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COLORADO DEPARTMENT OF HUMAN SERVICES

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DIVISION OF STATE AND VETERANS NURSING HOMES

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DIVISION OF STATE AND VETERANS NURSING HOMES

ANNUAL REPORT

FISCAL YEAR 1997-98

(Prepared December 14, 1998)

Division of State and Veterans Nursing Homes Fiscal Year 1997-98 Annual Report

Division Role and Mission:

The mission of the Colorado Division of State and Veterans Nursing Homes is to provide superior nursing care in an environment that enhances the life of each resident.

Information about the State Homes:

Background information - The Colorado Division of State and Veterans Nursing Homes includes five facilities that provide skilled nursing and domiciliary (assisted living) care primarily to honorably discharged veterans and their spouses or widows. Four of these facilities (Florence, Homelake (located in Monte Vista), Rifle, and Walsenburg) participate in the U.S. Department of Veterans Affairs (VA) state home program to provide long-term skilled nursing care for veterans. The Trinidad facility is open to all eligible Colorado residents. In addition to the five skilled nursing facilities, the Division operates a Domiciliary (residential care) program at Homelake. Each of the five facilities is Medicaid approved. The four veterans homes are surveyed annually by the VA and all five facilities are surveyed and licensed by the Colorado Department of Public Health and Environment, Health Facilities Division.

The State of Colorado constructed the four veterans nursing homes in partnership with the VA, which provided 65 percent of the construction costs for each home. In return for construction funding, the VA requires each state veterans home to: 1) maintain a 75 percent veteran population; 2) operate as a veterans' home for a minimum of twenty years; and, 3) maintain VA Per Diem Program certification. The VA allows the remaining 25 percent of each home's population to include spouses, widows, or dependent parents of veterans.

State homes that meet and maintain VA standards are eligible to receive VA per diem payments for each eligible veteran that receives care. This per diem amount is \$43.92 per eligible veteran for federal fiscal year 1998-99. In Colorado, this VA per diem payment partially offsets the costs of nursing home care, representing 21.1 percent of total revenue collected by the four State-operated homes in FY 1997-98 (or \$3.8 million).

Existing facilities - Each of the Division's five facilities is briefly described below. In addition, a Division organizational chart is provided on page 4. Additional information about each facility is also provided later in this report.

- The **Colorado State Veterans Nursing Home at Florence**, which opened in 1976, is a 120-bed skilled facility certified by the VA. The facility includes a 14-bed Special Care Unit that provides safe and specialized care for residents with Alzheimer's Disease or related conditions that require a secure environment.
- The **Colorado State Veterans Center at Homelake** includes a 60-bed skilled nursing facility (constructed in 1990) and a 46-bed Domiciliary (residential care) program certified by the VA. The State Veterans Center at Homelake is Colorado's oldest veterans home, originally opening in 1889 as the Soldiers and Sailors Home to serve Civil War veterans. The Domiciliary provides programs and services to its residents in a home environment through home health nursing interventions and assistance with the activities of daily living.

- The **Colorado State Veterans Nursing Home at Rifle**, which opened in 1987, is a 100-bed skilled facility certified by the VA. The facility includes a 16-bed Special Care Unit for residents with Alzheimer's Disease or related disorders.
- The **Trinidad State Nursing Home**, which opened in 1957, is a 182-bed skilled and intermediate care facility. The facility features a Special Care Unit for cognitively-impaired residents and an outstanding rehabilitation program.
- The **Colorado State Nursing Home at Walsenburg**, which opened in April 1993, is a 120-bed facility certified by the VA. The facility is owned by the State, but operated on a contractual basis by the Huerfano County Hospital District. The facility includes a 20-bed Special Care Unit for residents with Alzheimer's or other related disorders.
- **New State Home at Fitzsimons** - Senate Bill 98-186 authorized the construction of a 180 bed State Veterans Nursing Home on the site of the former Fitzsimons Army Medical Garrison. In addition, the bill appropriated \$4.3 million for the project. This amount represents approximately one half of the state's 35 percent share of the project's total estimated cost of \$23.3 million. Funding for the remaining 65 percent of the project's cost (\$14.7 million) will be provided through the VA Construction Grant Program. An additional \$4.3 million in State funds will be required for the project. Pursuant to SB 98-186, the Department will submit a feasibility report, including an analysis of alternatives for funding the home's start-up costs, to the General Assembly by January 2000. The Fitzsimons Redevelopment Authority will convey the approximate 15-acre site to the State in June 1999. Construction on the new home at Fitzsimons is estimated to begin in January 2001, with occupancy of the facility beginning in the fall of 2002.

Financial Operation and Current Financial Status:

Financial operation (State-operated homes) – Colorado law (Section 26-12-110, C.R.S.) recognizes the State homes as an enterprise for purposes of Article X, Section 20 of the State Constitution (TABOR). Consistent with this enterprise status, current law directs that the operation of the state homes should be self-sustaining and cover the homes' operation and maintenance costs. With the exception of the Domiciliary program at Homelake, the Division does not receive direct General Fund support.

