

**RECEIVED**

**FEB 07 2011**

**CARSON CITY  
EXECUTIVE OFFICES**

Carson City, a Consolidated Municipality

Application for

**Community Support Services Funding**  
Fiscal Year 2011-2012

Name of Organization: Home Health Services of Nevada

Amount Requested: \$ 5000.00

Contact Person: William J. Guisti, CEO/Administrator

Mailing Address: P.O. Box 1359

City: Elko State: NV Zip Code: 89803

Phone Number: 775-738-7178 E-mail: bguisti@citlink.net

501(c)3 Taxpayer I.D. Number: 880098964

Date Submitted: February 3, 2011

Please mail completed application and attachments to:  
Carson City Executive Offices  
201 N. Carson Street, Suite 2  
Carson City, NV 89701

Carson City Community Support Services  
**APPLICATION FOR GRANT FUNDS**  
Fiscal Year 2011-2012

**Organization Information**

1. What is the overall purpose or goal of your organization?  
*Private non-profit provider of home health care services of 14 of Nevada's 17 counties.*
2. How long has your organization been in existence? 48 Years 5 Months  
How long has your organization been in Carson City? 45 Years    Months
3. Describe in general the activities or services of your organization:  
*Homemaker, Personal Care Aides for the frail and elderly.*
4. How many people do you intend to serve during this Fiscal Year 2011-2012?  
# of Youth    # of Adults    # of Seniors 115
5. How many people served this Fiscal Year 2011-2012 will be Carson City residents?  
# of Youth    # of Adults    # of Seniors 115
6. How many paid employees/volunteers does your organization employ?  
# of full-time employees 5 # of part-time employees 15
7. Percentage of organizational funds to be utilized for administrative costs (i.e., salaries, travel, training, etc): 5%
8. Describe how your organization is managed and governed (i.e., Board of Directors).  
*Board of Directors*
9. Please provide information on your Executive Board members or contact person:  

<u>Name</u>	<u>Title</u>	<u>Phone</u>
<i>See attached officers list</i>		<i>775-738-7178</i>

**Program/Proposal Information**

10. Amount of funds requested? \$ 5000.00
11. **Purpose of Program/Proposal:** Describe the program/proposal, target population, number to be served, what the grant will specifically fund. Explain your organization's qualifications to deal with the issue.

*Low income frail and elderly who need homemaker and personal care services to remain in their home and out of long term care facilities. Title IIIb Match*

12. **Goals, Objectives & Measurable Outcomes:** The events and/or services must assist the City to fulfill its vision statement and accomplish one or more of the City's Goals. Please indicate which goal(s) will be met. Clearly state measurable outcomes of the project. Tell how you propose to achieve the outcomes of the project in terms of specific activities, including a timetable (proposed starting date and duration of the project):

*A health community. Through the use of long term intermittent homemaker and personal care aides, 114 Carson residents are kept out of long term care regardless of ability to pay or income. Title IIIb Match from Carson is an important component.*

13. Indicate who will benefit from the use of these funds, and how they will benefit. If this is an ongoing event, please state how you intend to fund the program in future years.

*Those who need assistance with housekeeping, bathing, grooming, meal prep, etc. will benefit from not being in a facility that provides these services on a daily basis.*

14. Are you aware of any other private sector/nonprofit/governmental/agencies in the area providing the same services as your program/proposal? If yes, please explain how your project will compliment other existing programs?

*Other for-profit companies provide some care, but only based on a clients ability to pay.*

15. Please include a detailed budget for this program/event, and detailed list of intended expenditures and revenues.

16. Has your organization been funded by Carson City previously?  Yes  No  
If yes, please list:

<u>Year</u>	<u>Amount</u>	<u>Program/Event</u>
-------------	---------------	----------------------

*For 45 years in the amount of \$5000-\$6000 per year covering the County Match for Title IIIb Funding and free care.*

**Required Attachments:**

- A copy of your 501(c)3 Designation Letter from the IRS. For branches of a larger organization (i.e., local troop of Boy Scouts of America), please provide the letter for your umbrella organization.
- A copy of your most recent audited financial statement. For smaller organizations, or branches, a more simple budget showing income and expenses is acceptable. Also include an IRS form 990.
- **Previous Grantees: If your organization received grant funding in Fiscal Year 2010-2011 you must complete and submit an Annual Report form detailing how those funds were spent. Applications for former grantees will not be considered if an Annual Report has not been included.**
- Signed Guidelines for Grants (please keep a copy for your files).

Carson City, a Consolidated Municipality

**Annual Report**  
**For Community Support Services Funding**  
**Fiscal Year 2010-2011**

Name of Organization: Home Health Services of Nevada

Program/Project:

Amount of Funds Received \$ 5000.00

Contact Person: William J. Guisti, CEO/Administrator

Mailing Address: P.O. Box 1359

City: Elko State: NV Zip Code: 89803

Phone Number: 775-738-7178 E-mail: bguisti@citlink.net

Date Submitted: February 3, 2011

1. Please attach a final financial income and expense statement that specifically explains how grant funds were used, including a comparison between your budgeted and your actual incomes and expenses.
2. Evaluate your achievement of the measurable outcomes listed in your application:  
*The number of Carson frail and elderly residents who were able to remain in their homes.*
3. Approximately how many people benefitted from your project? How many of those people were Carson City residents? What were some of the individual benefits?  
*140 Clients, all were Carson City residents.*
4. What specific community benefit did your project provide Carson City?  
*Community wellness and health*
5. Will this program/project be reoccurring? How do you anticipate funding the project in the future?  
*Ongoing, indefinitely*
6. Describe any challenges that impacted your program.  
*Continued cuts by State of Nevada for Personal Care Services*

Distribution County Funds to Homemaking  
In Carson City County for 2009-2010

Description Carson County share of  
Reviewed Financials 2009-2010 HM Admin

hm mileage	623005	\$95.94		
hm pension	624010			
hm insurance	624013			
hm employee physical	628031	\$1,253.08		
hm emp recruiting	628032	\$226.00		
hma pension	824010			
hma mileage	823005			
hma emp physicals	828031			
hma other	828035		\$0.00	
hma insurance	824011		\$18.77	
hma travel	82300495			
hma inservice	82502395			
hma meal lodging	82502595			
hma janitorial	87706195			
hma rents	87706295		\$357.91	
hma utilities	87808395		\$76.82	
hma telephone	87906495		\$3.61	
hma postage	88006595			
hma data processing	88106695			
hma office supplies	88206795			
hma printing copy paper	88306895		\$1.79	
hma equip repair	88807395			
hma tax and license	89010095			
hma computer program	89508095			
total		\$1,575.02	\$458.90	\$2,033.92

prepared by: W.J. Guisti  
02/20/2003

<b>Title IIIB Match</b>	July	\$534.77
	August	\$529.47
	September	\$544.70
	October	\$487.12
	November	\$430.86
	December	\$456.01
	January	\$386.52
	February	\$406.37
	March	\$525.50
	April	\$538.14
	May	\$542.05
	June	\$910.03
	Total	\$6,291.64

**Direct Care**

Total \$1,546.69  
\$1,546.69

**Total Use of County Funds** \$9,872.15

**County Participatory**

Total Co Match \$5,000.00

**Expenditures over grant** (\$4,872.15)

**HOME HEALTH SERVICES OF NEVADA, INC.**

**BOARD OF DIRECTORS**

**Bunny Hill, Chair**

995 Campton, Ely, NV 89301  
(775)289-3271 Voice ★ (775) 289-2405 Fax

**Gretchen Greiner, R.S.T., Vice Chair**

P.O. Box 286  
Elko, NV 89803  
(775) 738-6308 Voice ★ (775) 753-7602 Fax

**Susan Harrer, Secretary/Treasurer**

P.O. Box 3  
Winnemucca, NV 89446  
(775)623-4314 Voice ★ (775) 623-6645 Fax  
4155 Golden Circle Drive  
Winnemucca, NV 89445

**Charles "Chuck" Giordano**

Humboldt County Commissioner  
50 West 5<sup>th</sup> St., Room 205  
Winnemucca, NV 89445  
(775) 859-0232 Voice ★ (775) 623-6302 Fax  
HCRO2 Box 362 Battle Creek  
Winnemucca, NV 89445

**ADMINISTRATION**

William Guisti, CEO/Administrator  
Leah Doke, RN, Director of Professional Services

P.O. Box 1359  
Elko, Nevada 89803

Phone: 775-738-7178  
Fax: 775-738-7850



DO - 94

**Internal Revenue Service  
Washington, DC 20224**

Date: JUL 2 1974 | In reply refer to:  
T:MS:EO:R 2-5

Nevada Home Health Services, Inc.  
P. O. Box 1141  
Elko, Nevada 89801

Employer Identification Number: 88-0098964  
Key District: San Francisco  
Accounting Period Ending: June 30  
Form 990 Required:  Yes  No

Dear Applicant:

Based on information supplied, and assuming your operations will be as stated in your application for recognition of exemption, we have determined you are exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code. This modifies our February 17, 1967, ruling holding you exempt under section 501(c)(4) of the Code.

We have further determined you are not a private foundation within the meaning of section 509(a) of the Code, because you are an organization described in section 509(a)(2).

You are not liable for social security (FICA) taxes unless you file a waiver of exemption certificate as provided in the Federal Insurance Contributions Act. You are not liable for the taxes imposed under the Federal Unemployment Tax Act (FUTA).

Since you are not a private foundation, you are not subject to the excise taxes under Chapter 42 of the Code. However, you are not automatically exempt from other Federal excise taxes.

Donors may deduct contributions to you as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for Federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.

If your purposes, character, or method of operation is changed, you must let your key District Director know so he can consider the effect of the change



on your exempt status. Also, you must inform him of all changes in your name or address.

The block checked at the beginning of this letter shows whether you must file Form 990, Return of Organization Exempt From Income Tax. If the Yes box is checked, you are required to file Form 990 only if your gross receipts each year are normally more than \$5,000. If a return is required, it must be filed by the 15th day of the fifth month after the end of your annual accounting period. The law imposes a penalty of \$10 a day, up to a maximum of \$5,000, for failure to file the return on time.

You are not required to file Federal income tax returns unless you are subject to the tax on unrelated business income under section 511 of the Code. If you are subject to this tax, you must file an income tax return on Form 990-T. In this letter we are not determining whether any of your present or proposed activities are unrelated trade or business as defined in section 513 of the Code.

You need an employer identification number even if you have no employees. If an employer identification number was not entered on your application, a number will be assigned to you and you will be advised of it. Please use that number on all returns you file and in all correspondence with the Internal Revenue Service.

