

Caution: Forms printed from within Adobe Acrobat products may not meet IRS or state taxing agency specifications. When using Acrobat 9.x products and later products, select "None" in the "Page Scaling" selection box in the Adobe "Print" dialog.

PUBLIC DISCLOSURE COPY

The health care industry is subject to numerous laws and regulations of federal, state, and local governments. Compliance with these laws and regulations, specifically those relating to the Medicare and Medicaid programs, can be subject to government review and interpretation, as well as regulatory actions unknown and unasserted at this time. Federal government activity has increased with respect to investigations and allegations concerning possible violations by health care providers of regulations, which could result in the imposition of significant fines and penalties, as well as significant repayments of previously billed and collected revenues from patient and resident services.

Note 10 - Functional Expenses

The Hospital provides general health care services to residents within its geographic location. Expenses related to providing these services by functional class for the years ended June 30, 2017 and 2016 are as follows:

	2017	2016
Program services	\$ 3,764,634	\$ 3,530,253
General and administrative	565,707	570,542
	\$ 4,330,341	\$ 4,100,795