

**WESTMOUNT HEALTH FACILITY
(AN ENTERPRISE FUND OF THE
COUNTY OF WARREN, NEW YORK)**

FINANCIAL REPORT

DECEMBER 31, 2011

Westmount Health Facility
(An Enterprise Fund of the County of Warren, New York)

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Independent Auditor's Report

To the Chairman and Members of the
Board of Supervisors of the
County of Warren, New York

We have audited the accompanying balance sheets of Westmount Health Facility (the "Facility"), an enterprise fund of the County of Warren, New York, as of December 31, 2011 and 2010, and the related statements of revenues and expenses and fund equity, and cash flows for the years then ended. These financial statements are the responsibility of the Facility's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Westmount Health Facility as of December 31, 2011 and 2010, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of operating expenses on page 13 is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.

McCarthy + Conlon, LLP

Glens Falls, New York
April 17, 2012

Westmount Health Facility
(An Enterprise Fund of the County of Warren, New York)

Balance Sheets
December 31, 2011 and 2010

	2011	2010
<u>Assets</u>		
Current assets:		
Cash	\$ 2,666,371	\$ 163,267
Restricted cash - patient funds	16,380	18,023
Assets limited as to use	27,562	55,697
Patient accounts receivable, net	474,422	519,952
Due from third party payors	-	580,926
Supplies	46,870	35,431
Due from County, current	12,830	55,110
Prepaid expenses	-	92,056
Total current assets	3,244,435	1,520,462
Due from County, long term	96,646	107,456
Property, plant, and equipment, net	3,073,815	3,361,055
Total assets	\$ 6,414,896	\$ 4,988,973
 <u>Liabilities and Fund Equity</u>		
Current liabilities:		
Current portion of capital lease payable	\$ 307,734	\$ 294,656
Accounts payable	78,344	77,434
Due to County	445,170	411,269
Accrued payroll and related benefits	144,816	141,133
Vacation leave and related benefits	225,363	222,145
Due to third party payors	39,278	22,738
Patient funds	16,380	18,023
Other current liabilities	469	469
Deferred revenue	-	8,928
Total current liabilities	1,257,554	1,196,795
Long-term liabilities:		
Sick leave and related benefits	247,564	249,842
Capital lease payable, net of current portion	1,594,715	1,902,449
Postemployment health benefits	4,051,589	3,314,482
Total long-term liabilities	5,893,868	5,466,773
Fund equity:		
Invested in property and equipment, net of related debt	1,171,367	1,163,949
Restricted	27,094	55,228
Unrestricted	(1,934,987)	(2,893,772)
Total fund equity	(736,526)	(1,674,595)
Total liabilities and fund equity	\$ 6,414,896	\$ 4,988,973

Westmount Health Facility
(An Enterprise Fund of the County of Warren, New York)

Statements of Revenues and Expenses and Fund Equity
Years Ended December 31, 2011 and 2010

	2011	2010
Operating revenues:		
Net patient service revenue	\$ 6,363,545	\$ 4,895,098
Other operating revenue	10,065	24,297
Total operating revenues	6,373,610	4,919,395
Operating expenses:		
Nursing services	2,585,666	2,664,027
Ancillary services	415,954	380,091
Dietary services	696,745	623,561
Housekeeping	243,714	238,853
Laundry service	93,383	94,155
Maintenance	409,693	411,786
Administrative and fiscal services	593,768	600,572
Employee benefits	2,570,876	2,395,122
New York State tax assessment	408,040	253,990
Depreciation	323,986	342,078
Provision for bad debts	214,469	143,586
Total operating expenses	8,556,294	8,147,821
Loss from operations	(2,182,684)	(3,228,426)
Non-operating revenue (expense):		
Indirect costs and operating transfers from County	345,383	244,614
Intergovernmental transfers	2,873,771	-
Investment income	2,599	3,872
Interest expense	(103,323)	(96,906)
Other revenue	2,323	43,194
Total non-operating revenue, net	3,120,753	194,774
Increase (decrease) in fund equity	938,069	(3,033,652)
Fund equity, beginning	(1,674,595)	1,359,057
Fund equity, ending	\$ (736,526)	\$ (1,674,595)