We are informing your key District Director of this action. Because this letter could help resolve any questions about your exempt status and your foundation status, please keep it in your permanent records.

Thank you for your cooperation.

Sincerely yours,



E. D. Coleman  
Chief, Ruling Section 2  
Exempt Organizations Branch

**FINANCIAL STATEMENTS AND ACCOUNTANTS' REVIEW REPORT**

**Home Health Services of Nevada, Inc.**

**June 30, 2010 and 2009**



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**Board of Directors**  
**Home Health Services of Nevada, Inc.**

We have reviewed the accompanying balance sheets of Home Health Services of Nevada, Inc. (a nonprofit organization) as of June 30, 2010, and 2009, and the related statements of operations, changes in net assets, and cash flows for the years then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of Home Health Services of Nevada, Inc.

A review consists principally of inquiries of company personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.

Our reviews were made for the purpose of expressing limited assurance that there are no material modifications that should be made to the financial statements in order for them to be in conformity with generally accepted accounting principles. The supplementary information included in the accompanying schedules is presented only for supplementary analysis purposes. Such information has been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, and we are not aware of any material modifications that should be made thereto.

*McMullen, McPhee & Company LLC*

**Elko, Nevada**  
**December 7, 2010**

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Home Health Services of Nevada, Inc.

BALANCE SHEETS

June 30,

(See Accountants' Review Report)

ASSETS

	<u>2010</u>	<u>2009</u>
<b>Current Assets</b>		
Cash	\$ 148,896	\$ 75,427
Accounts receivable, net of allowance for doubtful accounts and contractual allowance of \$85,731 and \$95,045 for 2010 and 2009, respectively	701,278	665,300
Inventory	47,357	43,815
Prepaid expenses	41,058	32,888
Deposits	13,763	15,640
Total current assets	<u>952,352</u>	<u>833,070</u>
<b>Office and Field Equipment</b> , net of accumulated depreciation	<u>147,757</u>	<u>149,993</u>
Total assets	<u>\$ 1,100,109</u>	<u>\$ 983,063</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 221,020	\$ 316,828
Notes payable	18,241	119,369
Current maturities of capital lease obligations	26,958	10,949
Current maturities of long-term debt	29,300	115,097
Accrued salaries and related liabilities	291,108	274,936
Advances from third-party payors	158,205	144,344
Total current liabilities	<u>744,832</u>	<u>981,523</u>
<b>Long-Term Liabilities</b>		
Capital lease obligations, less current maturities	28,883	6,473
Long-term debt, less current maturities	99,223	44,668
Total long-term liabilities	<u>128,106</u>	<u>51,141</u>
Total liabilities	<u>872,938</u>	<u>1,032,664</u>
<b>Net Assets</b>		
Unrestricted	204,908	(89,766)
Temporarily restricted	22,263	40,165
Total net assets	<u>227,171</u>	<u>(49,601)</u>
Total liabilities and net assets	<u>\$ 1,100,109</u>	<u>\$ 983,063</u>

The accompanying notes are an integral part of these statements.



Home Health Services of Nevada, Inc.

STATEMENTS OF OPERATIONS

For the years ended June 30,

(See Accountants' Review Report)

	<u>2010</u>	<u>2009</u>
<b>Revenue, gain and other support</b>		
Net patient service revenue	\$ 6,016,648	\$ 6,013,755
Net assets released from restriction	<u>28,930</u>	<u>21,151</u>
Total revenues, gains and other support	<u>6,045,578</u>	<u>6,034,906</u>
<b>Expenses</b>		
Advertising	16,563	21,858
Ancillary services	764,715	846,453
Depreciation and amortization	87,095	89,795
Interest expense	33,594	84,299
Other	614,628	678,914
Payroll taxes and related expenses	472,833	537,817
Rent	301,716	290,311
Salaries and benefits	<u>3,571,065</u>	<u>3,721,736</u>
Total expenses	<u>5,862,209</u>	<u>6,271,183</u>
Operating income (loss)	<u>183,369</u>	<u>(236,277)</u>
<b>Other income</b>		
Gifts and contributions	110,800	25,068
Interest income	<u>505</u>	<u>74</u>
Total other income	<u>111,305</u>	<u>25,142</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND CHANGE IN UNRESTRICTED NET ASSETS</b>	<u>\$ 294,674</u>	<u>\$ (211,135)</u>

The accompanying notes are an integral part of these statements.

Home Health Services of Nevada, Inc.  
**STATEMENTS OF CHANGES IN NET ASSETS**

For the years ended June 30,  
(See Accountants' Review Report)

	2010	2009
<b>Unrestricted net assets:</b>		
Excess (deficiency) of revenue over expenses	\$ 294,674	\$ (211,135)
Increase (decrease) in unrestricted net assets	294,674	(211,135)
<b>Temporarily restricted net assets:</b>		
Contributions	11,028	21,729
Net assets released from restrictions	(28,930)	(21,151)
Increase (decrease) in temporarily restricted net assets	(17,902)	578
<b>INCREASE (DECREASE) IN NET ASSETS</b>	<b>276,772</b>	<b>(210,557)</b>
<b>Net assets at beginning of year</b>	<b>(49,601)</b>	<b>160,956</b>
<b>Net assets at end of year</b>	<b>\$ 227,171</b>	<b>\$ (49,601)</b>

The accompanying notes are an integral part of these statements.

Home Health Services of Nevada, Inc.

STATEMENTS OF CASH FLOWS

For the years ended June 30,

(See Accountants' Review Report)

Increase (decrease) in cash and cash equivalents

	<u>2010</u>	<u>2009</u>
<b>Cash flows from operating activities</b>		
Change in net assets	\$ 276,772	\$ (210,557)
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation of office and field equipment	87,095	89,795
Change in assets and liabilities		
(Increase) decrease in accounts receivable	(35,978)	228,887
(Increase) decrease in inventories	(3,542)	8,209
(Increase) decrease in prepaid expenses	(8,170)	10,248
(Increase) decrease in other deposits	1,877	4,600
Increase (decrease) in accounts payable and accrued expenses	(79,636)	95,621
Increase (decrease) in advances from third party payors	13,861	(67,173)
	<u>(24,493)</u>	<u>370,187</u>
Net cash provided (used) by operating activities	<u>252,279</u>	<u>159,630</u>
<b>Cash flows from investing activities</b>		
(Acquisition) disposition of office and field equipment	(17,580)	-
Net cash provided (used) by investing activities	<u>(17,580)</u>	<u>-</u>
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term debt	(101,128)	6,514
Proceeds from long-term debt	83,676	100,009
Payments on long-term debt	(114,918)	(143,941)
Payments on capital leases	(28,860)	(46,785)
Net cash provided (used) by financing activities	<u>(161,230)</u>	<u>(84,203)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<u>73,469</u>	<u>75,427</u>
Cash and cash equivalents at beginning of year	<u>75,427</u>	<u>-</u>
Cash and cash equivalents at end of year	<u>\$ 148,896</u>	<u>\$ 75,427</u>
<b>Supplementary Disclosure of Cash Flow Information</b>		
Interest expense	<u>\$ 33,594</u>	<u>\$ 84,299</u>
Long-term debt to purchase equipment	<u>\$ 67,279</u>	<u>\$ -</u>

The accompanying notes are an integral part of these statements.

Home Health Services of Nevada, Inc.

NOTES TO FINANCIAL STATEMENTS

June 30, 2010 and 2009

(See Accountants' Review Report)

**NOTE A - SUMMARY OF ACCOUNTING POLICIES**

Home Health Services of Nevada, Inc. is a not-for-profit corporation organized under Nevada Revised Statutes Chapter 82. The Organization provides home health care to persons throughout Nevada. The Board of Directors were originally appointed by the County Commissioners of each of the said counties: Elko, Humboldt, White Pine, Nye, Pershing, and Storey. Each of these members will continue to serve as long as he or she chooses to remain on the Board of Directors, unless said member is voted off the Board by a vote of two-thirds (2/3) of the Board.

Effective August 30, 2001 the appointments to the Board of Directors, including vacancies created by the resignation of said Board member, shall henceforth be made by majority vote of the Board of Directors at any regularly scheduled or special meeting of the Board of Directors at a duly noticed meeting with a quorum present and shall no longer be made by the Boards of County Commissioners. If because of resignation of members of the Board of Directors, there is not a quorum of the existing Board of Directors still acting on the board, a majority of the remaining members of the Board of Directors may appoint additional qualified members to the Board of Directors.

A new member to be appointed to the Board shall be a person of good character, with interest in the provision of quality home health and homemaker services to the people of Nevada, and be a resident of an area of Nevada in which the Corporation provides home health services and/or homemaker services; provided, however, that said appointed member of the Board shall not be an employee or former employee of Home Health Services of Nevada, Inc. Each such appointed member shall be an "at large" member representing all areas and residents of Nevada in which the Corporation provides home health services and/or homemaker services.

A summary of the Organization's significant accounting policies consistently applied in the preparation of the accompanying financial statements follows:

**1. Financial Statement Presentation**

The financial statements of Home Health Services of Nevada, Inc. are prepared on the accrual basis of accounting, and are in conformity with the Financial Accounting Standards Board Accounting Standards Codification No. 958, "Financial Statements of Not-for-Profit Entities" (FASB ASC 958).

**2. Net Patient Service Revenue and Accounts Receivable**

Net patient service revenue represents the estimated net realizable amounts from patients, third-party payors, and others for services rendered. Annually, the Organization reviews the provisions for bad debts and determines a reasonable amount based on prior and projected bad debts. The Organization performs home health services in various counties across Nevada, and grants credit for these services to federal and state third party reimbursement programs, as well as individuals.

Home Health Services of Nevada, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2010 and 2009

(See Accountants' Review Report)

NOTE A - SUMMARY OF ACCOUNTING POLICIES - CONTINUED

3. **Inventory**

Inventory is stated at the lower of cost or market. Cost is determined principally by the first-in, first-out method.

4. **Office and Field Equipment**

Equipment is stated at cost or at fair market value at date of donation (if donated) less accumulated depreciation. Depreciation and amortization are provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives, principally on a straight-line basis. Leased property under capital leases is amortized over the lives of the respective leases or over the service lives of the assets for those leases which substantially transfer ownership.

5. **Federal Income Tax**

The Organization is exempt from federal and state income taxes under Internal Revenue Code Section 501(c)(3). No provision is therefore made for income taxes in the accompanying financial statements.

