

**Continuing Disclosure Report for the Fiscal Year Ending
September 30, 2017**



RANKIN COUNTY HOSPITAL DISTRICT



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DISCLAIMER

The information set forth herein has been obtained from the District and other sources believed to be reliable, but such information is not guaranteed as to accuracy or completeness and is not to be construed as a promise or guarantee. This Annual Continuing Disclosure Report may contain, in part, estimates and matters of opinion which are not intended as statements of fact, and no representation is made as to the correctness of such estimates and opinions, or that they will be realized. The information and expressions of opinion contained herein are subject to change without notice, and the delivery of this Annual Continuing Disclosure Report will not, under any circumstances, create any implication that there has been no change in the affairs of the District or other matters described.

RANKIN COUNTY HOSPITAL DISTRICT

Signature

Name

Title

Date

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RANKIN COUNTY HOSPITAL DISTRICT 2017 CONTINUING DISCLOSURES

Table 1 - Valuation, Exemptions, and Tax Supported Debt ¹

District Direct Debt	
2017 Certified Taxable AV (100% of Estimated Market Value)	\$2,580,646,130
Outstanding Debt	\$22,028,000
Total Direct Debt	\$22,028,000
As a % of 2018 Certified Taxable AV	0.85%

Table 2 –Taxable Assessed Valuation by Category ²

	<u>Tax Year 2017</u>	<u>Tax Year 2016</u>	<u>Tax Year 2015</u>	<u>Tax Year 2014</u>	<u>Tax Year 2013</u>
Real Property	\$174,037,338	\$175,601,795	\$92,239,065	\$83,117,915	\$80,694,756
Personal Property	\$596,797,110	\$488,320,230	\$527,964,660	\$366,241,640	\$235,897,370
Mineral	\$1,965,884,926	\$1,536,406,599	\$2,406,337,019	\$3,368,067,893	\$3,173,030,691
Gross Value	\$2,736,719,374	\$2,200,328,624	\$3,026,540,744	\$3,817,427,448	\$3,489,622,817
Less Exemptions	\$156,073,244	\$148,561,027	\$76,283,326	\$76,344,075	\$66,499,901
Net Taxable Value	\$2,580,646,130	\$2,051,767,597	\$2,950,257,418	\$3,741,083,373	\$3,423,122,916

Table 3 – Valuation and Tax Supported Debt History ³

Fiscal Year Ended 09/30	Estimated Population	Taxable Assessed Valuation	Taxable Assessed Valuation Per Capita	Tax Debt Outstanding at End of Fiscal Year	Ratio of Tax Debt to Taxable Assessed Valuation	Tax Debt Per Capita
2014	1,611	\$3,423,122,916	\$2,125,503	\$0	0.00%	\$0.00
2015	1,588	\$3,741,083,373	\$2,355,846	\$24,685,000	0.66%	\$15,544.71
2016	1,633	\$2,950,257,418	\$1,806,649	\$23,879,000	0.81%	\$14,622.78
2017	1,682	\$2,051,767,597	\$1,219,845	\$22,965,000	1.12%	\$13,653.47
2018	1,732	\$2,580,646,130	\$1,489,594	\$22,028,000	0.85%	\$12,714.94

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¹ Source: Upton County Appraisal District, subject to change during the ensuing year.

² Source: Upton County Appraisal District.

³ Source: Upton County Appraisal District; Municipal Advisory Council of Texas

Table 4 – Tax Rate, Levy, and Collection History ¹

Fiscal Year Ended 09/30	Tax Year	Taxable Assessed Valuation	Tax Rate	Tax Levy	Total Percent Collected
2014	2013	\$3,423,122,916	\$0.0992	\$5,537,813	99.06%
2015	2014	\$3,741,083,373	\$0.1505	\$5,537,813	96.57%
2016	2015	\$2,950,257,418	\$0.1946	\$5,741,201	99.35%
2017	2016	\$2,051,767,597	\$0.3008	\$6,211,669	98.98%
2018	2017	\$2,580,646,130	\$0.2579	\$6,654,970	(In process of collection)

Table 5 – Tax Rate Distribution ²

	2017	2016	2015	2014	2013
Maintenance and Operations	\$0.1881	\$0.2133	\$0.1333	\$0.1023	\$0.0992
Interest and Sinking	\$0.0698	\$0.0875	\$0.0613	\$0.0482	\$0.0000
Total	\$0.2579	\$0.3008	\$0.1946	\$0.1505	\$0.0992