Westmount Health Facility
(An Enterprise Fund of the County of Warren, New York)

Statements of Cash Flows
Years Ended December 31, 2011 and 2010

	2011	2010
Cash flows from operating activities:		
Cash received from patient services	\$ 6,792,072	\$ 4,702,186
Cash payments to suppliers for goods and services	(1,405,825)	(910,409)
Cash payments to employees for services	(5,462,758)	(5,296,541)
Other operating revenue	10,065	24,297
Net cash used in operations	(66,446)	(1,480,467)
Cash flows from non-capital financing activities:		
Subsidy transfers from County	97,447	-
Intergovernmental transfers	2,873,771	-
Other	2,323	51,345
Net cash provided by non-capital financing activities	2,973,541	51,345
Cash flows from capital and related financing activities:		
Principal payments on capital leases	(294,656)	(282,137)
Interest paid	(103,323)	(96,906)
Purchase of property, plant, and equipment	(36,746)	(31,211)
Net cash used in capital and related financing activities	(434,725)	(410,254)
Cash flows from investing activities:		
Net change in assets whose use is limited	28,135	(49,300)
Investment income	2,599	3,872
Net cash provided by (used in) investing activities	30,734	(45,428)
Net increase (decrease) in cash and cash equivalents	2,503,104	(1,884,804)
Cash and cash equivalents, beginning of year	163,267	2,048,071
Cash and cash equivalents, end of year	\$ 2,666,371	\$ 163,267
Reconciliation of operating loss to net cash used in operating activities:		
Loss from operations	\$ (2,182,684)	\$ (3,228,426)
Adjustments to reconcile loss from operations to net cash used in operating activities		
Depreciation and amortization	323,986	342,078
Bad debts	214,469	143,586
Indirect costs and services from County	247,936	244,614
Changes in:		
Accounts receivable	(168,939)	(172,435)
Supplies	(11,439)	(4,468)
Prepaid items	92,056	(33,206)
Accounts payable	910	33,676
Due to/from third party payors	597,466	(20,477)
Due to/from County	86,991	360,137
Deferred revenue	(8,928)	8,928
Accrued items	4,623	38,337
Postemployment health benefits	737,107	807,189
Net cash used in operating activities	\$ (66,446)	\$ (1,480,467)

Westmount Health Facility
(An Enterprise Fund of the County of Warren, New York)

Notes to Financial Statements
December 31, 2011

Note 1. Organization and Summary of Significant Accounting Policies

Reporting entity: Westmount Health Facility (the "Facility") is an 80 bed residential skilled nursing facility located in Queensbury, New York. The Facility is operated as an enterprise fund of the County of Warren, New York (the "County") and is accounted for separately by the County Treasurer.

An enterprise fund is accounted for as an operation that is financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs or expenses, including depreciation, of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. Indirect costs from other County departments attributable to shared services have been provided for based on allocations from the most recent cost allocation plan for the County.

A summary of the Facility's significant accounting policies follows:

Basis of accounting: As an enterprise fund, the Facility uses the accrual basis of accounting. Revenues are recognized in the period in which they are earned and expenses are recognized in the period incurred. The Facility applies all applicable Government Accounting Standards Board (GASB) pronouncements as well as the following pronouncements issued on or before November 30, 1989, unless those pronouncements conflict or contradict GASB pronouncements: Statements and Interpretations of the Financial Accounting Standards Board, Accounting Principles Board Opinions, Accounting Research Bulletins, and the AICPA Audit and Accounting Guide "Health Care Organizations."

Patient accounts receivable and net patient service revenue: Net patient service revenue is reported at the estimated net realizable amounts from residents, third-party payors and others for services rendered.

Revenue received under third-party reimbursement agreements is subject to audit and retroactive adjustment. Provisions for estimated third-party payor retroactive adjustments under those agreements are provided in the financial statements if they are able to be reasonably estimated. Differences between amounts accrued and interim and final settlements are reported in operations in the year of settlement.