Each home generates operating revenues through patient daily rates, which include patient payments, Medicaid payments, and VA per diem payments (with the exception of the Trinidad home, which does not serve veterans). Pursuant to State law, the Department deposits all revenues into the Central Fund, which is administered by the State Treasurer. In Fiscal Year 1997-98, resident payments provided 46.5 percent of total revenue, Medicaid payments provided 30.6 percent of total revenue, the VA per diem provided 21.1 percent of total revenue, and 1.7 percent of total revenue came from other miscellaneous revenues and interest earnings. State law authorizes the Department to use monies in the Central Fund for the direct and indirect costs incurred for the operation and administration of the State homes, including capital construction and controlled maintenance. Pursuant to statute, expenditures from the Central Fund do not require an appropriation by the General Assembly.

Current law (Section 26-12-107, C.R.S.) requires the Department of Human Services to manage all state nursing homes as a group, unless the Department contracts for the management of a state home. Thus, the four State-operated facilities (Florence, Homelake, Rifle, and Trinidad) are managed as one business, similar to a private sector skilled nursing corporation. Each facility is

expected to be individually profitable and yet also support the other facilities financially as may be necessary.

Financial operation (Contract-operated Walsenburg home) – The Colorado Department of Human Services contracts with the Huerfano County Hospital District for the operation of the Walsenburg home. Under the terms of the contract, the District assumes responsibility for financing operating deficits and has a claim on residual assets, if any, after its contractual obligations are met. All revenues, bank accounts, and accounts receivable accrue to the benefit of the District and are not reflected on the State's financial system. The Division employs a full-time project officer to monitor the home's compliance with the contract terms. In addition, the contract requires the District to submit monthly financial statements and an annual audit to the Department.

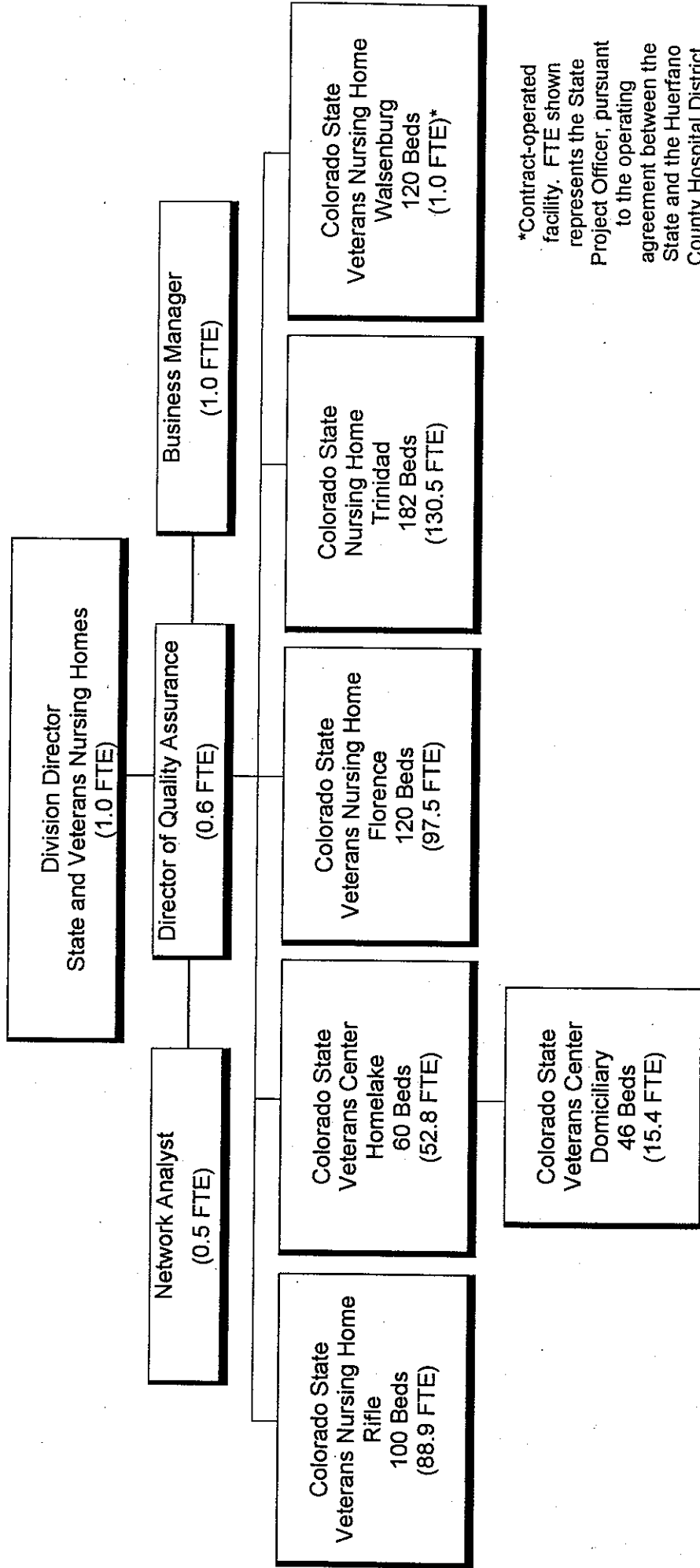
Current financial status – State-operated facilities – A comparative income statement for fiscal years 1996-97 and 1997-98 for the four State-operated facilities (including the Homelake Domiciliary) is provided on page 10. In addition, an income statement detailing the FY 1997-98 financial status of each facility is provided on pages 12-13. As the comparative income statement on page 10 indicates, total operating revenues increased by 4.8 percent (from \$15.3 million to \$16.0 million). Operating expenses also increased by 4.8 percent (from \$14.5 million to \$15.2 million). As a result, cash operating income at the four State-operated homes increased from \$716,935 in FY 1996-97 to \$757,653 in FY 1997-98. This represents an increase of \$40,718 (or 5.7 percent). During this same period, net income (after non-operating revenues and expenditures) declined by 43.4 percent (from \$618,273 in FY 1996-97 to \$349,694 in FY 1997-98). This reduction is largely due to \$407,348 in one-time FY 1996-97 non-cash revenue. This non-cash revenue reflects a credit by the General Assembly of five years of earned interest from the Central Fund against a State loan for the final construction and operating costs of the Rifle facility.