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¹ Source: Upton County Appraisal District

² Source: Upton County Appraisal District

Table 6 – Ten Largest Taxpayers ¹

2017			
<u>Taxpayers</u>	<u>Type of Property</u>	<u>2018 Net Taxable Assessed Valuation</u>	<u>% of Total 2018 Assessed Valuation</u>
Pioneer Natural	Oil & Gas	\$374,517,953	14.51%
C O G Operating LLC	Oil & Gas	\$247,506,769	9.59%
Parsley Energy Operations LLC	Oil & Gas	\$211,041,467	8.18%
Targa Pipeline Mid-Continent Westtexas LLC	Pipeline	\$144,072,320	5.58%
XTO Energy Inc	Oil & Gas	\$96,685,369	3.75%
ETC Texas Processing Ltd.	Oil & Gas	\$96,233,010	3.73%
Summit Petroleum LLC	Oil & Gas	\$78,608,766	3.05%
WTG Benedum Joint Venture	Oil & Gas	\$67,903,111	2.63%
Apache Corporation	Oil & Gas	\$63,393,556	2.46%
Chevron U.S.A., Inc - WI	Oil & Gas	\$54,816,430	2.12%
TOTAL		\$1,434,778,751	55.60%
2016			
<u>Taxpayers</u>	<u>Type of Property</u>	<u>2017 Net Taxable Assessed Valuation</u>	<u>% of Total 2017 Assessed Valuation</u>
Pioneer Natural	Oil & Gas	\$280,572,109	13.67%
C O G Operating LLC	Oil & Gas	\$269,604,417	13.14%
Parsley Energy Operations LLC	Oil & Gas	\$130,777,251	6.37%
Targa Pipeline Mid-Continent Westtexas LLC	Pipeline	\$127,116,740	6.20%
XTO Energy Inc	Oil & Gas	\$82,583,580	4.02%
WTG Benedum Joint Venture	Oil & Gas	\$59,786,061	2.91%
Chevron U.S.A., Inc - WI	Oil & Gas	\$52,266,918	2.55%
Summit Petroleum LLC	Oil & Gas	\$49,228,686	2.40%
Apache Corporation	Oil & Gas	\$45,350,828	2.21%
Exxon Mobil Corporation	Oil & Gas	\$44,679,711	2.18%
TOTAL		\$1,141,966,301	55.66%
2015			
<u>Taxpayers</u>	<u>Type of Property</u>	<u>2016 Net Taxable Assessed Valuation</u>	<u>% of Total 2016 Assessed Valuation</u>
C O G Operating LLC	Oil & Gas	\$543,162,603	18.41%
Pioneer Natural	Oil & Gas	\$431,907,526	14.64%
Parsley Energy Operations LLC	Oil & Gas	\$145,883,536	4.94%
Atlas Pipeline Mid-Continent	Oil & Gas	\$140,767,830	4.77%
Chevron U.S.A., Inc - WI	Oil & Gas	\$93,061,653	3.15%
Summit Petroleum LLC	Oil & Gas	\$90,366,775	3.06%
Apache Corporation	Oil & Gas	\$77,995,902	2.64%
Diamondback E & P LLC	Oil & Gas	\$71,820,057	2.43%
WTG Benedum Joint Venture	Oil & Gas	\$62,545,011	2.12%
Exxon Mobil Corporation	Oil & Gas	\$61,981,344	2.10%
TOTAL		\$1,719,492,237	58.28%

¹ Source: Upton County Appraisal District.