The Facility grants credit to its patients without collateral. Most of the patients are insured under third party payor agreements (see Note 9). Accounts receivable are stated net of an allowance for doubtful accounts. Bad debts are provided for on the allowance method based upon historical experience and management's estimation of collection losses on outstanding receivables. The allowance for doubtful accounts was approximately \$456,000 and \$302,000 at December 31, 2011 and 2010, respectively.

Intergovernmental transfers: Included in non-operating revenue are monies received through the Intergovernmental Transfer Program ("IGT"), which provides Medicaid rate enhancements to all non-state operated, publicly sponsored nursing facilities. The future of the IGT Program is uncertain, pending the ultimate resolution of negotiations between New York State and the federal government. IGT revenues amounted to \$2,873,771 and \$0 for 2011 and 2010, respectively.

Westmount Health Facility
(An Enterprise Fund of the County of Warren, New York)

Notes to Financial Statements
December 31, 2011

Note 1. Organization and Summary of Significant Accounting Policies, continued

Cash and cash equivalents: For purposes of reporting the statement of cash flows, the Facility includes all cash accounts which are not subject to withdrawal restrictions or penalties as cash on the accompanying balance sheet.

Cash, resident funds: Cash, resident funds represents amounts held in trust for residents of the Facility and is reported as an asset and a liability on the balance sheet.

Assets limited as to use: Assets limited as to use represents amounts held by fiscal agents for the payment of unclaimed interest payable to bond holders and restricted cash gifts held by the County which are restricted as to purpose by the donor.

Supplies: Supplies are stated at the lower of cost (first-in, first-out method) or market.

Property, plant and equipment: Property, plant and equipment are stated at cost or, in the case of gifts, at fair market value at the date of the gift. Depreciation is computed using the straight-line method, based upon the estimated useful lives (from 4 to 40 years) of the specific assets.

Vacation and sick leave: Employees are granted vacation and sick leave in varying amounts. In the event of termination or upon retirement, an employee is entitled to payment for accumulated vacation and sick leave at various rates. Estimated vacation and sick leave have been recorded in the financial statements at the present rates of pay. The liability for sick leave has been reflected as long-term since it is anticipated that none of this obligation will be liquidated within the next fiscal year.

Subsequent events: The Facility has evaluated subsequent events through April 17, 2012, the date on which the financial statements were available to be issued. There were no subsequent events noted that require disclosure.

Use of estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

Note 2. Cash

Cash recorded by the Facility is combined with cash recorded by the County in determining amounts covered by Federal Depository Insurance or by collateral held by the County's agent in the County's name. The collateral is monitored monthly by the County. As of December 31, 2011, the County has reported that its deposits were adequately collateralized.

Westmount Health Facility
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Notes to Financial Statements
December 31, 2011

Note 3. Property, Plant and Equipment, net

Property, plant and equipment is summarized as follows at December 31:

	2011	2010
Land	\$ 25,100	\$ 25,100
Land improvements	224,730	224,730
Building and improvements	2,984,063	2,984,063
Fixed equipment	4,352,941	4,345,101
Moveable equipment	596,972	582,727
Construction in progress	4,800	17,150
	8,188,606	8,178,871
Less accumulated depreciation	5,114,791	4,817,816
	\$ 3,073,815	\$ 3,361,055

Total depreciation expense for the years ended December 31, 2011 and 2010 was \$323,986 and \$342,078, respectively.

Included in property, plant and equipment is property and equipment under capital lease for the cogeneration plant (see Note 4) which consists of the following:

	2011	2010
Land improvement, building and equipment	\$ 3,626,548	\$ 3,626,548
Less: accumulated depreciation	1,462,015	1,243,129
Net property under capital lease	\$ 2,164,533	\$ 2,383,419

Note 4. Capital Lease Payable

In 2005, the Facility entered into a capital lease agreement with a third party for a natural gas fueled co-generation plant as a means of reducing utility costs. The lease calls for principal and interest payments, with interest fixed at 4.35%, payable in 146 monthly installments approximating \$32,000, with lease maturity scheduled for April 2018. The lease also requires the Facility to pay the third party a monthly maintenance and performance fee throughout the term of the lease.