6. **Cash and Cash Equivalents**

For purposes of the statement of cash flows, the Organization considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

During the year, cash and cash equivalents included amounts on deposit with a major financial institution in excess of the maximum amount insured by the Federal Deposit Insurance Corporation. Management believes that this major financial institution is a viable entity.

7. **Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

8. **Concentration of Credit Risk**

Financial instruments subjecting the Organization to credit risk consist of cash and receivables. The management of the Organization does not believe any significant credit risk exists as of June 30, 2010.

9. **Subsequent Events**

The Organization has evaluated subsequent events through December 7, 2010, the date which the financial statements were available to be issued.

Home Health Services of Nevada, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2010 and 2009

(See Accountants' Review Report)

NOTE A - SUMMARY OF ACCOUNTING POLICIES - CONTINUED

10. Advertising Costs

Advertising expenses consist primarily of job listings in various industry publications and yellow page listings. The Organization expenses these costs as incurred which is the first time advertising takes place. Advertising expense was as follows for the years ended June 30:

	<u>2010</u>	<u>2009</u>
Advertising Expense	\$ 16,563	\$ 21,858

NOTE B - THIRD-PARTY RATE ADJUSTMENTS AND REVENUE

Approximately 74% in 2010 and 71% in 2009 of total patient service revenues were derived under federal and state third-party reimbursement programs. These revenues are based, in part, on cost reimbursement principles and are subject to audit and retroactive adjustment by the respective third-party fiscal intermediaries. In the opinion of management, retroactive adjustments, if any, would not be material to the financial position or results of operations of the Organization.

Gross revenues by payer are as follows:

	<u>2010</u>	<u>2009</u>
Medicare	\$ 2,752,564	\$ 2,649,399
Medicaid	100,801	103,756
County	94,816	81,038
Title IIIB	154,239	129,291
Chips	277,128	327,071
Insurance and private pay	1,205,797	1,372,783
	<u>\$ 4,585,345</u>	<u>\$ 4,663,338</u>

Medicare and Medicaid Programs

The Organization has entered into contractual agreements with Medicare and the Nevada Medicaid Health Insurance Program to provide care for patients covered by these programs. Under provisions of the Medicare contract, the Organization is paid on an interim rate based upon billings to the program under a retrospective reasonable-cost-based system. Final settlement is established through an audit of reimbursable costs by the program's fiscal intermediaries. Based upon the audit, a settlement is made to adjust interim payments to the lesser of allowable cost of services furnished or the customary charges made to patients by level of care.

Effective October 1, 2000, the Health Care Financing Administration issued new rules pertaining to the Medicare Program; Prospective Payment System for Home Health agencies. The prospective payment system replaced the retrospective reasonable-cost-based system used by Medicare for the payment of home health services under Part A and Part B. The new rules incorporate a national 60-day episode payment for all of the reasonable costs of services furnished to an eligible beneficiary under a Medicare home health plan of care.

Home Health Services of Nevada, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2010 and 2009

(See Accountants' Review Report)

**NOTE B - THIRD-PARTY RATE ADJUSTMENTS AND REVENUE - CONTINUED**

**Government**

The Organization contracts with various county and city agencies within Nevada to provide services to patients not eligible for Medicare and Medicaid. The contracts are for a twelve month period effective July 1 of each year. Contract payments are made either monthly or quarterly and are not subject to redetermination based on services provided nor costs incurred. These funds are also normally used in conjunction with Federal grant subsidies under the Title IIIB Program as part of the cash match requirement.

**Title IIIB**

The Organization contracts with the Federal Department of Human Services Division for Aging Services under Title IIIB to provide care to persons over 60 who have no other means of payment. The contracts are subject to repayment of funds not expended as determined by an audit of services performed by the State of Nevada Division of Aging Services.

**Community Home-Based Initiatives Program (CHIP)**

The Organization also contracts with the State of Nevada through its Department of Human Resources Division for Aging Services to provide homemaker services for functionally impaired clients.

**NOTE C - CASH AND CASH EQUIVALENTS**

Cash and cash equivalents consisted of the following at June 30:

	<u>2010</u>	<u>2009</u>
Nevada State Bank - All Accounts	\$ 143,622	\$ 68,355
First National Bank of Ely	4,074	5,972
Petty Cash	1,200	1,100
	<u>\$ 148,896</u>	<u>\$ 75,427</u>

**NOTE D - OFFICE AND FIELD EQUIPMENT**

Office and field equipment consisted of the following at June 30:

	<u>July 1, 2009</u>	<u>Additions</u>	<u>Dispositions</u>	<u>June 30, 2010</u>
Office and field equipment	\$ 1,151,625	\$ 84,859	\$ -	\$ 1,236,484
Less: Accumulated depreciation	<u>(1,001,632)</u>	<u>(87,095)</u>	<u>-</u>	<u>(1,088,727)</u>
	<u>\$ 149,993</u>	<u>\$ (2,236)</u>	<u>\$ -</u>	<u>\$ 147,757</u>

Home Health Services of Nevada, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2010 and 2009

(See Accountants' Review Report)

**NOTE D - OFFICE AND FIELD EQUIPMENT - CONTINUED**

As explained in note E, \$234,226 of the office equipment is financed through a capital lease as of June 30, 2010 and 2009. All other equipment is secured as collateral as explained in note H.

	<u>2010</u>	<u>2009</u>
Depreciation expense consisted of the following for the years ended June 30:	\$ 87,095	\$ 89,795

**NOTE E - NOTES PAYABLE**

Notes payable consisted of the following at June 30:

	<u>2010</u>	<u>2009</u>
Line-of-credit, \$200,000, Nevada State Bank, at prime plus 3% due April 3, 2010. This note was secured by accounts receivable, inventory and equipment and was consolidated with the long-term note payable with Nevada State Bank in Note H in June 2010.	\$ -	\$ 100,367
Line-of-credit, \$100,000, Nevada State Bank, at a variable rate of no less than 7% and no more than 25% due July 3, 2011. This note is secured by accounts receivable, inventory and equipment.	-	-
Note payable, Imperial Credit Corp, at 6% interest. Payable at \$2,331.71 per month including interest until March 24, 2011. This note is for the financing of insurance premiums and is secured by unearned premiums and potential loss claims.	18,241	19,002
	<u>\$ 18,241</u>	<u>\$ 119,369</u>

These notes are classified as current liabilities since they are due within one year.

**NOTE F - CAPITAL LEASE OBLIGATIONS**

Capital lease obligations consisted of the following at June 30:

	<u>2010</u>	<u>2009</u>
Lease payable, IBM. Payable at \$742.56 per month including interest of 7.73% per annum. This lease is secured by computer equipment.	\$ 16,463	\$ -
Lease payable, IBM. Payable at \$215.70 per month including interest of 6.49% per annum. This lease is secured by computer equipment.	6,323	-
Lease payable, IBM. Payable at \$354.15 per month including interest of 7.44% per annum. This lease is secured by computer equipment.	10,251	-



Home Health Services of Nevada, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2010 and 2009

(See Accountants' Review Report)

NOTE F - CAPITAL LEASE OBLIGATIONS - CONTINUED

	<u>2010</u>	<u>2009</u>
Lease payable, IBM. Payable at \$318.72 per month including interest of 6.21% per annum. This lease is secured by computer equipment.	\$ 9,377	\$ -
Lease payable, IBM. Payable at \$635.40 per month including interest of 8.86% per annum. This lease was secured by computer equipment and was paid off in December 2009.	-	3,718
Lease payable, U.S. Bank. Payable at \$349.70 per month including interest of 14.952% per annum. This lease is secured by a copy machine.	6,956	-
Lease payable, IBM. Payable at \$558.55 per month including interest of 7.79% per annum. This lease is secured by computer equipment.	5,393	11,418
Lease payable, IBM. Payable at \$111.69 per month including interest of 7.69% per annum. This lease is secured by computer equipment.	1,078	2,286
	<u>55,841</u>	<u>17,422</u>
Less current portion	<u>(26,958)</u>	<u>(10,949)</u>
	<u>\$ 28,883</u>	<u>\$ 6,473</u>

Future minimum lease payments for these capital leases (including interest) and the present value of the net minimum lease payments are as follows at June 30:

	<u>2010</u>	<u>2009</u>
Years ending June 30,		
2010	\$ -	\$ 11,855
2011	30,470	6,703
2012	23,421	-
2013	9,865	-
	<u>63,756</u>	<u>18,558</u>
Less: Amount representing interest	<u>(7,915)</u>	<u>(1,136)</u>
Present value of net minimum lease payments	<u>\$ 55,841</u>	<u>\$ 17,422</u>

Home Health Services of Nevada, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2010 and 2009

(See Accountants' Review Report)

**NOTE F - CAPITAL LEASE OBLIGATIONS - CONTINUED**

The following is a schedule of leased equipment and software which is included in office and field equipment as explained in note D, at June 30:

	<u>2010</u>	<u>2009</u>
Computer Equipment	\$ 214,676	\$ 161,691
Copy Machines	19,550	19,550
	<u>234,226</u>	<u>181,241</u>
Less: Accumulated depreciation	(145,225)	(103,534)
	<u>\$ 89,001</u>	<u>\$ 77,707</u>

Depreciation expense for leased equipment and software which is included in total depreciation expense for the years ending June 30:

	<u>2010</u>	<u>2009</u>
	\$ 41,691	\$ 36,248

**NOTE G - OPERATING LEASES**

The Organization leases office building space for their various offices across Nevada. The leases require monthly payments of various amounts with lease terms varying from two to five years. As of June 30, the Organization had operating leases of one year or more as shown below.