A comparative balance sheet for fiscal years 1996-97 and 1997-98 for the four State-operated facilities (including the Homelake Domiciliary) is provided on page 11. In addition, a balance sheet detailing the FY 1997-98 financial status of each facility is provided on pages 14-16. As the comparative balance sheet on page 11 indicates, total assets grew by 1.2 percent while total liabilities declined by 13.8 percent. The reduction in total liabilities largely reflects the payoff of the remaining Rifle operating loan balance and a reduction in the anticipation warrant balance for the Homelake Nursing Home. In addition, long term liabilities for compensated sick leave absences also declined.

The homes' unreserved fund balance increased by 12.5 percent (from \$2.0 million to \$2.2 million). This balance represents the amount available in the Central Fund for long term facility needs, including controlled maintenance, capital construction, and information systems needs. The Division is currently preparing a five-year financial plan in an effort to identify and estimate these needs and the financial position of the State-operated homes over the next five years.

Current financial status – Walsenburg facility - A comparative income statement for the contract-operated Walsenburg facility is provided on page 17 and a comparative balance sheet is provided on page 18. As the comparative income statement indicates, operating revenues increased by 14.9 percent (from \$3.5 million to \$4.1 million), while operating expenses increased by 15.9 percent (from \$3.4 million to \$4.0 million). As a result, cash operating income at the Walsenburg facility decreased by 10.5 percent, from \$123,539 to \$110,507. Net losses at the facility (after depreciation and bad debt expense) increased by 0.9 percent, from a loss of \$384,283 to a loss of \$387,634; however, the Huerfano County Hospital District does not cash fund depreciation as an expense. Pursuant to the State's contract with the District, any expenditures made in excess of revenues are the responsibility of the District.

Organizational Chart Division of State and Veterans Nursing Homes July 1, 1998



*Contract-operated facility. FTE shown represents the State Project Officer, pursuant to the operating agreement between the State and the Huerfano County Hospital District.

State Veterans Nursing Home at Florence

	<i>1996-97 Actual</i>	<i>1997-98 Actual</i>	<i>% Change</i>
Census Information:			
Capacity	120.0	120.0	N/A
Average Daily Census	107.6	105.5	-1.9%
Occupancy Rate	89.0%	87.8%	-1.2%
Patients Per FTE	1.1	1.1	0.0%
Staffing Information (FTE):			
Administration/Support	8.0	8.0	0.0%
Nurses/Therapists	63.3	63.7	0.6%
Food Service	9.3	10.0	7.5%
Custodial/Maintenance	12.3	12.0	-2.4%
Pharmacist	<u>0.9</u>	<u>0.9</u>	<u>0.0%</u>
Total	93.8	94.6	0.9%

FISCAL YEAR 1997-98 ACCOMPLISHMENTS:

- Received only one health deficiency and no life safety/code compliance deficiencies in the 1998 Colorado Department of Public Health and Environment survey.
- Broadened census development and marketing efforts to include Colorado Springs.
- Established a working agreement with the VA to provide drugs at no cost to qualified veterans, resulting in a reduction in operating expenses.
- Changed meal times so residents now dine with other residents of similar functional ability.
- Re-assigned nurse managers to create more visibility and improve supervision efficiencies to provide better resident care.
- Installed a new telephone system.
- Upgraded the patient tracking system to provide better safety and security for residents.
- Obtained a 90.9 percent reduction in work-related injuries (from 22 in FY 1996-97 to 2 in FY 1997-98).
- Completed a covered patio addition to the dining room, allowing increased use and enjoyment of the outdoors by residents.

FISCAL YEAR 1998-99 GOALS:

- Continue to enhance resident quality of life by developing new programs that will encourage and promote the use of least restrictive devices.
- Continue to enhance resident quality of life by reviewing and developing appropriate chemical and physical restraint protocols.
- Reduce operating expenses by purchasing drugs and other medical supplies at federal Veterans Administration prices.
- Replace and upgrade furniture in the visiting and common areas.
- Conduct a feasibility study of converting to a gas heating system to reduce utility costs.
- Continue to develop the new employee orientation program.
- Continue to develop and coordinate on-going staff development.
- Expand the Special Care Unit solarium to include an adequate dining area.
- Install new linoleum in resident restrooms.
- Re-design the facility driveway to promote resident safety and expand the parking area.
- Install a new fire alarm system.

