPEB Obligation- Beginning of Year	738,526	624,803
Net OPEB Obligation- End of Year	\$ 645,021	\$ 738,526

The County's annual OPEB cost, the percentage of the annual OPEB cost contributed to the plan, and the net OPEB obligation for 2014 and the prior three years is as follows:

Fiscal Year Ended	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/2014	\$ (57,989)	\$ 35,516	-61%	\$ 645,021
12/31/2013	228,012	114,289	50.1	738,526
12/31/2012	227,973	80,706	35.4	624,803
12/31/2011	173,694	80,455	46.3	477,536

**THE NEIGHBORS OF DUNN COUNTY
AN ENTERPRISE FUND OF DUNN COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2014 AND 2013**

NOTE 10 OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

D. Funded Status and Funding Progress

As of January 1, 2014, the most recent actuarial valuation date, the unfunded actuarial accrued liability (UAAL) was \$150,160 or 0.8% of \$19,746,539 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.

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, 2014 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.0% 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 9.0%, reduced by decrements to an ultimate rate of 5.0% by the year 2023. The UAAL is being amortized as a level dollar on a closed group. The remaining amortization period at December 31, 2014 was 6 years.

REQUIRED SUPPLEMENTARY INFORMATION

**THE NEIGHBORS OF DUNN COUNTY
AN ENTERPRISE FUND OF DUNN COUNTY
SCHEDULE OF FUNDING PROGRESS FOR
OTHER POST-EMPLOYMENT BENEFIT PLAN**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Accrued Liability (AAL) (b)	Unfunded AAL (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	Percentage of Covered Payroll ((b-a)/c)
1/1/2014	\$ -	\$ 150,160	\$ 150,160	0%	\$ 19,746,539	0.00760437
1/1/2013	-	2,207,376	2,207,376	0%	21,217,170	10.4%
1/1/2012	-	1,693,576	1,693,576	0%	21,151,681	7.9%
1/1/2011	-	1,779,836	1,779,836	0%	20,889,011	8.5%

The above information is for Dunn County as a whole, including The Neighbors of Dunn County, an enterprise fund of the County. Beginning January 1, 2015, the County no longer provides retiree health benefits for those retiring on /after January 1, 2015. They will be allowed to continue coverage with the County's plan through COBRA. Current retirees will be allowed to remain on the plan until they reach age 65. The County is not providing subsidies to participants impacted by this change. This change significantly decreased the County's liabilities.

SUPPLEMENTARY INFORMATION

**THE NEIGHBORS OF DUNN COUNTY
AN ENTERPRISE FUND OF DUNN COUNTY
DETAIL SCHEDULE OF REVENUES AND EXPENSES
YEARS ENDED DECEMBER 31, 2014 AND 2013**

	2014				2013
	East	Central	West	Total	
OPERATING REVENUES					
Resident Services	\$ 3,623,964	\$ 5,030,426	\$ 3,617,041	\$ 12,271,431	\$ 10,267,098
Other Revenue:					
Cafeteria	-	32,843	-	32,843	13,425
Other Operating Revenue	1,261	16,782	15	18,058	21,014
Operating Rental Revenue	-	9,675	-	9,675	22,909
OBRA Level I Screens	900	7,800	540	9,240	4,050
Donations	-	245	-	245	230
Total Other Revenue	<u>2,161</u>	<u>67,345</u>	<u>555</u>	<u>70,061</u>	<u>61,628</u>
Total Operating Revenues	3,626,125	5,097,771	3,617,596	12,341,492	10,328,726
OPERATING EXPENSES					
Nursing Services:					
Salaries and Wages	1,310,215	1,741,799	1,284,215	4,336,229	4,022,464
Purchased Services	503,167	1,034,710	460,812	1,998,689	1,316,130
Supplies and Expenses	71,350	115,054	84,897	271,301	279,187
Total	<u>1,884,732</u>	<u>2,891,563</u>	<u>1,829,924</u>	<u>6,606,219</u>	<u>5,617,781</u>
Laboratory and Radiology:					
Supplies and Expense	687	41,115	790	42,592	38,615
Pharmacy:					
Drugs and Medicines	19,996	163,017	18,701	201,714	221,627
Purchased Services	3,457	2,990	3,415	9,862	7,910
Total	<u>23,453</u>	<u>166,007</u>	<u>22,116</u>	<u>211,576</u>	<u>229,537</u>
Physician:					
Purchased Services	-	135,450	-	135,450	133,857
Social Services:					
Salaries and Wages	32,365	69,086	59,689	161,140	130,286
Purchased Services	-	10	-	10	30
Supplies and Expense	120	60	61	241	491
Total	<u>32,485</u>	<u>69,156</u>	<u>59,750</u>	<u>161,391</u>	<u>130,807</u>
ICF Coordinator:					
Supplies and Expense	-	-	-	-	23

**THE NEIGHBORS OF DUNN COUNTY
AN ENTERPRISE FUND OF DUNN COUNTY
DETAIL SCHEDULE OF REVENUES AND EXPENSES (CONTINUED)
YEARS ENDED DECEMBER 31, 2014 AND 2013**