Rental agreements for all counties consisted of the following as of June 30:

<u>Office</u>	<u>Term</u>	<u>Monthly Rent 2010</u>	<u>Total Rent Paid 2010</u>	<u>Total Rent Paid 2009</u>
Carson City	Expires 07/10	\$ 2,464	\$ 29,255	\$ 26,297
Reno	Expires 07/12	772	9,266	8,825
Lyon - Yerington	Monthly Basis	750	9,000	8,625
Nye - Pahrump	Monthly Basis	2,391	28,687	26,116
Pershing - Lovelock	Monthly Basis	270	2,970	3,450
White Pine - Ely	Monthly Basis	825	9,900	9,338
Churchill - Fallon	Expires 11/10	250	4,000	5,750
Fernley	Expires 11/10	3,310	39,720	37,565
Las Vegas	Expires 11/10	875	13,921	15,297
Las Vegas Condo	Expires 03/11	2,960	35,517	34,298
Humboldt - Winnemucca	Monthly Basis	700	8,400	8,400
Lander	Monthly Basis	548	6,336	6,089
Homemaking	Monthly Basis	1,152	6,857	8,340
Administrative	Expires 12/12	6,746	79,395	74,970
Administrative Annex	Monthly Basis	1,541	18,492	16,951
		<u>\$ 25,554</u>	<u>\$ 301,716</u>	<u>\$ 290,311</u>

Home Health Services of Nevada, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2010 and 2009

(See Accountants' Review Report)

**NOTE G - OPERATING LEASES - CONTINUED**

The following are the future minimum rental payments required for the building leases as of June 30:

Years ending June 30,	<u>2010</u>	<u>2009</u>
2010	\$ -	\$ 203,628
2011	152,749	130,100
2012	90,214	78,513
2013	41,246	38,688
	<u>\$ 284,209</u>	<u>\$ 450,929</u>

The Organization also maintains equipment under long-term operating leases. The following are the future minimum rental payments required under operating leases that have an initial or remaining noncancellable lease term in excess of one year, as of June 30:

Years ending June 30,	<u>2010</u>	<u>2009</u>
2010	\$ -	\$ 6,180
2011	5,835	5,835
2012	4,800	4,800
2013	2,400	2,400
	<u>\$ 13,035</u>	<u>\$ 19,215</u>

Rental expense for equipment leases was as follows for the years ended June 30:

	<u>2010</u>	<u>2009</u>
Total Lease Expense	<u>\$ 6,180</u>	<u>\$ 6,960</u>

**NOTE H - LONG-TERM DEBT**

Long-term debt consisted of the following at June 30:

Note payable, Nevada State Bank of Nevada, at 7% interest. Payable at \$2,784.18 per month including interest until December 17, 2011. This note is secured by current and future accounts receivable and equipment.

	<u>2010</u>	<u>2009</u>
	\$ 124,711	\$ 148,199

Note payable, Nevada State Bank of Nevada, at 9.465% interest. Payable at \$710.74 per month including interest until December 22, 2010. This note is secured by a vehicle.

	3,812	11,566
	128,523	159,765
	(29,300)	(115,097)
	<u>\$ 99,223</u>	<u>\$ 44,668</u>

Less current portion

Home Health Services of Nevada, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2010 and 2009

(See Accountants' Review Report)

NOTE H - LONG-TERM DEBT - CONTINUED

Scheduled principal payments on long-term debt are as follows:

Years ending June 30,	<u>2010</u>	<u>2009</u>
2010	\$ -	\$ 115,097
2011	29,300	44,668
2012	99,223	-
	<u>\$ 128,523</u>	<u>\$ 159,765</u>

NOTE I - FUNCTIONAL EXPENSES

Expenses incurred for the year ended June 30, 2010:

	<u>Total</u>	<u>Program</u>	<u>General and Administration</u>
Salaries and benefits	\$ 3,571,065	\$ 1,657,540	\$ 1,913,525
Payroll taxes and related expenses	472,833	240,225	232,608
Advertising	16,563	-	16,563
Ancillary services	764,715	764,715	-
Depreciation and amortization	87,095	-	87,095
Interest expense	33,594	-	33,594
Other	614,628	96,969	517,659
Rent	301,716	-	301,716
Total expenses	<u>\$ 5,862,209</u>	<u>\$ 2,759,449</u>	<u>\$ 3,102,760</u>

Home Health Services of Nevada, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2010 and 2009

(See Accountants' Review Report)

NOTE I - FUNCTIONAL EXPENSES - CONTINUED

Expenses incurred for the year ended June 30, 2009:

	<u>Total</u>	<u>Program</u>	<u>General and Administration</u>
Salaries and benefits	\$ 3,721,736	\$ 1,714,940	\$ 2,006,796
Payroll taxes and related expenses	537,817	283,224	254,593
Advertising	21,858	-	21,858
Ancillary services	846,453	846,453	-
Depreciation and amortization	89,795	-	89,795
Interest expense	84,299	-	84,299
Other	678,914	96,621	582,293
Rent	290,311	-	290,311
Total expenses	<u>\$ 6,271,183</u>	<u>\$ 2,941,238</u>	<u>\$ 3,329,945</u>

The program expenses pertain to the direct professional care of patients.

NOTE J - CONTINGENT LIABILITY

1. Under provisions of the Nevada Unemployment Compensation Law, the Organization elected to be covered under the reimbursement method which requires the Organization to reimburse the State of Nevada on a quarterly basis for all unemployment benefits paid to former employees. The amount of any potential liability at the balance sheet date due to claims in the future periods on employment since January 1, 1978, cannot be reasonably determined, and has therefore not been reflected in the financial statements. It is the opinion of management, however, that the potential liability would not have a material affect on the financial position of Home Health Services of Nevada, Inc. at June 30, 2010 and 2009. The contributions made by the Organization for the years ended June 30, 2010 and 2009, totaled \$11,704 and \$38,862, respectively.
2. Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amounts, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Organization expects such amounts, if any, to be immaterial.

Home Health Services of Nevada, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2010 and 2009

(See Accountants' Review Report)

**NOTE K - INTEREST EXPENSE**

No interest costs were capitalized as part of the cost of assets acquired during these periods. Interest was as follows for the years ended June 30:

	<u>2010</u>	<u>2009</u>
Interest expense	\$ 33,594	\$ 84,299

**NOTE L - COMPLIANCE WITH FEDERAL AWARDS**

The Financial Statement Review of the records of Home Health Services of Nevada, Inc. included a review of financial activity for compliance with applicable federal award requirements. During the course of the review there were no items of noncompliance noted.

**NOTE M - PROFIT SHARING**

The organization does not maintain a profit sharing plan.

**NOTE N - TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets are available for the following purposes:

	<u>2010</u>	<u>2009</u>
Indigent care	\$ 22,263	\$ 40,165

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors:

	<u>2010</u>	<u>2009</u>
Indigent care expenditures	\$ 28,930	\$ 21,151

**NOTE O - RISK MANAGEMENT**

The Organization is exposed to various risks and losses related to torts; theft of, damage to and destruction of assets; errors and omissions and natural disasters for which the Organization carries commercial insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage in the past three years.

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**SUPPLEMENTARY INFORMATION**



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Home Health Services of Nevada, Inc.

SCHEDULES OF REVENUES AND EXPENSES

For the years ended June 30,

(See Accountants' Review Report)

	<u>2010</u>	<u>2009</u>
<b>Gross patient service revenue</b>		
Nursing services	\$ 2,297,719	\$ 2,106,009
Home health aide services	170,584	196,814
Homemaker services	992,105	1,226,013
Medical supplies and equipment	141,963	140,066
Therapy services	982,974	994,436
	<u>4,585,345</u>	<u>4,663,338</u>
Contractual adjustments to revenue	1,431,303	1,350,417
	<u>6,016,648</u>	<u>6,013,755</u>
Net assets released from restriction	28,930	21,151
	<u>6,045,578</u>	<u>6,034,906</u>
<b>Direct expenses</b>		
Nursing		
Auto allowance	60,347	53,592
Miscellaneous	17,762	15,800
Payroll taxes and insurance	148,403	146,314
Salaries	1,045,285	932,435
	<u>1,271,797</u>	<u>1,148,141</u>
Home health aides		
Auto allowance	5,105	8,389
Miscellaneous	312	592
Payroll taxes and insurance	25,228	31,212
Salaries	39,793	46,970
	<u>70,438</u>	<u>87,163</u>
Homemakers		
Auto allowance	5,196	6,571
Miscellaneous	8,247	11,677
Payroll taxes and insurance	66,594	105,698
Salaries	572,462	735,535
	<u>652,499</u>	<u>859,481</u>
Ancillary services		
Therapy services	669,761	747,034
Medical supplies services	94,954	99,419
	<u>764,715</u>	<u>846,453</u>
Total direct expenses	<u>2,759,449</u>	<u>2,941,238</u>

Home Health Services of Nevada, Inc.

SCHEDULES OF REVENUES AND EXPENSES - CONTINUED

For the years ended June 30,

(See Accountants' Review Report)

Indirect expenses	2010	2009
Homemaker administration		
Office expense	\$ 1,330	\$ 3,493
Payroll taxes and insurance	33,417	37,407
Promotion and advertising	377	330
Rent	6,857	8,340
Salaries	236,047	253,558
Telephone and utilities	2,140	1,587
Travel and seminars	5,103	2,442
	<u>285,271</u>	<u>307,157</u>
General and administration		
Bank charges	3	79
Books and subscriptions	1,360	2,011
Computer expense	42,389	63,825
Consulting services	18,440	25,911
Depreciation and amortization	87,095	89,795
Dues and licenses	12,599	13,880
Education and seminars	6,004	1,433
General insurance	42,051	46,777
Interest expense	33,594	84,299
Janitorial	4,950	4,863
Lease expense	6,180	1,160
Legal and accounting	18,207	21,167
Miscellaneous	3,881	11,524
Office expense	134,048	153,330
Payroll taxes and insurance	199,191	217,186
Promotion and advertising	16,186	21,528
Rent	294,859	281,971
Repairs and maintenance	18,671	14,021
Salaries - Director of Professional Services	78,929	78,033
Salaries - Quality Assurance	199,354	207,622
Salaries - General Administration	114,018	109,636
Salaries - Clerical	899,596	950,401
Salaries - Nursing Administration	329,627	337,944
Telephone and utilities	138,128	151,913
Travel	62,175	52,777
Vacation, holiday and sick pay	55,954	69,602
	<u>2,817,489</u>	<u>3,022,788</u>
Total indirect expenses	<u>3,102,760</u>	<u>3,329,945</u>

Home Health Services of Nevada, Inc.

SCHEDULES OF REVENUES AND EXPENSES - CONTINUED

For the years ended June 30,

(See Accountants' Review Report)

	<u>2010</u>	<u>2009</u>
Total expenses	\$ 5,862,209	\$ 6,271,183
Income (loss) from operations	<u>183,369</u>	<u>(236,277)</u>
Nonoperating revenues (expenses)		
Gifts & Contributions	110,800	25,068
Interest income	505	74
	<u>111,305</u>	<u>25,142</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<u>\$ 294,674</u>	<u>\$ (211,135)</u>

Home Health Services of Nevada, Inc.