Table 7 – Classification of Assessed Valuation by Use Category ¹

<u>Property Use Category</u>	<u>2017/18</u>
Real Property:	
Single-Family Residential	\$22,089,051
Multi-Family Residential	\$-
Vacant Lots/Tracts	\$551,986
Acreage (Land Only)	\$126,836,056
Farm and Ranch Improvements	\$14,241,055
Commercial and Industrial	\$4,541,810
Minerals, Oil and Gas	\$1,964,020,017
Tangible Personal Property:	
Business	\$351,396,690
Other	\$7,729,059
Real & Tangible Personal Property:	
Utilities	\$245,313,650
Total Assessed Valuation	<u>\$2,736,719,374</u>
<u>Less Exemptions:</u>	<u>2017/18</u>
Productivity Loss	\$123,410,899
10% Residential Homestead Cap	\$1,651,873
Total Other Exemptions	\$31,010,472
Total Exemptions	<u>\$156,073,244</u>
Taxable Assessed Valuation	\$2,580,646,130

Table 8 - Percentage of Total Assessed Valuation by Category ²

<u>Property Use Category</u>	<u>2017/18</u>
Real Property:	
Single-Family Residential	0.81%
Multi-Family Residential	0.00%
Vacant Lots/Tracts	0.02%
Acreage (Land Only)	4.63%
Farm and Ranch Improvements	0.52%
Commercial and Industrial	0.17%
Minerals, Oil and Gas	71.77%
Tangible Personal Property:	
Business	12.84%
Other	0.28%
Real & Tangible Personal Property:	
Utilities	8.96%
Total	<u>100.00%</u>

¹ Source: Upton County Appraisal District.

² Source: Upton County Appraisal District

Table 9 – Estimated and Overlapping Debt ¹

<u>Taxing Jurisdiction</u>	<u>As Of</u>	<u>Total Debt</u>	<u>Estimated % Overlapping</u>	<u>Overlapping Debt</u>
Rankin ISD	4/30/2018	\$28,715,000	100.00%	\$28,715,000
Upton County	4/30/2018	\$3,040,000	80.56%	\$2,449,024
Total Overlapping Debt				\$31,164,024
Rankin County Hospital District	9/30/2017	\$22,028,000	100.00%	\$22,028,000
Total Direct & Estimated Overlapping Debt				\$53,192,024
Total Direct & Overlapping Debt % of TAV			2.06%	
Total Direct & Overlapping Debt per Capita			\$30,703.36	

Table 10 – Pro Forma Tax Supported Debt Service Requirements ²

<u>Fiscal Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2018	\$960,000	\$843,282	\$1,803,282
2019	\$991,000	\$814,531	\$1,805,531
2020	\$1,021,000	\$781,349	\$1,802,349
2021	\$1,056,000	\$747,129	\$1,803,129
2022	\$1,091,000	\$711,672	\$1,802,672
2023	\$1,129,000	\$672,336	\$1,801,336
2024	\$1,175,000	\$628,958	\$1,803,958
2025	\$1,217,000	\$583,796	\$1,800,796
2026	\$1,264,000	\$537,032	\$1,801,032
2027	\$1,319,000	\$486,935	\$1,805,935
2028	\$1,366,000	\$437,152	\$1,803,152
2029	\$1,418,000	\$384,558	\$1,802,558
2030	\$1,472,000	\$328,863	\$1,800,863
2031	\$1,533,000	\$268,592	\$1,801,592
2032	\$1,597,000	\$204,453	\$1,801,453
2033	\$1,671,000	\$134,060	\$1,805,060
2034	\$1,748,000	\$60,371	\$1,808,371
TOTAL	\$22,028,000	\$8,625,069	\$30,653,069

¹ Source: Municipal Advisory Council of Texas.

² Source: Municipal Advisory Council of Texas.

Table 11 – Interest and Sinking Fund Budget Projection ¹

Interest and Sinking Fund Balance, 10/01/2017 (Beginning)		\$436,690
Estimated Tax Supported Debt Service Requirements for Fiscal Year Ended 2019	\$1,803,282	
Interest and Sinking Fund Local Revenue	\$1,801,291	
Debt Subsidy from Texas Education Agency	
Transfers In/(Out)	
Interest and Sinking Fund Balance, 09/30/2018 (Ending)		\$434,699
 Net Increase/(Decrease) in Fund Balance		 (\$1,991)

Table 12 – Authorized but Unissued Unlimited Tax Bonds ²

After the issuance of the Bonds, the District has no authorized but unissued unlimited tax bonds. The District does not anticipate issuing additional debt this fiscal year.

Table 13 – Other Obligations ³

The District has no additional debt outstanding other than obligations supported by interest and sinking fund taxes as of September 30, 2017.

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¹ Source: The District’s audited financial statements.

² Source: The District’s audited financial statements.

³ Source: The District’s audited financial statements.