	2014				2013
	East	Central	West	Total	
OPERATING EXPENSES (Continued)					
Patient Activities:					
Salaries and Wages	\$ 33,061	\$ 58,842	\$ 33,103	\$ 125,006	\$ 160,805
Purchased Services	10	-	10	20	-
Supplies and Expense	3,200	4,505	2,688	10,393	21,157
Total	<u>36,271</u>	<u>63,347</u>	<u>35,801</u>	<u>135,419</u>	<u>181,962</u>
Dietary					
Salaries and Wages	141,434	144,023	179,853	465,310	539,025
Purchased Services	-	40	-	40	140
Supplies and Expense	139,421	181,623	136,687	457,731	373,008
Total	<u>280,855</u>	<u>325,686</u>	<u>316,540</u>	<u>923,081</u>	<u>912,173</u>
Plant Operations and Maintenance:					
Salaries and Wages	-	-	-	-	144,758
Purchased Services	77,899	101,281	74,251	253,431	23,392
Supplies and Expense	17,349	32,939	15,947	66,235	55,184
Utilities	61,910	119,520	68,349	249,779	306,086
Total	<u>157,158</u>	<u>253,740</u>	<u>158,547</u>	<u>569,445</u>	<u>529,420</u>
Housekeeping:					
Salaries and Wages	-	-	-	-	142,228
Purchased Services	32,153	45,173	21,281	98,607	4,231
Supplies and Expense	15,805	21,721	18,937	56,463	48,337
Total	<u>47,958</u>	<u>66,894</u>	<u>40,218</u>	<u>155,070</u>	<u>194,796</u>
Laundry and Linen:					
Salaries and Wages	-	-	-	-	76,456
Purchased Services	-	-	-	-	52,066
Supplies and Expense	7,442	9,094	9,533	26,069	43,240
Total	<u>7,442</u>	<u>9,094</u>	<u>9,533</u>	<u>26,069</u>	<u>171,762</u>
Medical Records:					
Salaries and Wages	10,486	10,864	10,486	31,836	28,373
Purchased Services	1,032	3,231	1,042	5,305	6,492
Supplies and Expense	-	970	-	970	-
Total	<u>11,518</u>	<u>15,065</u>	<u>11,528</u>	<u>38,111</u>	<u>34,865</u>
Purchasing:					
Salaries and Wages	10,262	11,128	10,527	31,917	29,426
Purchased Services	-	159	-	159	73
Total	<u>10,262</u>	<u>11,287</u>	<u>10,527</u>	<u>32,076</u>	<u>29,499</u>
Property and Ownership:					
Purchased Services	2,098	1,940	2,098	6,136	365
Supplies and Expense	4,291	6,545	4,386	15,222	17,423
Total	<u>6,389</u>	<u>8,485</u>	<u>6,484</u>	<u>21,358</u>	<u>17,788</u>

**THE NEIGHBORS OF DUNN COUNTY
AN ENTERPRISE FUND OF DUNN COUNTY
DETAIL SCHEDULE OF REVENUES AND EXPENSES (CONTINUED)
YEARS ENDED DECEMBER 31, 2014 AND 2013**

	2014				2013
	East	Central	West	Total	
OPERATING EXPENSES (Continued)					
Administrative:					
Salaries and Wages	\$ 91,132	\$ 108,183	\$ 92,573	\$ 291,888	\$ 294,069
Purchased Service	17,152	94,845	16,971	128,968	181,163
Supplies and Expense	30,697	54,095	30,676	115,468	124,476
Assessment	93,840	91,800	93,840	279,480	280,961
Total	<u>232,821</u>	<u>348,923</u>	<u>234,060</u>	<u>815,804</u>	<u>880,669</u>
Depreciation	214,241	315,592	214,292	744,125	741,119
Capital Outlay	27,300	202,140	30,146	259,586	24,192
Employee Benefits	904,274	1,089,771	886,027	2,880,071	2,832,119
	<u>3,877,846</u>	<u>6,013,315</u>	<u>3,866,283</u>	<u>13,757,443</u>	<u>12,700,984</u>
Loss from Operations	<u>(251,721)</u>	<u>(915,544)</u>	<u>(248,687)</u>	<u>(1,415,951)</u>	<u>(2,372,258)</u>
Nonoperating Revenues:					
Tax Levy Funds	150,000	200,000	150,000	500,000	500,000
Nonoperating Rental Income	-	17,293	-	17,293	44,199
Interest Income	-	113	-	113	1,997
Intergovernmental Transfer Program Funds	269,097	269,105	269,097	807,299	726,700
Total Nonoperating Revenues	<u>419,097</u>	<u>486,511</u>	<u>419,097</u>	<u>1,324,705</u>	<u>1,272,896</u>
Nonoperating Expenses:					
Investment Fees	-	-	-	-	2,709
Amortization of Debt Premium	(32,243)	(42,991)	(32,243)	(107,477)	(109,192)
Interest Expense	230,280	307,040	230,280	767,600	195,295
Total Nonoperating Expenses	<u>198,037</u>	<u>264,049</u>	<u>198,037</u>	<u>660,123</u>	<u>88,812</u>
NET LOSS BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS TO GENERAL COUNTY	<u>(30,661)</u>	<u>(693,082)</u>	<u>(27,627)</u>	<u>(751,369)</u>	<u>(1,188,174)</u>
Capital Contributions to General County	(1,262)	(1,262)	(1,262)	(3,786)	(485,818)
Transfer Out	-	-	-	-	(175,350)
Total Transfers and Capital Contributions to General County	<u>(1,262)</u>	<u>(1,262)</u>	<u>(1,262)</u>	<u>(3,786)</u>	<u>(661,168)</u>
NET INCOME (LOSS)	<u>\$ (31,923)</u>	<u>\$ (694,344)</u>	<u>\$ (28,889)</u>	<u>\$ (755,155)</u>	<u>\$ (1,849,342)</u>