State Veterans Nursing Home at Homelake

	<i>1996-97 Actual</i>	<i>1997-98 Actual</i>	<i>% Change</i>
Census Information:			
Capacity	60.0	60.0	N/A
Average Daily Census	53.5	54.8	2.4%
Occupancy Rate	89.2%	91.3%	2.1%
Patients Per FTE	1.1	1.1	0.0%
Staffing Information (FTE):			
Administration/Support	6.8	7.2	5.9%
Nurses/Therapists	31.2	31.6	1.3%
Food Service	6.0	6.0	0.0%
Custodial/Maintenance	<u>6.9</u>	<u>6.9</u>	<u>0.0%</u>
Total	50.9	51.7	1.6%

FISCAL YEAR 1997-98 ACCOMPLISHMENTS:

- Achieved a deficiency-free survey from the Colorado Department of Public Health and Environment.
- Obtained a new 12-passenger van to transport residents.
- Began an extensive redecoration of the facility entrance and common areas.
- Implemented a Volunteer Program to assist with resident and facility needs.
- Began design of the dining room expansion project and received approval from the Department of Veterans Affairs for 65 percent reimbursement of the total project cost.
- Installed a new shower/tub room ventilation system in resident common area and a new circulating fan at the nurses' station to improve resident and staff comfort.
- Obtained a 71.4 percent reduction in work-related injuries (from 7 in FY 1996-97 to 2 in FY 1997-98).
- Improved facility ventilation through installation of new air control valves.
- Initiated discussions with the City of Monte Vista concerning sale of excess land to the City.

FISCAL YEAR 1998-99 GOALS:

- Complete the dining room expansion project.
- Complete the redecoration of the facility entrance and common areas.
- Improve parking lot lighting.
- Continue to train and educate staff in teambuilding, conflict management and customer service skills.
- Evaluate the costs and benefits of an in-house pharmacy.
- Develop and implement a donation program.
- Improve staff efficiencies by fully utilizing the facility computer system.
- Install new carpet in the Chapel.
- Complete land sale to the Division of Wildlife and use sale proceeds to retire the nursing home anticipation warrants.
- Complete land sale to the City of Monte Vista.
- Complete the construction of a granite sign identifying the Center.
- Create another military display at the Center to recognize America's veterans.

State Veterans Nursing Home at Rifle

	<i>1996-97 Actual</i>	<i>1997-98 Actual</i>	<i>% Change</i>
<i>Census Information:</i>			
Capacity	100.0	100.0	N/A
Average Daily Census	94.3	95.6	1.3%
Occupancy Rate	94.3%	95.6%	1.3%
Clients Per FTE	1.1	1.1	0.0%
<i>Staffing Information (FTE):</i>			
Administration/Support	5.4	5.4	0.0%
Nurses/Therapists	53.8	55.9	3.9%
Food Service	14.5	14.0	-3.5%
Custodial/Maintenance	<u>11.4</u>	<u>12.2</u>	<u>7.0%</u>
Total	85.1	87.5	2.8%

FISCAL YEAR 1997-98 ACCOMPLISHMENTS:

- Obtained an 84.0 percent reduction in work-related injuries (from 25 in FY 1996-97 to 4 in FY 1997-98).
- Retired remaining debt to the State of Colorado associated with the facility's construction and initial operating costs.
- Remodeled the Special Care Unit to include a dining area and an enclosed outdoor walking area.
- Resurfaced both parking lots.
- Converted the facility storage building into a year-round maintenance shop.
- Expanded the dry storage area for the Food Service Department.
- Corrected ventilation problems in the laundry, kitchen, and food storage area and employee lounge.
- Erected a large shade cover for the second floor patio.

FISCAL YEAR 1998-99 GOALS:

- Improve the staff development program by obtaining staff access to local hospital educational and in-service programs.
- Improve staff recruitment and retention to provide better continuity of care for the residents.
- Reorganize the nursing staff to improve resident care and increase staffing efficiencies.
- Replace a washing machine to improve efficiency and reduce employee hours.
- Replace drapes, privacy curtains and window curtains in the first floor resident rooms.
- Erect a shade cover over the Special Care Unit outdoor walking area.
- Expand the parking lot to accommodate both employees and visitors.
- Purchase a large walk-in freezer to take advantage of quantity discounts when purchasing food.

State Nursing Home at Trinidad

	<i>1996-97 Actual</i>	<i>1997-98 Actual</i>	<i>% Change</i>
<i>Census Information</i>			
Capacity	201.0*	182.0	N/A
Average Daily Census	141.4	134.2	-5.1%
Occupancy Rate	70.4%	73.7%	3.3%
Clients Per FTE	1.1	1.1	0.0%
<i>Staffing Information (FTE)</i>			
Administration/Support	8.5	8.5	0.0%
Nurses/Therapists	82.7	82.7	0.0%
Food Service	17.0	17.0	0.0%
Custodial/Maintenance	<u>17.9</u>	<u>17.9</u>	<u>0.0%</u>
Total	126.1	126.1	0.0%

*In December of 1996, the number of licensed beds was reduced from 226 to 182. As a result, the average number of beds in FY 1996-97 was 201.

FISCAL YEAR 1997-98 ACCOMPLISHMENTS:

- For the third consecutive calendar year, Trinidad earned a deficiency-free survey from the Colorado Department of Public Health and Environment.
- Replaced furniture in resident rooms to provide a more home-like environment.
- Used Medicaid incentive payments to build a wheelchair accessible outdoor garden/sitting areas and expand outdoor sprinkler system.
- Obtained a 76.9 percent reduction in work-related injuries (from 13 in FY 1996-97 to 3 in FY 1997-98).

