

4040. FINANCIAL STATEMENT WORKSHEETS

Prepare these worksheets from your accounting books and records.

Complete all worksheets in the "G" series. Complete Worksheets G and G-1 if you maintain fund-type accounting records, complete separate amounts for General, Specific Purpose, Endowment and Plant funds on Worksheets G and G-1. If you do not maintain fund-type accounting records, complete the general fund column only. Cost reports received with incomplete G worksheets are returned to you for completion. If you do not follow this procedure, you are considered as having failed to file a cost report. Where applicable, Worksheets G, G-1, G-2 and G-3 must be consistent with financial statements prepared by Certified Public Accountants.

4040.1 Worksheet G - Balance Sheet.--Combine the amounts on each line on the Worksheet G for lines 5 (Other receivables), 9 (Other current assets), 44 (Other current liabilities), and 49 (Other long term liabilities), as appropriate, to report the sum of account balances and adjustments. Maintain supporting documentation for the appropriate lines.

Enter accumulated depreciation as a negative amount.

Column 1--General Fund--Use only this fund column when you do not maintain fund-type accounting records. This fund is similar to a general ledger account and records all assets and liabilities of the entity.

Column 2--Specific Purpose Fund--These accounts are used for funds held for specific purposes such as research and education.

Column 3--Endowment Fund--These accounts are for amounts restricted for endowment purposes.

Column 4--Plant Fund--These accounts are for amounts restricted for the replacement and expansion of the plant.

Line 1--Cash on Hand and in Banks--The amounts on this line represent the amount of cash on deposit in banks and immediately available for use in financing activities, amounts on hand for minor disbursements and amounts invested in savings accounts and certificates of deposit. Typical accounts would be cash, general checking accounts, payroll checking accounts, other checking accounts, imprest cash funds, saving accounts, certificates of deposit, treasury bills and treasury notes, and other cash accounts.

Line 2--Temporary Investments--The amounts on this line represent current securities evidenced by certificates of ownership or indebtedness. Typical accounts would be marketable securities and other current investments.

Line 3--Notes Receivable--The amounts on this line represent current unpaid amounts evidenced by certificates of indebtedness.

Line 4--Accounts Receivable--Include on this line all unpaid inpatient and outpatient billings. Include direct billings to patients for deductibles, co-insurance and other patient chargeable items if they are not included elsewhere.

Line 6--Less: Allowance for Uncollectable Notes and Accounts--These are valuation (or contra-asset) accounts whose credit balances represent the estimated amount of uncollectible receivables from patients and third-party payers. Enter this amount as a negative.

Line 7--Inventory--Enter the costs of unused hospital supplies. Perpetual inventory records may be maintained and adjusted periodically to physical count. The extent of inventory control and detailed record-keeping will depend upon the size and organizational complexity of the hospital. Hospital inventories may be valued by any generally accepted method, but the method must be consistently applied from year to year.

Line 8--Prepaid Expenses--Enter the costs incurred which are properly chargeable to a future accounting period.

Line 9--Other Current Assets--This line is used to record any other current assets not included in other asset categories.

Line 10--Due from Other Funds--There are four funds: General Fund, Specific Purpose Fund, Endowment Fund and Plant Fund. These are represented in columns 1 through 4, respectively. Amounts reported in each column should be the amount due from other funds in another column on Worksheet G, line 43 (Due to Other Funds).

The sum of the amounts on line 10, columns 1 through 4 must equal the sum of the amounts on line 43, columns 1 through 4.

Line 12--Land--This balance reflects the cost of land used in hospital operations. Included here is the cost of off-site sewer and water lines, public utility, charges for servicing the land, governmental assessments for street paving and sewers, the cost of permanent roadways and of grading of a non-depreciable nature. Unlike building and equipment, land does not deteriorate with use or with the passage of time; therefore, no depreciation is accumulated.

The cost of land includes (1) the cash purchase price, (2) closing costs such as title and attorney's fees, (3) real estate broker's commission, and (4) accrued property taxes and other liens on the land assumed by the purchaser.