Additionally, the Facility has an agreement with another County agency to provide that agency with all needed electricity, at cost, for an indefinite period of time. The cost of connecting the County agency to the Facility to provide electricity was capitalized at approximately \$168,000, of which the Facility has recorded a receivable for this amount which is being paid over 15 years. The amount due to the Facility at December 31, 2011 and 2010 was \$109,357 and \$127,715, respectively, and is included in the amount due from County on the balance sheet.

Westmount Health Facility
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Notes to Financial Statements
December 31, 2011

Note 4. Capital Lease Payable, continued

Capital lease activity for 2011 is summarized as follows:

	Balance at 12/31/10	New Borrowings	Repayments	Balance at 12/31/11
Capital lease obligation	\$ 2,197,105	\$ -	\$ 294,656	\$ 1,902,449

Future minimum lease payments as of December 31, 2011 are as follows:

	Total	Interest	Principal
2012	\$ 384,403	\$ 76,669	\$ 307,734
2013	384,403	63,013	321,390
2014	384,403	48,750	335,653
2015	384,403	33,854	350,549
2016	384,403	18,298	366,105
2017	224,234	3,216	221,018
	\$ 2,146,249	\$ 243,800	\$ 1,902,449

Note 5. Pension Plan

Plan Description: The Facility participates in the New York State and Local Employees' Retirement System and the Public Employees' Group Life Insurance Plan (the "Systems"). These are cost-sharing multiple-employer retirement systems. The Systems provide retirement benefits as well as death and disability benefits. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law (NYSRSSL). As set forth in the NYSRSSL, the Comptroller of the State of New York (Comptroller) serves as sole trustee and administrative head of the Systems. The Comptroller shall adopt and may amend rules and regulations for the administration and transaction of the business of the Systems and for the custody and control of their funds. The Systems issue a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the New York State and Local Retirement Systems, Gov. Alfred E. Smith State Office Building, Albany, NY 12244.

Funding Policy: The Systems are noncontributory except for employees who joined the New York State and Local Employees' Retirement System ("ERS") after July 27, 1976 who contribute 3% of their salary. Under the authority of the NYSRSSL, the Comptroller shall certify annually the rates expressed as proportions of payroll of members, which shall be used in computing the contributions required to be made by employers to the pension accumulation fund.

Westmount Health Facility
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Notes to Financial Statements
December 31, 2011

Note 5. Pension Plan, continued

The Facility is required to contribute at an actuarially determined rate. The required contributions for the current year and the two preceding years were as follows:

2011	\$ 513,783
2010	\$ 352,721
2009	\$ 235,618

The Facility's contributions made to the Systems were equal to 100 percent of the contributions required for the year.

Note 6. Post-Retirement Benefits

Plan description: Warren County (the "County") administers the Warren County Retiree Health Insurance Plan (the "Plan") as a single-employer defined benefit Other Postemployment Benefit (OPEB) plan, in which the Facility is a participant. The Plan provides for continuation of medical insurance benefits for certain retirees and their spouses and can be amended by action of the County subject to applicable collective bargaining and employment agreements. The Plan does not issue a stand alone financial report since there are no assets legally segregated for the sole purpose of paying benefits under the Plan. The County issues publicly available County-wide general purpose financial statements that include additional disclosures regarding the County-wide OPEB obligation and funding status. These statements are available from the County treasurer.

Funding policy: The obligation of the plan members, employers and other entities, including the Facility, are established by action of the County pursuant to applicable collective bargaining and employment agreements. The required contribution rates of the employer and the members varies depending on the applicable agreement. The employer currently contributes enough money to the plan to satisfy current obligations on a pay-as-you-go basis. The costs of administering the plan are paid by the County.

Other disclosure information: The projections of benefits are based on the types of benefits provided under the substantive plan at the time of the valuation date and on the pattern of cost-sharing between the employer and plan members. In addition, the projections do not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost-sharing between the employer and plan members in the future. The actuarial calculations reflect a long-term perspective; actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. In the December 31, 2011 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumption included a 4.00% investment rate of return, which is based on the projected long-term earning rate of the assets expected to be available to pay benefits. Since Warren County does not currently segregate funding for these benefits, the appropriate rate is the expected rate of return on the County's general assets.