FISCAL YEAR 1998-99 GOALS:

- Increase the number of off-site activities for residents.
- Continue to update and expand resident menu choices.
- Replace telephone system to increase staff efficiency by decreasing staff pages and to allow residents the option of a private phone.
- Replace fire alarm system and make fire code compliance repairs to building attics.
- Increase number of resident conferences with social workers and residents and their family members.

State Veterans Nursing Home at Walsenburg

	1996-97 ACTUAL	1997-98 ACTUAL	% Change
Census Information			
Capacity	120.0	120.0	N/A
Average Daily Census	91.4	101.0	9.5%
Occupancy Rate	76.2%	84.2%	8.0%
Patients Per FTE	0.9	1.0	10.0%
Staffing Information (FTE)			
Administration/Support	12.3	12.6	2.4%
Nurses/Therapists	64.2	65.8	2.4%
Food Service	12.7	11.2	-13.4%
Custodial/Maintenance	9.5	8.2	-15.9%
Storekeeper/Central Supply	<u>0.2</u>	<u>0.4</u>	<u>50.0%</u>
Total	98.9	98.2	-0.7%

FISCAL YEAR 1998 ACCOMPLISHMENTS:

- Retired \$136,835 in debt to the Central Fund for costs associated with the initial facility construction.
- Developed an employee-led staff retention team.
- Selected an architect to design and oversee the dining room expansion project.
- Acquired several new patient lift devices to protect staff and residents from injury.
- Acquired new snow removal equipment to remove snow from parking and emergency routes more rapidly and increase visitor, staff, and resident access during bad weather.
- Increased range and frequency of resident activities both inside and outside the facility.

FISCAL YEAR 1999 GOALS:

- Continue development of programs to increase staff retention rates.
- Complete the dining room expansion project.
- Raise funds to purchase a van for resident medical transport, thus freeing up the current 16-passenger van for resident recreational outings.
- Add wall protection and corner guards to each resident room to protect the facility.
- Develop a Preceptor/Mentoring Program to assist in training new staff members.
- Develop a memorial garden on the facility grounds.

DIVISION OF STATE AND VETERANS NURSING HOMES
COMPARATIVE INCOME STATEMENT (State-operated Homes)
Fiscal Years Ending June 30, 1998 and 1997

	FY 96-97	FY 97-98	Change	Percent Change
OPERATING REVENUES				
Cash Funds - Private Payments	1,129,551	1,323,488	193,937	17.2%
Cash Funds - Medicaid Cash Funds	6,324,635	6,669,260	344,625	5.4%
Cash Funds - Veteran Payments	4,166,320	4,101,668	(64,652)	-1.6%
Cash Funds - Other Revenues and Interest	128,598	278,371	149,773	116.5%
Federal Funds - VA Per Diem Payments	3,278,939	3,378,070	99,131	3.0%
General Fund (Homelake Domiciliary)	<u>225,642</u>	<u>239,272</u>	<u>13,630</u>	<u>6.0%</u>
Total Operating Revenues	\$15,253,686	\$15,990,129	\$736,443	4.8%
OPERATING EXPENSES				
Personal Services	11,532,725	12,002,622	469,897	4.1%
Operating/Travel Expenses	2,092,865	2,301,763	208,898	10.0%
Utilities	374,914	385,992	11,078	3.0%
Workers Comp/Risk Mgmt.	199,931	197,243	(2,688)	-1.3%
Debt Service (Interest)	45,265	39,487	(5,778)	-12.8%
Vehicle Lease Payments	20,059	20,042	(17)	-0.1%
Capital Outlay - Expensed	37,423	28,148	(9,275)	-24.8%
Construction Projects	0	6,769	6,769	100.0%
Indirect Cost Assessment - CDHS	95,769	95,769	0	0.0%
Indirect Cost Assessment - Director's Office	<u>137,800</u>	<u>154,641</u>	<u>16,841</u>	<u>12.2%</u>
Total Operating Expenses	\$14,536,751	\$15,232,476	\$695,725	4.8%
OPERATING INCOME (LOSS)	\$716,935	\$757,653	\$40,718	5.7%
NON-OPERATING REVENUES				
Transfers In - Cash	0	105,982	105,982	100.0%
Transfers In - Non-Cash	449,126	10,969	(438,157)	-97.6%
NON-OPERATING EXPENSES				
Depreciation	455,786	508,924	53,138	11.7%
Compensated Absences	65,753	(26,390)	(92,143)	-140.1%
Bad Debt Expense	21,929	42,376	20,447	93.2%
Loss on Equipment	4,320	0	(4,320)	-100.0%
NET INCOME (LOSS)	\$618,273	\$349,694	(\$268,579)	-43.4%

NOTES: Includes Florence, Homelake Veterans Center, Rifle and Trinidad.

Cash transfers include \$95,541 in Capital Construction Funds for controlled maintenance at the Homelake Domiciliary and \$10,441 from the Resident's Benefit Fund for Rifle facility renovations. Non-cash transfers include \$407,348 in loan forgiveness for Rifle (SB 97-112) and donations.