Land 13--Land Improvements--Amounts on this line include structural additions made to land, such as driveways, parking lots, sidewalks, as well as the cost of shrubbery, fences and walls, landscaping, on-site sewer and water lines, and underground sprinklers. The cost of land improvements includes all expenditures necessary to make the improvements ready for their intended use.

Line 15--Buildings--This line includes the cost of all buildings and subsequent additions used in hospital operations (including purchase price, closing costs, (attorney fees, title insurance, etc.,) and real estate broker commission). Included are all architectural, consulting and legal fees related to the acquisition or construction of buildings, and interest paid for construction financing.

Line 17--Leasehold Improvements--All expenditures for the improvement of a leasehold used in hospital operations are included on this line.

Line 19--Fixed Equipment--Include the cost of building equipment that has the following general characteristics:

1. Affixed to the building, not subject to transfer or removal.
2. A life of more than one year, but less than that of the building to which it is affixed.
3. Used in hospital operations.

Fixed equipment includes such items as boilers, generators, engines, pumps, and refrigeration machinery, wiring, electrical fixtures, plumbing, elevators, heating system, air conditioning system, etc.

Line 21--Automobiles and Trucks--Enter the cost of automobiles and trucks used in hospital operations.

Line 23--Major movable Equipment--Costs of equipment included on this line has the following general characteristics:

1. Ability to be moved, as distinguished from fixed equipment (but not automobiles or trucks).
2. A more or less fixed location in the building.
3. A unit cost large enough to justify the expense incident to control by means of an equipment ledger and greater than or equal to \$5,000.
4. Sufficient individuality and size to make control feasible by means of identification tags.
5. A minimum life of usually three years or more.
6. Used in hospital operations.

Line 25--Minor Equipment-Depreciable--Costs of equipment included on this line has the following general characteristics:

1. Ability to be moved, as distinguished from fixed equipment.
2. A more or less fixed location in the building
3. A unit cost large enough to justify the expense incident to control by means of an equipment ledger but less than \$5,000.
4. Sufficient individuality and size to make control feasible by means of identification tags.
5. A minimum life of usually three years or more.
6. Used in hospital operations.

Line 27--Health Information Technology (HIT) Designated Assets--The amounts included here are the acquisition costs of HIT acquired assets in accordance with ARRA 2009, section 4102. Acute care hospitals are required to depreciate such assets in accordance with their applicable depreciation schedules. CAHs are required to identify such assets on this line, but do not depreciate such assets as they will be fully expensed during the year of acquisition.

Line 29--Minor Equipment-Nondepreciable--Costs of equipment included on this line has the following general characteristics:

1. Location generally not fixed; subject to requisition or use by various departments of the hospital.
2. Relatively small size.
3. Subject to storeroom control.
4. Fairly large number in use.
5. Generally, a useful life of usually approximately three years or less.
6. Used in hospital operations.

Minor equipment includes such items as, but is not limited to wastebaskets, bed pans, syringes, catheters, basins, glassware, silverware, pots and pans, sheets, blankets, ladders, and surgical instruments.

Lines 14, 16, 18, 20, 22, 24, 26 and 28--Less Accumulated Depreciation--These balances, respectively, include the depreciation accumulated on the related assets used in hospital operations. Enter this amount as a negative.

Line 31--Investments--This field contains the cost of investments purchased with hospital funds and the fair market value (at date of donation) of securities donated to the hospital.

Line 32--Deposits on Leases--Report the amount of deposits on leases. This includes security deposits.

Line 33--Due from Owners/Officers--Report the unpaid amount of the amount loaned to the owners and/or officers by the hospital.

Line 34--Other Assets--This is the amount of assets not reported on line 9 (other current assets) or any other line 1 through 33. This could include intangible assets such as goodwill, unamortized loan costs and other organization costs.

Line 35--Total Other Assets--Sum of lines 31 through 34.

Line 36--Total Assets--Sum of lines 11, 30 and 35.

Line 37--Accounts Payable--This amount reflects the amounts due trade creditors and others for supplies and services purchased.