Westmount Health Facility
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Notes to Financial Statements
December 31, 2011

Note 6. Post-Retirement Benefits, continued

Reconciliation of Net OPEB obligation at December 31, 2011:

The Facility's share of the Net OPEB obligation at December 31, 2011 is calculated as follows:

Net OPEB obligation at the beginning of the year	\$ 3,314,482
OPEB expense	927,724
Net OPEB contributions made during the fiscal year	<u>(190,617)</u>
Net OPEB obligation at the end of the year	<u>\$ 4,051,589</u>
Percentage of expense contributed	<u>20.5%</u>

Schedule of employer contributions

The employer contributions made on a pay-as-you-go basis for the current and two preceding years were as follows:

2011	\$190,617
2010	\$128,148
2009	\$166,802

Note 7. Related Party Transactions

The Facility is subsidized by the County and received operating transfers of \$97,447 and \$0 in 2011 and 2010, respectively. Additionally, the County provides certain financial and operating services for various County operating units, including the Facility. The Facility was the beneficiary of services, primarily indirect, valued at \$247,936 and \$244,614 for the years ended December 31, 2011 and 2010, respectively. The Facility owed the County \$445,170 as of December 31, 2011 for payroll and related items and other services provided. Further, the County (or agencies thereof) owed the Facility \$109,476 at December 31, 2011.

Note 8. Commitments and Contingencies

Unemployment Insurance: The Facility currently uses reimbursement financing rather than pay contributions under the regular experience-rating provision of the New York State Unemployment Insurance Law. Under this method, the Facility is liable to New York State for payments of amounts equal to the benefits paid to its claimants. The Facility's unemployment expense for the years ended December 31, 2011 and 2010 was \$40,200 and \$27,918, respectively. Due to the underlying uncertainties related to future obligations, no accrual has been made for future obligations that might arise under this arrangement.

Workers Compensation Insurance: The Facility participates in a self-insurance plan sponsored by the County for workers' compensation under Local Law No. 3, 1989, pursuant to Article 5 of the Workers' Compensation Law. The plan is open to any eligible municipality, school district, or public entity for participation. The County, which is responsible for the administration of the plan and its reserves, accounts for this plan in a separate special revenue fund which is included in the County's combined financial statements.

Westmount Health Facility
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Notes to Financial Statements
December 31, 2011

Note 8. Commitments and Contingencies, continued

Participant contributions, except for Westmount, which are financed on a pay-as-you-go basis, are financed on an estimated claim basis with excess contributions transferred to a reserve at the end of the fiscal year. The Facility's workers' compensation expense for the years ended December 31, 2011 and 2010 was \$49,032 and \$45,729, respectively.

Self-Insurance: The County has adopted a self-insurance policy which includes the Facility. The County assumes liability for most risks including, but not limited to, personal injury, malpractice, vehicle and general liability. Judgments and claims are recorded when it is probable that an asset has been impaired or a liability has been incurred and the amount of loss can be reasonably estimated. At December 31, 2011 no claims meet the liability criteria. Payment of any liabilities that could result from judgments and claims against the Facility is guaranteed by the County.

Third Party Rate Adjustments: As stated in Note 1, net patient service revenue is reported at estimated net realizable amounts from residents, third-party payors, and others for services rendered and includes estimated retroactive revenue adjustments due to future audits, reviews, and investigations. Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are rendered, and such amounts are adjusted in future periods as adjustments become known or as years are no longer subject to such audits, reviews, and investigations.

At December 31, 2011 the amount in due to third party payors of \$39,278 is due to Medicaid as a result of rate changes and will be recouped during 2012. At December 31, 2010, the amount in due to third party payors of \$34,090 was due to Medicare because of an inadvertent and unintentional billing error with regard to Medicare Part B physician billings. The billing error and the resulting Medicare overpayment were self-disclosed by the Facility to its fiscal intermediary. This was recouped by Medicare during 2011.