DIVISION OF STATE AND VETERANS NURSING HOMES
COMPARATIVE BALANCE SHEET (State-operated Homes)*
Fiscal Years Ending June 30, 1998 and 1997

	Fiscal Year 1996-97	Fiscal Year 1997-98	Change	Percent Change
CURRENT ASSETS				
Operating Cash	1,838,708	2,063,427	224,719	12.2%
Other Cash, Cash Equivalents and Reserves	482,862	145,318	(337,544)	-69.9%
Receivables	866,191	1,140,774	274,583	31.7%
Inventories	252,004	269,839	17,835	7.1%
Other Current Assets	7,522	1,175	(6,347)	-84.4%
Property, Plant and Equipment				
Land	399,141	481,102	81,961	20.5%
Buildings	10,409,330	10,626,352	217,022	2.1%
Furniture & Equipment	2,407,127	2,332,137	(74,990)	-3.1%
Vehicles	171,886	170,123	(1,763)	-1.0%
(Less) Accumulated Depreciation	(6,340,224)	(6,686,352)	(346,128)	5.5%
Construction in Progress	<u>78,267</u>	<u>157,215</u>	<u>78,948</u>	<u>100.9%</u>
Total Assets	\$10,572,814	\$10,701,110	128,296	1.2%
LIABILITIES				
Accounts Payable	291,363	285,059	(6,304)	-2.2%
Accrued Liabilities	3,337	2,784	(553)	-16.6%
Deferred Revenue	1,883	5,178	3,295	175.0%
Bonds/Notes Payable - Current	85,000	90,000	5,000	5.9%
Bonds/Notes Payable-Noncurrent	420,000	330,000	(90,000)	-21.4%
Other long-Term Liabilities				
Long Term Comp.Absence Liability - A/L	516,637	525,332	8,695	1.7%
Long Term Comp.Absence Liability - S/L	175,073	139,988	(35,085)	-20.0%
Long Term Interfund Payables	<u>106,447</u>	<u>(106,447)</u>	<u>(106,447)</u>	<u>-100.0%</u>
Total Liabilities	\$1,599,740	\$1,378,341	(\$221,399)	-13.8%
FUND EQUITY				
Reserved for Encumbrances				
Fund Balance - Unreserved/Undesignated	1,961,079	2,206,295	245,216	12.5%
Contributed Capital (State, Federal, Other)	<u>7,011,995</u>	<u>7,116,474</u>	<u>104,479</u>	<u>1.5%</u>
Total Fund Equity	8,973,074	9,322,769	349,695	3.9%
Total Liabilities and Fund Equity	\$10,572,814	\$10,701,110	\$128,296	1.2%

*Note: Includes the Homelake Domiciliary.

DIVISION OF STATE AND VETERANS NURSING HOMES
STATEMENT OF REVENUES AND EXPENSES
Fiscal Year Ending June 30, 1998

	Homelake				Total Nursing Homes	Walsenburg (Contract- (Operated)
	Florence	Nursing Home	Domiciliary	Rifle		
OPERATING REVENUES						
Cash Funds - Private Payments	138,071	165,877	99,567	751,325	1,323,488	
Cash Funds - Medicaid Cash Funds	743,998	586,717	3,932,190	1,406,356	6,669,260	
Cash Funds - Veteran Payments	1,812,468	711,238	312,731	395	4,101,668	
Cash Funds - Other Revenues/Interest	<u>58,895</u>	<u>97,914</u>	<u>13,759</u>	<u>75,184</u>	<u>278,371</u>	
Subtotal - Cash Funds	2,753,430	1,561,746	426,057	4,759,094	12,372,787	2,809,873
Federal Funds - VA Per Diem Payments	1,445,723	617,103	179,386	1,135,858	3,378,071	1,263,394
General Fund (Homelake Domiciliary)	0	0	239,272	0	239,272	0
Total Operating Revenues	4,199,154	2,178,849	844,715	4,759,094	15,990,129	4,073,267
OPERATING EXPENSES						
Personal Services	3,039,805	1,703,442	560,437	3,660,767	12,002,622	2,783,299
Unemployment Insurance	305	42		1,090	1,437	N/A
Workers Compensation	96,768	9,643	2,880	24,274	176,367	N/A
Vehicle Lease Payments	4,621	2,637	2,072	4,646	20,042	N/A
Risk Management	2,799	4,659	1,391	7,953	19,439	32,716
Operating Expenses	544,934	320,767	155,501	609,593	2,267,505	873,627
Utilities	90,865	60,858	59,965	102,631	385,992	246,939
Debt Service (Interest)		39,487			39,487	N/A
Travel Expenses	6,665	4,904	1,915	4,947	34,258	14,546
Capital Outlay - Expensed	7,646	272	9,717	10,513	28,148	658