SCHEDULES OF COST PER PATIENT VISIT

Years ended June 30,

(See Accountants' Review Report)

	<u>Total Visits</u>	<u>Direct Expense</u>	<u>Indirect Expense</u>	<u>Total Expense</u>	<u>Cost Per Visit</u>
<b>Year Ended June 30, 2010</b>					
Skilled Nursing	17,086	\$ 1,271,797	\$ 1,543,501	\$ 2,815,298	\$ 164.77
Home Health Aide	2,221	70,438	85,487	155,925	70.21
Homemaker	58,488	652,499	568,699	1,221,198	20.88
Physical Therapy	6,374	614,528	745,814	1,360,342	213.42
Speech Therapy	55	4,950	6,007	10,957	199.22
Occupational Therapy	407	38,388	46,590	84,978	208.79
Medical Social Service	66	11,895	14,436	26,331	398.95
Medical Supplies	N/A	94,954	92,225	187,179	N/A
	<u>84,697</u>	<u>\$ 2,759,449</u>	<u>\$ 3,102,760</u>	<u>\$ 5,862,209</u>	<u>\$ 69.21</u>
<b>Year Ended June 30, 2009</b>					
Skilled Nursing	14,744	\$ 1,148,141	\$ 1,479,050	\$ 2,627,191	\$ 178.19
Home Health Aide	2,731	87,163	111,942	199,105	72.91
Homemaker	69,204	859,481	671,332	1,530,813	22.12
Physical Therapy	6,517	707,631	914,059	1,621,690	248.84
Speech Therapy	119	9,390	12,129	21,519	180.83
Occupational Therapy	282	24,932	32,203	57,135	202.61
Medical Social Service	44	5,081	6,564	11,645	264.66
Medical Supplies	N/A	99,419	102,666	202,085	N/A
	<u>93,641</u>	<u>\$ 2,941,238</u>	<u>\$ 3,329,945</u>	<u>\$ 6,271,183</u>	<u>\$ 66.97</u>

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Home Health Services of Nevada, Inc.

SCHEDULES OF REVENUES AND EXPENSES BY DEPARTMENT

For the Year Ended June 30, 2010

(See Accountants' Review Report)

Page 1 of 3

	Carson	Lyon	Nye	Pershing	White Pine
<b>Gross patient service revenue</b>					
Nursing services	\$ 206,870	\$ 77,350	\$ 585,840	\$ 45,990	\$ 215,607
Home health aide services	6,355	8,625	43,189	7,200	34,310
Homemaker services	204,220	112,816	195,730	7,476	127,164
Medical supplies and equipment	7,647	3,415	29,666	2,345	11,476
Therapy services	115,105	52,345	209,535	24,505	56,415
<b>Gross patient service revenue</b>	<b>540,197</b>	<b>254,551</b>	<b>1,063,960</b>	<b>87,516</b>	<b>444,972</b>
<b>Contractual adjustments to revenue</b>	<b>168,621</b>	<b>79,457</b>	<b>332,112</b>	<b>27,318</b>	<b>138,897</b>
<b>Net patient service revenue</b>	<b>708,818</b>	<b>334,008</b>	<b>1,396,072</b>	<b>114,834</b>	<b>583,869</b>
<b>Net assets released from restriction</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>28,930</b>
<b>Total operating revenue</b>	<b>708,818</b>	<b>334,008</b>	<b>1,396,072</b>	<b>114,834</b>	<b>612,799</b>
<b>Direct expenses</b>					
<b>Nursing</b>					
Auto allowance	7,232	2,055	5,799	1,517	3,589
Miscellaneous	2,031	508	7,466	103	830
Payroll taxes and insurance	21,418	5,734	40,843	380	12,927
Salaries	122,035	38,484	297,258	289	42,150
	<b>152,716</b>	<b>46,781</b>	<b>351,366</b>	<b>2,289</b>	<b>59,496</b>
<b>Nursing expense/Nursing revenue</b>	<b>74%</b>	<b>60%</b>	<b>60%</b>	<b>5%</b>	<b>28%</b>
<b>Home health aides</b>					
Auto allowance	243	-	1,254	218	251
Miscellaneous	-	-	181	51	-
Payroll taxes and insurance	4,689	207	5,145	173	6,225
Salaries	1,292	1,830	9,310	1,491	8,813
	<b>6,224</b>	<b>2,037</b>	<b>15,890</b>	<b>1,933</b>	<b>15,289</b>
<b>HHA expense/HHA revenue</b>	<b>98%</b>	<b>24%</b>	<b>37%</b>	<b>27%</b>	<b>45%</b>
<b>Homemakers</b>					
Auto allowance	96	2,202	62	-	335
Miscellaneous	1,672	862	1,204	15	1,424
Payroll taxes and insurance	16,404	5,049	13,704	376	6,512
Salaries	121,213	58,851	109,044	3,743	74,222
	<b>139,385</b>	<b>66,964</b>	<b>124,014</b>	<b>4,134</b>	<b>82,493</b>
<b>Homemaker expense/Homemaker revenue</b>	<b>68%</b>	<b>59%</b>	<b>63%</b>	<b>55%</b>	<b>65%</b>
<b>Ancillary services</b>					
Medical supplies	7,454	1,915	12,957	2,196	9,725
<b>Medical supplies expense/ Medical supplies revenue</b>	<b>97%</b>	<b>56%</b>	<b>44%</b>	<b>94%</b>	<b>85%</b>

Fernley/ Churchill	Elko	Humboldt	Las Vegas	Lander	TOTAL	Homemaker Admin.	Admin.	Grand Total
\$ 548,800	\$ 452,582	\$ 71,770	\$ -	\$ 92,910	\$ 2,297,719	\$ -	\$ -	\$ 2,297,719
41,475	27,525	1,905	-	-	170,584	-	-	170,584
131,498	127,573	70,708	-	14,920	992,105	-	-	992,105
49,383	20,382	14,112	-	3,537	141,963	-	-	141,963
246,730	209,605	36,540	4	32,190	982,974	-	-	982,974
1,017,886	837,667	195,035	4	143,557	4,585,345	-	-	4,585,345
317,730	261,475	60,880	1	44,812	1,431,303	-	-	1,431,303
1,335,616	1,099,142	255,915	5	188,369	6,016,648	-	-	6,016,648
-	-	-	-	-	28,930	-	-	28,930
1,335,616	1,099,142	255,915	5	188,369	6,045,578	-	-	6,045,578
15,691	20,002	1,876	-	2,586	60,347	-	-	60,347
2,335	3,534	853	-	102	17,762	-	-	17,762
30,723	33,139	2,820	(24)	443	148,403	-	-	148,403
281,624	239,020	22,467	-	209	1,043,536	-	-	1,043,536
330,373	295,695	28,016	(24)	3,340	1,270,048	-	-	1,270,048
60%	65%	39%	0%	4%	55%	0%	0%	55%
2,363	776	-	-	-	5,105	-	-	5,105
51	29	-	-	-	312	-	-	312
8,045	725	19	-	-	25,228	-	-	25,228
11,623	5,644	1,539	-	-	41,542	-	-	41,542
22,082	7,174	1,558	-	-	72,187	-	-	72,187
53%	26%	82%	0%	0%	42%	0%	0%	42%
179	1,819	233	121	149	5,196	-	-	5,196
1,185	1,276	315	-	294	8,247	-	-	8,247
6,160	13,366	4,029	-	994	66,594	-	-	66,594
74,120	83,757	38,219	195	9,098	572,462	-	-	572,462
81,644	100,218	42,796	316	10,535	652,499	-	-	652,499
62%	79%	61%	0%	71%	66%	0%	0%	66%
33,799	15,982	8,661	30	2,235	94,954	-	-	94,954
68%	78%	61%	0%	63%	67%	0%	0%	67%



Home Health Services of Nevada, Inc.

SCHEDULES OF REVENUES AND EXPENSES BY DEPARTMENT

For the Year Ended June 30, 2010

(See Accountants' Review Report)

Page 2 of 3

	Carson	Lyon	Nye	Pershing	White Pine
<b>Ancillary services - continued</b>					
Therapy services	\$ 68,520	\$ 27,699	\$ 159,622	\$ 22,756	\$ 30,121
<b>Therapy expense/Therapy revenue</b>	60%	53%	76%	93%	53%
<b>Total direct expenses</b>	374,299	145,396	663,849	33,308	197,124
<b>Total direct expenses/Gross revenue</b>	69%	57%	62%	38%	44%
<b>Indirect expenses</b>					
<b>Homemaker Administration</b>					
Office expense	-	-	-	-	-
Payroll taxes and insurance	4,054	2,374	6,778	-	6,053
Promotion and advertising	-	-	-	-	-
Rent	-	-	-	-	-
Salaries	41,675	21,934	37,717	-	23,424
Telephone and utilities	-	-	-	-	-
Travel and seminars	-	88	516	-	-
	45,729	24,396	45,011	-	29,477
<b>Homemaker Administration/Revenue</b>	22%	22%	23%	0%	23%
<b>Administration and general</b>					
Bank charges	3	-	-	-	-
Books and subscriptions	-	-	-	-	-
Computer expense	-	-	-	-	-
Consulting services	-	-	-	-	-
Depreciation and amortization	-	-	-	-	-
Dues and licenses	-	-	5	-	-
Education and seminars	-	-	-	-	-
General insurance	-	-	-	-	-
Interest expense	-	-	-	-	-
Janitorial	-	-	-	270	-
Lease expense	-	-	1,380	-	-
Legal and accounting	-	-	-	-	-
Miscellaneous	14	278	1,516	-	-
Office expense	6,220	2,271	5,045	1,487	4,293
Payroll taxes and insurance	12,195	6,081	7,338	3,199	15,129
Promotion and advertising	1,511	1,987	460	96	356
Rent	38,521	9,000	28,687	2,970	9,900
Repairs and maintenance	-	-	69	-	-
Salaries	66,639	40,805	133,197	42,599	116,187
Telephone and utilities	12,115	6,470	17,638	2,017	9,385
Travel	75	-	201	145	192
	137,293	66,892	195,536	52,783	155,442
<b>Administration and general/ Gross revenue</b>	25%	26%	18%	60%	35%