Revenue from the Medicare and Medicaid programs accounted for approximately 12% and 61%, respectively, of the Facility's net patient service revenue for the year ended December 31, 2011. 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. The 2011 and 2010 net patient service revenue increased approximately \$354,833 and \$8,730, respectively, as a result of the final settlements in excess of amounts previously estimated.

IGT Recoupment: New York State (the "State") has been notified by the Center for Medicare and Medicaid Services (CMS) that it will potentially pursue recoupment of a portion of the IGT funds (see Note 1) for the 2006-07, 2007-08, and 2008-09 fiscal years due to a change in the federal Medicaid matching methodology. The State has refuted the CMS changes, and is continuing discussions with CMS. If CMS ultimately prevails in the recoupment, there could be a significant amount of IGT funds due back to the federal government. The ultimate resolution of this issue, and its potential impact on Westmount Health Facility, cannot currently be estimated.

Westmount Health Facility
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Notes to Financial Statements
December 31, 2011

Note 8. Commitments and Contingencies, continued

Regulatory: The Facility is subject to compliance with laws and regulations of various governmental agencies. Recently, governmental review of compliance with these laws and regulations has increased, resulting in fines and penalties for noncompliance by individual health care providers. While no outstanding regulatory actions exist at December 31, 2011 for the Facility, compliance with these laws and regulations is subject to future government review, interpretation or actions which are unknown and unasserted at this time.

Note 9. Concentration of Patient Credit Risk

The Facility grants credits without collateral to its patients, most of whom are local residents and are insured under third-party payor agreements. The mix of receivables from patients and third-party payors was as follows at December 31:

	<u>2011</u>	<u>2010</u>
Medicare	11%	5%
Medicaid	35%	55%
Private Pay	54%	40%

Supplementary Information

Westmount Health Facility
(An Enterprise Fund of the County of Warren, New York)

Schedule of Operating Expenses
Year Ended December 31, 2011
(With Comparative Totals for 2010)

	<u>Salaries</u>	<u>Other</u>	<u>2011 Total</u>	<u>2010 Total</u>
Nursing services:				
Administration	\$ 176,434	\$ 1,175	\$ 177,609	\$ 193,937
Routine care	2,174,454	233,603	2,408,057	2,470,090
Total nursing services	<u>2,350,888</u>	<u>234,778</u>	<u>2,585,666</u>	<u>2,664,027</u>
Ancillary services:				
Physical therapy	27,846	82,428	110,274	102,884
Occupational therapy	-	50,283	50,283	31,173
Speech therapy	-	6,309	6,309	5,720
Recreational therapy activities	71,893	2,477	74,370	71,005
Social services	40,797	2,497	43,294	35,340
Dental services	-	20,500	20,500	20,500
Medical director and physicians	17,229	33,483	50,712	60,717
Pharmacy	-	60,212	60,212	52,752
Total ancillary services	<u>157,765</u>	<u>258,189</u>	<u>415,954</u>	<u>380,091</u>
General services:				
Dietary	391,279	305,466	696,745	623,561
Housekeeping	227,308	16,406	243,714	238,853
Laundry service	85,577	7,806	93,383	94,155
Maintenance	156,718	252,975	409,693	411,786
Total general services	<u>860,882</u>	<u>582,653</u>	<u>1,443,535</u>	<u>1,368,355</u>
Administrative and fiscal services:				
Administrative and business office	255,149	69,150	324,299	332,150
Insurance	-	21,533	21,533	23,808
Indirect cost allocation	-	247,936	247,936	244,614
Total administrative and fiscal services	<u>255,149</u>	<u>338,619</u>	<u>593,768</u>	<u>600,572</u>
Employee Benefits	-	2,570,876	2,570,876	2,395,122
Assessment	-	408,040	408,040	253,990
Depreciation	-	323,986	323,986	342,078
Provision for bad debts	-	214,469	214,469	143,586
Total operating expenses	<u>\$ 3,624,684</u>	<u>\$ 4,931,610</u>	<u>\$ 8,556,294</u>	<u>\$ 8,147,821</u>