DIVISION OF STATE AND VETERANS NURSING HOMES
STATEMENT OF REVENUES AND EXPENSES
Fiscal Year Ending June 30, 1998

	Florence	Homelake Nursing Home	Homelake Domiciliary	Trinidad	Rifle	Total Nursing Homes	Walsenburg (Contract- (Operated)
Construction Projects		4,250	2,519			6,769	
CDHS Indirect Cost Assessment	24,288	12,250	35,231		24,000	95,769	
Transferred Expense - Director's Office	<u>41,165</u>	<u>20,414</u>	<u>5,713</u>	<u>50,907</u>	<u>36,442</u>	<u>154,641</u>	<u>10,975</u>
Total Operating Expenses	3,859,861	2,183,625	792,393	4,510,666	3,885,931	15,232,476	3,962,760
OPERATING INCOME (LOSS)	339,293	(4,776)	52,322	248,428	122,387	757,653	110,507
NON-OPERATING REVENUES							
Transfers In - Cash	0	0	95,541	0	10,441	105,982	0
Transfers In - Non Cash (Donations)	0	<u>5,440</u>	<u>200</u>	<u>0</u>	<u>5,329</u>	<u>10,969</u>	<u>0</u>
Total Non-Operating Revenues	0	5,440	95,741	0	15,770	116,951	0
NON-OPERATING EXPENSES							
Depreciation	87,013	77,047	35,747	119,886	189,231	508,924	416,357
Compensated Absences	(14,933)	3,535	(3,875)	(17,495)	6,378	(26,390)	0
Bad Debt Expense	<u>35,413</u>	<u>5,744</u>	<u>460</u>	<u>759</u>	<u>0</u>	<u>42,376</u>	<u>81,784</u>
Total Non-Operating Expenses	107,493	86,326	32,332	103,150	195,609	524,910	498,141
NET INCOME (LOSS)	231,800	(85,662)	115,731	145,278	(57,452)	349,694	(387,634)

NOTES: Cash transfers include \$95,541 from the Capital Construction Fund for controlled maintenance at the Homelake Domiciliary and \$10,441 from the Resident's Benefit Fund at Rifle for facility renovations.

**DIVISION OF STATE AND VETERANS NURSING HOMES
BALANCE SHEET
FISCAL YEAR ENDING JUNE 30, 1998**

	Florence	Homelake	Rifle	Trinidad	Total State-Operated Nursing Homes	Walsenburg (Contract-Operated)
ASSETS						
Cash and Cash Equivalents						
Change Funds		500		1,000	1,500	
Petty Cash Funds	100	1,000	100	500	1,700	
Restricted Checking - Depository	8,651	7,018	134		15,803	1,134
Operating Cash	938,356	152,258	(153,279)	1,126,092	2,063,427	
Anticipation Warrant Reserve		94,500			94,500	
Anticipation Warrant Debt Service		11,815			11,815	
Sale of Land Reserve		20,000			20,000	
Receivables						
Accounts Receivables - Residents	107,040	42,982	87,661	38,587	276,270	470,844
Accounts Receivables - Other Systems	23	30,242	2,503	0	32,768	
Allowance for A/R - Agency Systems	(41,849)	(3,729)	(31,631)	(884)	(78,093)	(37,671)
Accounts Receivable - Other	41,060	34,714	85,832	268,176	429,782	
Allowance for A/R - Other	(12,859)				(12,859)	
Intergovernmental - Federal	231,580	98,446	162,880		492,906	
Inventories						
Supplies Inventories	72,563	63,280	71,379	62,617	269,839	
Other Current Assets						
Prepaid Expenses - General	1,175				1,175	
Fixed Assets						
Land	60,000	19,161	54,200	5,960	139,321	
Improvements to Land	69,962	3,866	66,609	201,344	341,781	
Accumulated Depr - Land Improve.	(51,893)	(3,866)	(36,341)	(106,802)	(198,902)	
Buildings	1,461,016	3,720,557	3,455,231	1,989,548	10,626,352	8,089,368

**DIVISION OF STATE AND VETERANS NURSING HOMES
BALANCE SHEET
FISCAL YEAR ENDING JUNE 30, 1998**

	Florence	Homelake	Rifle	Trinidad	Total State-Operated Nursing Homes	Walsenburg (Contract-Operated)
Accumulated Depr - Buildings	(680,411)	(1,863,206)	(1,220,225)	(1,277,552)	(5,041,394)	(1,971,438)
Leasehold Improvements						
Furniture & Equipment	696,816	447,069	561,450	567,914	2,273,249	31,803
Software Capitalized	26,480	8,564	13,691	10,153	58,888	
Vehicles	35,725	54,425	19,336	60,637	170,123	
Accumulated Depr - Vehicles	(9,682)	(31,196)	(17,210)	(43,473)	(101,561)	
Accumulated Depr - Equipment	(356,495)	(271,358)	(335,264)	(358,022)	(1,321,139)	(218,285)
Accumulated Depr - Software	(4,579)	(4,941)	(7,617)	(6,219)	(23,356)	
Construction in Progress	0	0	36,177	121,038	157,215	21,902
TOTAL ASSETS	2,592,779	2,632,101	2,815,616	2,660,614	10,701,110	6,387,657
LIABILITIES						
Payables						
Warrants Payable	4,671	4,369	25,145	7,772	41,957	
Vouchers Payable	17,069	54,875	83,977	33,623	189,544	
Retainage Pay on Contracts						
Accts Pay - Agency System	19,623				19,623	
Accounts Payable - Other	305	17,834	15,191	605	33,935	16,094
Accrued Liabilities						
Accrued Interest Payable		2,784			2,784	
Deferred Revenue						
Deferred Revenue		4,531	647		5,178	
Notes Payable - Current						
Anticip Warrants Pay - Current		90,000			90,000	