Fernley/ Churchill	Elko	Humboldt	Las Vegas	Lander	TOTAL	Homemaker Admin.	Admin.	Grand Total
\$ 167,756	\$ 144,726	\$ 29,589	\$ -	\$ 18,972	\$ 669,761	\$ -	\$ -	\$ 669,761
68%	69%	81%	0%	59%	68%	0%	0%	68%
635,654	563,795	110,620	322	35,082	2,759,449	-	-	2,759,449
62%	67%	57%	0%	24%	60%	0%	0%	60%
-	-	-	-	-	-	1,330	-	1,330
2,697	2,076	5,906	106	-	30,044	3,373	-	33,417
-	-	-	-	-	-	377	-	377
-	-	-	-	-	-	6,857	-	6,857
28,445	26,895	14,443	1,125	-	195,658	40,389	-	236,047
-	-	-	-	-	-	2,140	-	2,140
3,590	303	-	-	-	4,497	606	-	5,103
34,732	29,274	20,349	1,231	-	230,199	55,072	-	285,271
26%	23%	29%	0%	0%	23%	0%	0%	29%
-	-	-	-	-	3	-	639	642
-	-	-	-	-	-	-	1,360	1,360
-	-	-	-	-	-	-	42,389	42,389
-	-	-	-	-	-	-	18,440	18,440
-	-	-	-	-	-	-	87,095	87,095
359	-	-	-	-	364	-	12,235	12,599
-	155	-	-	-	155	-	5,849	6,004
-	-	-	-	-	-	-	42,051	42,051
-	-	-	-	-	-	-	32,955	32,955
583	106	-	-	-	959	-	3,991	4,950
-	-	-	-	-	1,380	-	4,800	6,180
-	-	-	-	-	-	-	18,207	18,207
246	-	8	-	-	2,062	-	1,819	3,881
8,350	451	3,610	1,654	2,796	36,177	-	97,871	134,048
17,558	9,039	4,538	-	10,455	85,532	-	113,599	199,131
674	1,232	120	-	80	6,516	-	9,670	16,186
43,720	-	8,400	49,438	6,336	196,972	-	97,887	294,859
-	-	-	-	-	69	-	18,602	18,671
173,484	117,875	70,875	-	82,605	844,266	-	833,212	1,677,478
15,796	10,204	805	2,439	2,463	79,332	-	58,796	138,128
4,113	1,513	732	-	748	7,719	-	54,516	62,235
264,883	140,575	89,088	53,531	105,483	1,261,506	-	1,555,983	2,817,489
26%	17%	46%	0%	73%	28%	0%	0%	61%

Home Health Services of Nevada, Inc.

SCHEDULES OF REVENUES AND EXPENSES BY DEPARTMENT

For the Year Ended June 30, 2010

(See Accountants' Review Report)

Page 3 of 3

	<u>Carson</u>	<u>Lyon</u>	<u>Nye</u>	<u>Pershing</u>	<u>White Pine</u>
<b>Indirect expenses - continued</b>					
Total indirect expenses before HM and administration allocation	<u>\$ 183,022</u>	<u>\$ 91,288</u>	<u>\$ 240,547</u>	<u>\$ 52,783</u>	<u>\$ 184,919</u>
Total indirect expense/gross revenue	<u>34%</u>	<u>36%</u>	<u>23%</u>	<u>60%</u>	<u>42%</u>
Total expenses before HM and administration allocation	<u>557,321</u>	<u>236,684</u>	<u>904,396</u>	<u>86,091</u>	<u>382,043</u>
<b>Homemaker and Administration Allocations</b>					
Homemaker administration allocation	11,336	6,262	10,865	415	7,059
Administration cost allocation	<u>183,310</u>	<u>86,379</u>	<u>361,042</u>	<u>29,698</u>	<u>150,996</u>
	<u>194,646</u>	<u>92,641</u>	<u>371,907</u>	<u>30,113</u>	<u>158,055</u>
Total expenses	<u>751,967</u>	<u>329,325</u>	<u>1,276,303</u>	<u>116,204</u>	<u>540,098</u>
Income (loss) from operations	<u>(43,149)</u>	<u>4,683</u>	<u>119,769</u>	<u>(1,370)</u>	<u>72,701</u>
<b>Non operating revenues</b>					
Gifts and contributions	-	-	-	-	-
Investment income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total non operating revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<u>\$ (43,149)</u>	<u>\$ 4,683</u>	<u>\$ 119,769</u>	<u>\$ (1,370)</u>	<u>\$ 72,701</u>

<u>Fernley/ Churchill</u>	<u>Elko</u>	<u>Humboldt</u>	<u>Las Vegas</u>	<u>Lander</u>	<u>TOTAL</u>	<u>Homemaker Admin.</u>	<u>Admin.</u>	<u>Grand Total</u>
\$ 299,615	\$ 169,849	\$ 109,437	\$ 54,762	\$ 105,483	\$ 1,491,705	\$ 55,072	\$ 1,555,983	\$ 3,102,760
29%	20%	56%	0%	73%	33%	0%	0%	68%
935,269	733,644	220,057	55,084	140,565	4,251,154	55,072	1,555,983	5,862,209
7,299	7,083	3,925	-	828	55,072	(55,072)	-	-
345,407	284,253	66,183	1	48,714	1,555,983	-	(1,555,983)	-
352,706	291,336	70,108	1	49,542	1,611,055	(55,072)	(1,555,983)	-
1,287,975	1,024,980	290,165	55,085	190,107	5,862,209	-	-	5,862,209
47,641	74,162	(34,250)	(55,080)	(1,738)	183,369	-	-	183,369
800	-	-	-	-	800	-	110,000	110,800
-	-	-	-	-	-	-	505	505
800	-	-	-	-	800	-	110,505	111,305
\$ 48,441	\$ 74,162	\$ (34,250)	\$ (55,080)	\$ (1,738)	\$ 184,169	\$ -	\$ 110,505	\$ 294,674

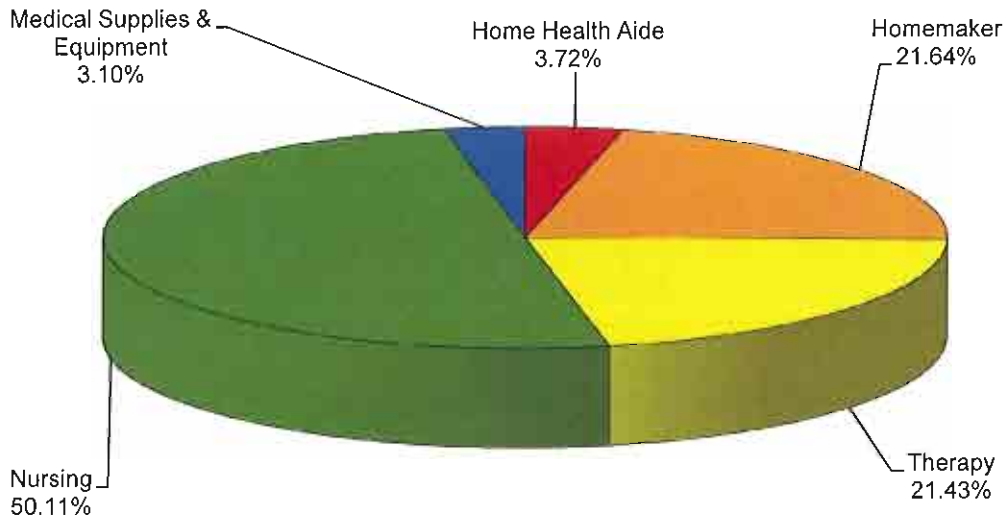
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STATISTICAL INFORMATION

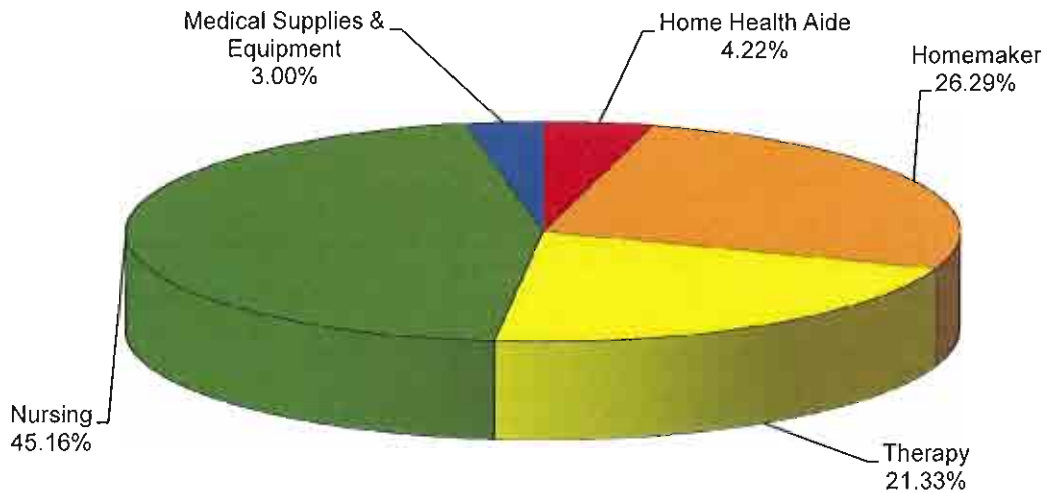
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# Home Health Services of Nevada, Inc.