Line 38--Salaries, Wages and Fees Payable--This amount reflects the actual or estimated liabilities of the hospital for salaries and wages/fees payable.

Line 39--Payroll Taxes Payable--This amount reflects the actual or estimated liabilities of the hospital for amounts payable for payroll taxes withheld from salaries and wages, payroll taxes to be paid by the hospital and other payroll deductions, such as hospitalization insurance premiums.

Line 40--Notes and Loans Payable (Short-Term)--The amounts on this line represent current amounts owing as evidenced by certificates of indebtedness coming due in the next 12 months.

Line 41--Deferred Income--Deferred income is received or accrued income which is applicable to services to be rendered within the next accounting period. Deferred income applicable to accounting periods extending beyond the next accounting period is included as other current liabilities. These amounts also reflect the effects of any timing differences between book and tax or third-party reimbursement accounting.

Line 42--Accelerated Payments--Accelerated payments are payments not yet due to be repaid to the contractor.

Line 43--Due to Other Funds--There are four funds: General Fund, Specific Purpose Fund, Endowment Fund and Plant Fund. These are in columns 1 through 4 respectively. Amounts are reported in the fund owing the amount. Each amount recorded as "due to" must also be reported on Worksheet G, line 10 (Due From Other Funds).

The sum of the amounts on line 10, columns 1 through 4 must equal the sum of the amounts on line 41, columns 1 through 4.

Line 44--Other Current Liabilities--This line is used to record any current liabilities not reported on lines 37 through 43.

Line 45--Total Current Liabilities--Enter the sum of lines 37 through 44.

Line 46--Mortgage Payable--This amount reflects the long-term financing obligation used to purchase real estate/property.

Line 47--Notes Payable--These amounts reflect liabilities of the hospital to vendors, banks and other, evidenced by promissory notes due and payable longer than one year.

Line 48--Unsecured Loans--These amounts are not loaned on the basis of collateral.

Line 49--Other Long-Term Liabilities--This line is used to record any long-term liabilities not reported on lines 46 through 48.

Line 50--Total Long-Term Liabilities--Enter the sum of lines 46 through 49.

Line 51--Total Liabilities--Enter the sum of lines 45 and 50.

Line 52--General Fund Balance--This represents the difference between the total of General Fund assets and General Fund Liabilities in column 1. This amount usually equals the end of period fund balance on Worksheet G-1, column 2, line 19.

Line 53--Specific Purpose Fund--This represents the difference between the total of Specific Purpose Fund assets and Specific Purpose Fund Liabilities in column 2.

Line 54--Donor Created - Endowment Fund Balance - Restricted--The sum of the amounts on lines 54, 55, and 56, represent the difference between the total of Endowment Fund assets and Endowment Fund Liabilities in column 3.

Line 55--Donor Created - Endowment Fund Balance - Unrestricted.

Line 56--Governing Body Created - Endowment Fund Balance.

Line 57--Plant Fund Balance - Invested in Plant--The sum of the amounts on lines 57 and 58, represent the difference between the total of Plant Fund assets and Plant Fund Liabilities in column 4.

Line 58--Plant Fund Balance - Reserves for Plant Improvement, Replacement and Expansion--The credit balances of the restricted funds reported on lines 54 through 56, represent the net amount of each restricted fund's assets available for its designated purpose. The accounts should be credited for all income earned on restricted fund assets, as well as gains on the disposal of such assets. If, however, such items are treated as General Fund income (considering legal requirements and donor intent), the restricted Fund Balance account is charged, and the Due to General Fund account credited, for such income.

For Investor-Owned Corporations, the accounts on lines 53 through 58 include stock, paid in capital and retained earnings. For Investor-Owned Partnerships, the amounts on lines 53 through 58 include capital and partner's draw. For Investor-Owned - Division of a Corporation, the amounts on lines 53 through 58 include the division's or subsidiary's stock, paid in capital and divisional equity.

Line 59--Total Fund Balances--Enter the sum of lines 52 through 58.

Line 60--Total Liabilities and Fund Balances--Enter the sum of lines 51 and 59.

For each Fund, the amount on line 36 equals the amount on line 60.