**DIVISION OF STATE AND VETERANS NURSING HOMES
BALANCE SHEET
FISCAL YEAR ENDING JUNE 30, 1998**

	Florence	Homelake	Rifle	Trinidad	Total State-Operated Nursing Homes	Walsenburg (Contract-Operated)
Other Current Liabilities						
Due Hospital and District						2,619,731
Deposits Held in Custody						
Cancelled Warrants Prior Year						
Bonds/Notes Payable-Noncurrent						
Anticipation Warrants Payable		330,000			330,000	
Other long-Term Liabilities						
Long-term Comp. Absences - A/L	148,657	142,491	112,897	121,287	525,332	
Long-term Comp. Absences - S/L	40,958	41,079	17,215	40,736	139,988	
Long-term Interfund Payables						
TOTAL LIABILITIES	231,283	687,963	255,072	204,023	1,378,341	2,635,825
FUND EQUITY						
Reserved for Encumbrances						
FB-Unreserved/Undesignated Contributed Capital	919,842	301,151	(1,471,289)	2,456,591	2,206,295	(1,164,803)
Contributed Capital-State		335,746	407,348		743,094	5,403,586
Contributed Capital-Federal	45,472	1,266,405	2,321,428		3,633,305	
Contributed Capital-Other	<u>1,396,182</u>	<u>40,836</u>	<u>1,303,057</u>	0	<u>2,740,075</u>	
TOTAL FUND EQUITY	2,361,496	1,944,138	2,560,544	2,456,591	9,322,769	4,238,783
TOTAL LIABILITIES AND FUND EQUITY	2,592,779	2,632,101	2,815,616	2,660,614	10,701,110	6,874,608

NOTE: The Balance Sheet for the Homelake Nursing Home and the Homelake Domiciliary are combined.

DIVISION OF STATE AND VETERANS NURSING HOMES
COMPARATIVE INCOME STATEMENT - WALSENBURG STATE VETERANS HOME
Fiscal Years Ending June 30, 1998 and 1997

	FY 96-97	FY 97-98	Change	Percent Change
OPERATING REVENUES				
Cash Funds	2,434,986	2,809,873	374,887	15.4%
Federal Funds	<u>1,109,100</u>	<u>1,263,394</u>	<u>154,294</u>	<u>13.9%</u>
Total Operating Revenues	3,544,086	4,073,267	529,181	14.9%
OPERATING EXPENSES				
Personal Services	2,392,888	2,783,299	390,411	16.3%
Operating/Travel Expenses	762,096	888,831	126,735	16.6%
Utilities	230,633	246,939	16,306	7.1%
Risk Management	23,901	32,716	8,815	36.9%
Transferred Expense - Director's Office	<u>11,029</u>	<u>10,975</u>	<u>(54)</u>	<u>-0.5%</u>
Total Operating Expenses	3,420,547	3,962,760	542,213	15.9%
OPERATING INCOME (LOSS)	123,539	110,507	(13,032)	-10.5%
NON-OPERATING EXPENSES				
Depreciation	420,764	416,357	(4,407)	-1.0%
Bad Debt Expense	<u>87,058</u>	<u>81,784</u>	<u>(5,274)</u>	<u>-6.1%</u>
Total Non-Operating Expenses	507,822	498,141	(9,681)	-1.9%
NET INCOME (LOSS)	(384,283)	(387,634)	(3,351)	0.9%

DIVISION OF STATE AND VETERANS NURSING HOMES
COMPARATIVE BALANCE SHEET - WALSENBURG STATE VETERANS HOME
Fiscal Years Ending June 30, 1998 and 1997

	Fiscal Year 1996-97	Fiscal Year 1997-98	Change	Percent Change
CURRENT ASSETS				
Operating Cash				
Other Cash, Cash Equivalents and Reserves	133,454	1,134	(132,320)	-99.2%
Receivables	203,842	433,173	229,331	112.5%
Inventories				
Other Current Assets				
Property, Plant and Equipment				
Land				
Buildings	8,089,368	8,089,368	0	0.0%
Furniture & Equipment	486,951	518,754	31,803	6.5%
Vehicles				
(Less) Accumulated Depreciation	(1,773,366)	(2,189,723)	(416,357)	23.5%
Construction in Progress	<u>0</u>	<u>21,902</u>	<u>21,902</u>	<u>100.0%</u>
Total Assets	7,140,249	6,874,608	(265,641)	-3.7%
LIABILITIES				
Accounts Payable	16,092	16,094	2	0.0%
Accrued Liabilities				
Deferred Revenue				
Bonds/Notes Payable - Current				
Bonds/Notes Payable-Noncurrent				
Other long-Term Liabilities				
Long Term Comp.Absence Liability - A/L				
Long Term Comp.Absence Liability - S/L				
Due Hospital and Hospital District	<u>2,497,740</u>	<u>2,619,731</u>	<u>121,991</u>	<u>4.9%</u>
Total Liabilities	2,513,832	2,635,825	121,993	4.9%
FUND EQUITY				
Reserved for Encumbrances				
Fund Balance - Unreserved/Undesignated	(777,169)	(1,164,803)	(387,634)	49.9%
Contributed Capital (State)	<u>5,403,586</u>	<u>5,403,586</u>	<u>0</u>	<u>0.0%</u>
Total Fund Equity	4,626,417	4,238,783	(387,634)	-8.4%
Total Liabilities and Fund Equity	7,140,249	6,874,608	(265,641)	-3.7%