## REVENUES BY DISCIPLINE For the Year Ended June 30, 2010



## For the Year Ended June 30, 2009

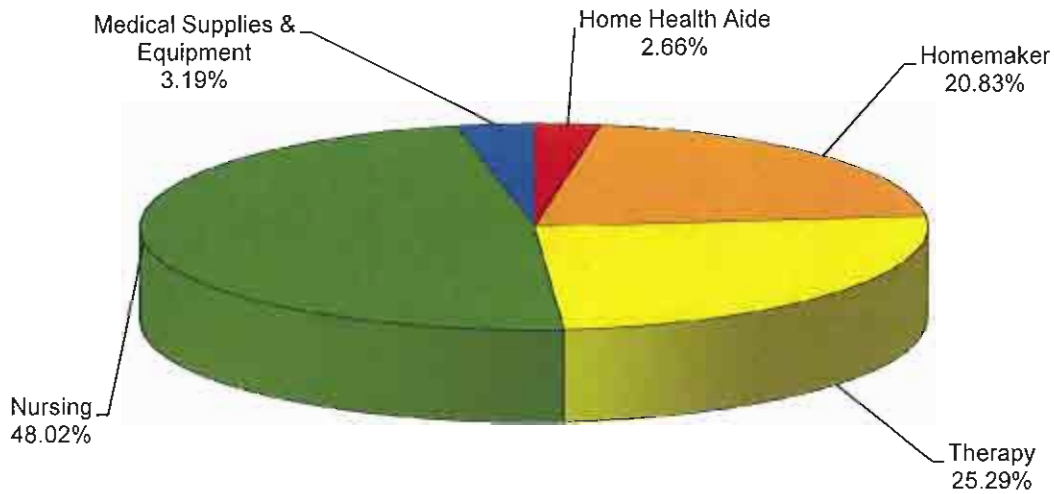




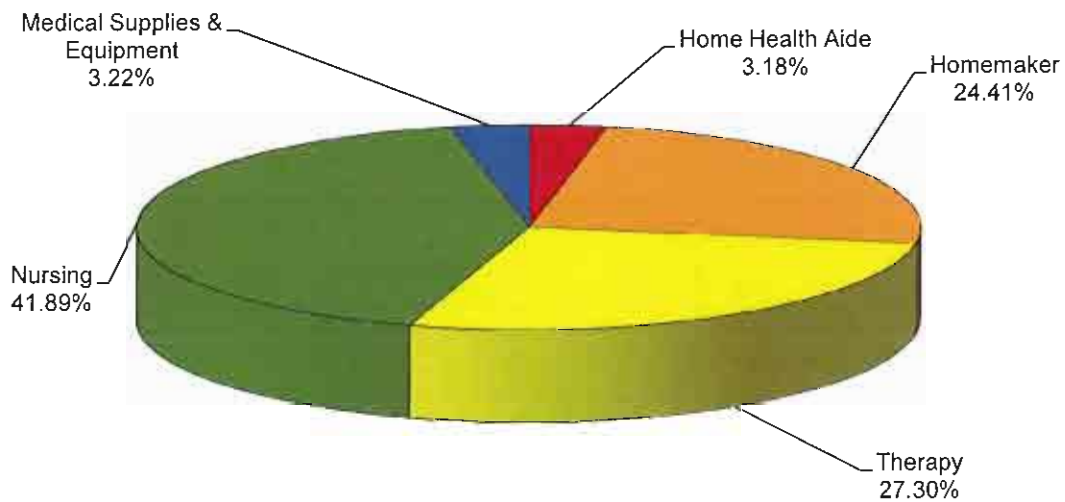
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# Home Health Services of Nevada, Inc.

## EXPENDITURES BY DISCIPLINE For the Year Ended June 30, 2010



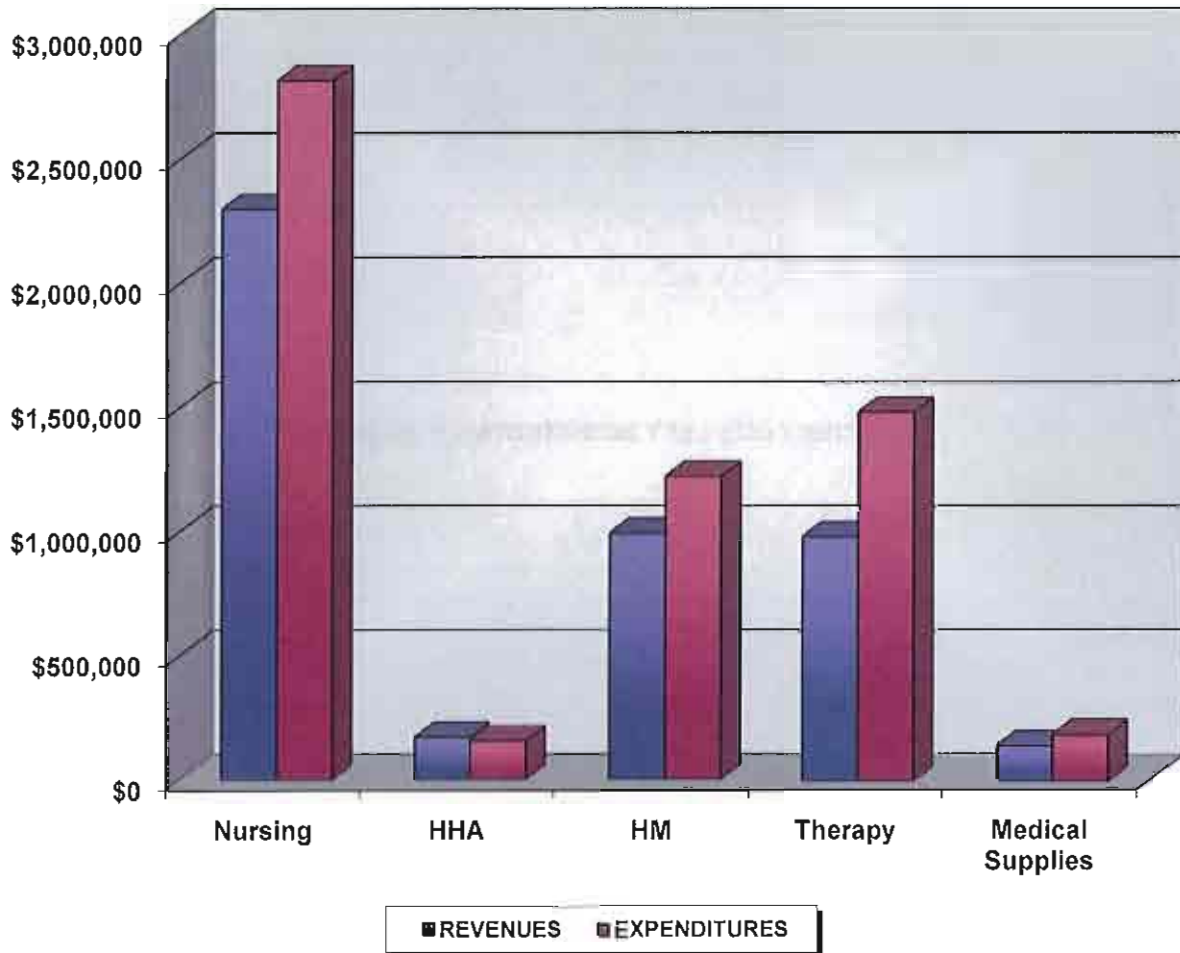
## For the Year Ended June 30, 2009



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# Home Health Services of Nevada, Inc.

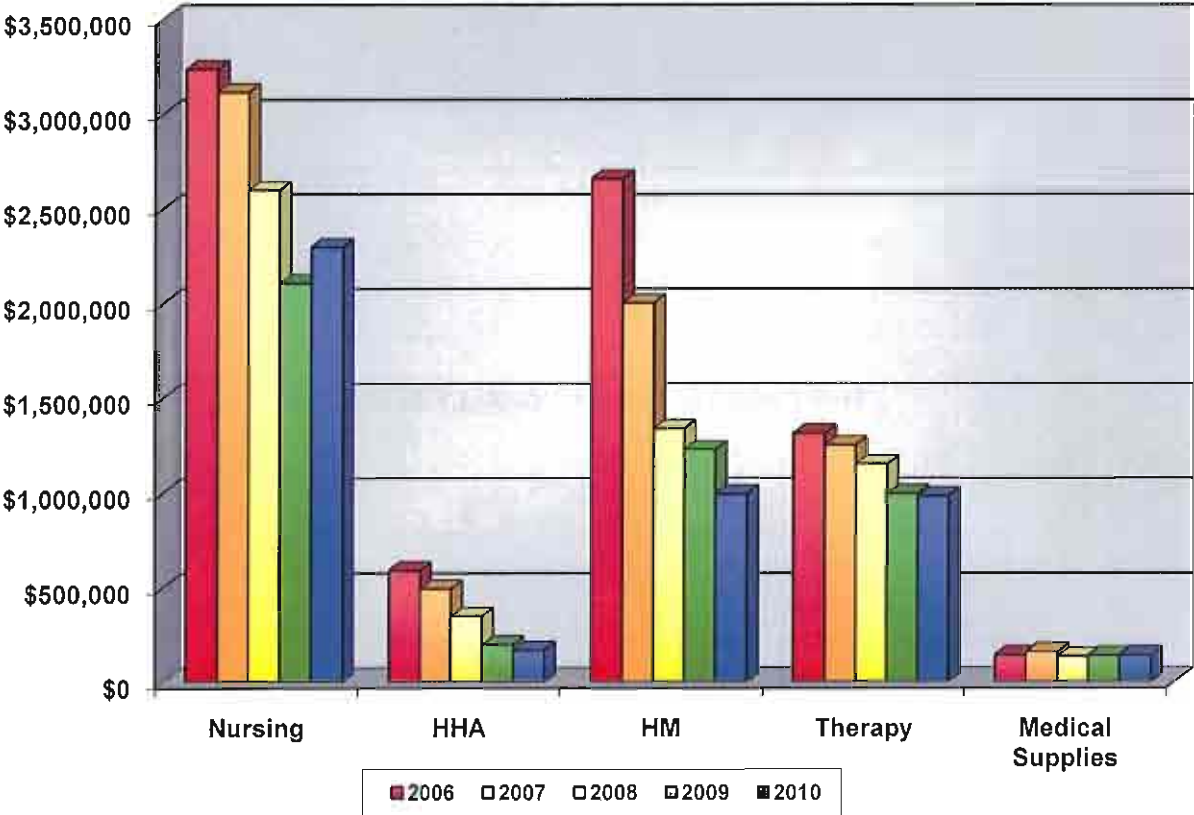
## REVENUES AND EXPENDITURES COMPARISON For the Year Ended June 30, 2010



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# Home Health Services of Nevada, Inc.

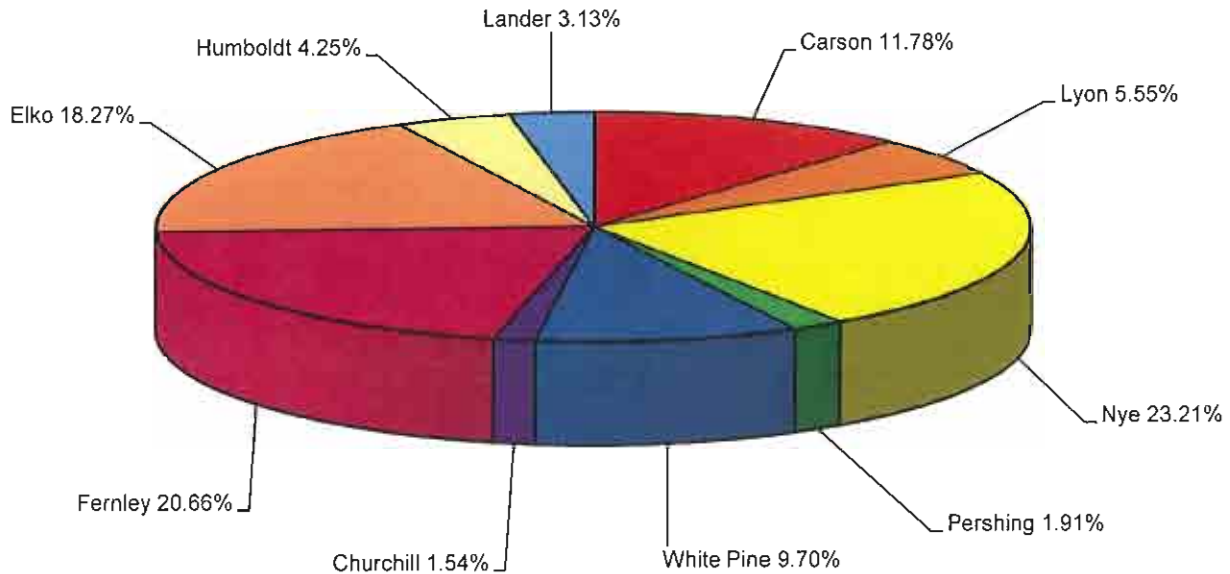
## TOTAL REVENUES BY DISCIPLINE - FIVE YEAR COMPARISON - JUNE 30,



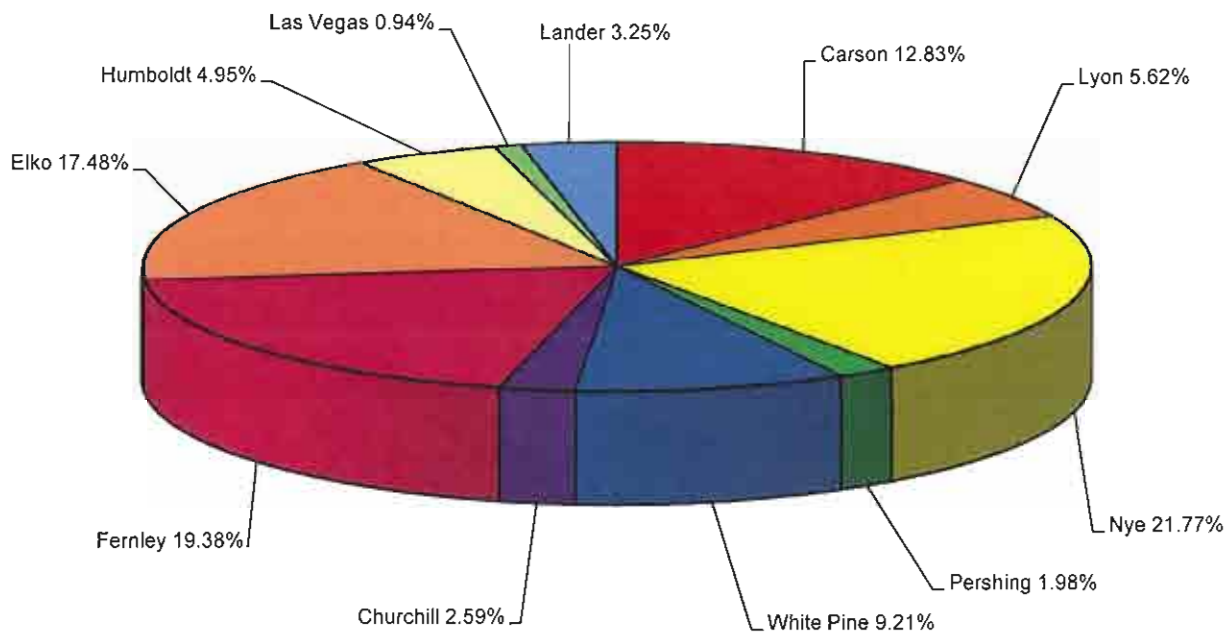
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# Home Health Services of Nevada, Inc.

## OPERATING REVENUES BY DEPARTMENT For the Year Ended June 30, 2010



## EXPENDITURES BY DEPARTMENT For the Year Ended June 30, 2010



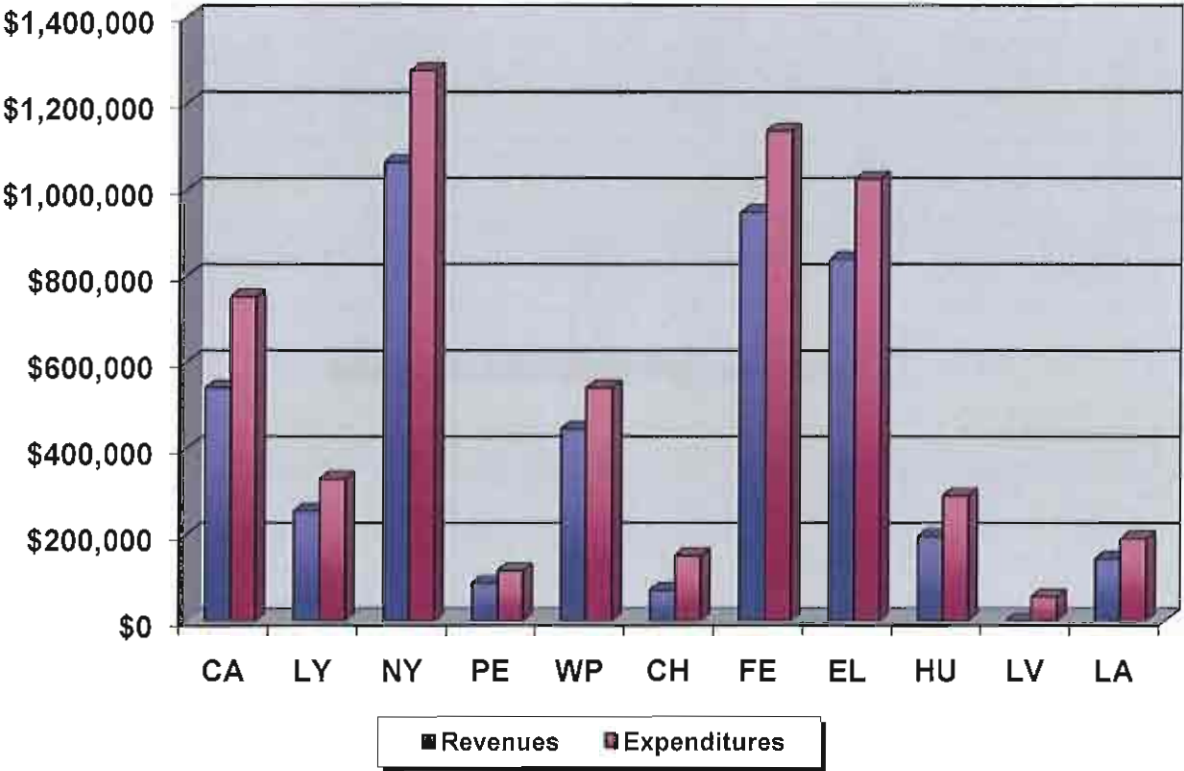


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# Home Health Services of Nevada, Inc.

## REVENUE AND EXPENDITURES COMPARISON BY DEPARTMENT

For the Year Ended June 30, 2010



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**REVIEWER'S COMMENTS AND RECOMMENDATIONS**

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Home Health Services of Nevada, Inc.

STATUS OF PRIOR FINDINGS AND RECOMMENDATIONS

June 30, 2010

(See Accountants' Review Report)

A summary of recommendations made in the June 30, 2009 review and their current status are listed below:

**Unallocated Revenues and Expenses**

During our review, we found that a number of revenues and expenses had not been allocated to their respective departments. We recommend that control procedures be reviewed and strengthened to ensure that these items are allocated in a more timely manner.

Implemented

**Unaccrued Tax Penalties**

During our review, we found that a significant amount of tax penalties and interest had not been accrued as of the balance sheet date. We recommend that control procedures be reviewed and strengthened to ensure that these amounts are accrued in a more timely manner.

Implemented

Home Health Services of Nevada, Inc.

**CURRENT YEAR FINDINGS AND RECOMMENDATIONS**

June 30, 2010

(See Accountants' Review Report)

The following is a list of recommendations for the current year:

**Bank balances in excess of FDIC insured limits**

During our review we found that total bank balances with Nevada State Bank exceeded the \$250,000 FDIC insured limit on bank statements for seven non-consecutive months during the year. We recommend that consideration be given to assessing this risk.

RECEIVED

Carson City, A Consolidated Municipality

FEB 07 2011

## **Guidelines for Grants**

Fiscal Year 2011-2012

CARSON CITY  
REGISTRY OFFICE

### **Vision**

A leader among cities as an inviting, prosperous community where people live, work and play!

### **Mission**

Preserve and enhance the quality of life and heritage of Carson City for present and future generations of residents, workers and visitors.

### **City's Goals**

A Safe and Secure Community  
A Healthy Community  
An Active and Engaged Community  
A Clean and Healthy Environment  
A Vibrant, Diverse and Sustainable Economy  
A Community Rich in History, Culture and the Arts  
A Community Dedicated to Excellence in Education  
A Physically and Socially Connected Community  
A Community Where Information is Available to All


1. The competitive grant review process seeks to identify and fund those projects and programs with the greatest potential for furthering the City's goals while benefitting the community.
2. Funding is provided on a year to year basis only. Funding is strictly limited by the availability of funds.
3. Upon approval by the Board of Supervisors of the request, the grant money will be included in the next succeeding year's budget and will be dispensed by the City Manager's Office without further hearing. However, the Board shall continue to retain the prerogative and authority to deny any payment, if in the opinion of the Board, the applicant is not making a "good faith" effort in meeting the obligations and commitments outlined by said applicant within the application process. All grants approved shall be subject to funding availability.
4. The Board of Supervisors may in any event decide by majority vote to conduct a subsequent hearing concerning the application and, if so, the applicant will be notified as to the date of the subsequent hearing.
5. The applicant will utilize the grant monies solely for the general benefit of Carson City and the purpose set forth in the grant application.
6. These guidelines shall not prevent the City from entering into a contract to provide grant money for a term of years.
7. These guidelines shall not control any grants of money provided by any other public or private entity.



8. Approval of each request for funds and/or other forms of consideration shall have a condition that the applicant must complete an Annual Report form detailing all funds utilized, measurable outcomes and benefit to the citizens of Carson City. The completed Annual Report must be submitted to the City Manager's Office no later than March 1, 2011.
9. Any and all individuals and/or entities desiring a grant from the City must complete and execute an "Application for Grant Funds" form and include the required attachments as listed in the application.
10. The **original and nine (9) copies** of the application packet must be submitted to the City Manager's Office no later than **5:00 p.m. on February 23, 2011**. An electronic pdf version may also be e-mailed to [cceo@carson.org](mailto:cceo@carson.org).

*I have read and understand the Guidelines for Grants. The information that is included within this application and its attachments are true to my knowledge.*

Home Health Services of Nevada,  
Name of Program

  
Project Director Signature

2/3/2011  
Date

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