Table 14 – General Operating Fund Comparative Balance Sheet ¹

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
OPERATING REVENUES:					
Net Patient Service Revenue	\$5,830,895	\$5,388,264	\$4,299,682	\$392,349	\$4,328,678
Medicaid Supplemental Payment Program	\$-	\$-	(\$1,652,324)	\$50,622	\$1,920,676
Other Revenue	\$817,875	\$768,594	\$128,921	\$74,449	\$23,165
Total Revenues	\$6,648,770	\$6,156,858	\$2,776,279	\$517,420	\$6,272,519
OPERATING EXPENSES:					
Salaries	\$5,408,029	\$4,923,820	\$6,237,221	\$4,669,737	\$-
Employee Benefits and Payroll Taxes	\$1,110,479	\$1,029,056	\$-	\$-	\$-
Professional Fees and Purchased Services	\$1,467,744	\$1,700,314	\$660,728	\$396,591	\$-
Nursing Services	\$-	\$-	\$-	\$-	\$1,155,609
Other Professional Services	\$-	\$-	\$-	\$-	\$2,045,566
Clinic Services	\$-	\$-	\$-	\$-	\$450,205
Dietary Services	\$-	\$-	\$-	\$-	\$83,971
Household and Property Services	\$-	\$-	\$-	\$-	\$340,933
Administrative and Operating Services	\$-	\$-	\$-	\$-	\$1,283,532
Supplies	\$998,703	\$542,864	\$2,269,477	\$1,648,641	\$-
Other Operating	\$635,564	\$645,140	\$-	\$-	\$-
Depreciation and Amortization	\$1,424,272	\$1,593,943	\$786,367	\$457,898	\$366,904
Total Operating Expenses	\$11,044,791	\$10,435,137	\$9,953,793	\$7,172,867	\$5,726,720
Operating Income (Loss)	(\$4,396,021)	(\$4,278,279)	(\$7,177,514)	(\$6,655,447)	\$545,799
NONOPERATING REVENUES (EXPENSES):					
Property Tax Revenue	\$6,342,802	\$5,920,782	\$5,741,073	\$3,511,160	\$3,350,530
Noncapital Grants and Contributions	\$9,258	\$20,270	\$73,140	\$64,751	\$48,345
Investment Income	\$15,699	\$39,953	\$-	\$-	\$11,318
Interest Income	\$-	\$-	\$8,661	\$9,827	\$-
Interest Expense	(\$859,905)	(\$890,804)	(\$6,795)	(\$7,513)	(\$77,088)
Debt Issuance Costs	\$-	\$-	\$-	(\$408,021)	\$-
Gain (Loss) on Disposal of Assets	\$-	(\$28,942)	\$-	\$-	\$-
Total Nonoperating Revenues (Expenses)	\$5,507,854	\$5,061,259	\$5,816,079	\$3,170,204	\$3,333,105
Increase (Decrease) in Net Position	\$1,111,833	\$782,980	(\$1,361,435)	(\$3,485,243)	\$3,878,904
Fund Balance – October 1 (Beginning)	\$5,494,242	\$4,711,262	\$5,442,528	\$8,927,771	\$5,048,867
Adjustment for Accounting Change	\$-	\$-	\$630,169	\$-	\$-
Fund Balance – September 30 (Ending)	\$6,606,075	\$5,494,242	\$4,711,262	\$5,442,528	\$8,927,771

¹ Source: The District's audited financial statements.

Table 15 – General Operating Fund Comparative Balance Sheet ¹

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
ASSETS:					
Cash & Cash Equivalents	\$680,724	\$2,882,472	\$326,346	\$1,110,015	\$2,381,433
Short-Term Investments	\$100,000	\$606,105	\$604,035	\$2,110,658	\$1,740,857
Assets Whose Use is Limited	\$3,712,062	\$1,750,762	\$-	\$-	\$-
Patient Accounts Rec, Net of Allowance	\$540,959	\$886,631	\$1,287,975	\$165,157	\$1,312,416
Estimated Third-Party Payor Settlements	\$985,736	\$610,222	\$249,533	\$776,026	\$943,503
Other Receivables	\$-	\$24,395	\$-	\$-	\$-
Inventory of Supplies	\$257,837	\$276,477	\$95,333	\$90,569	\$76,789
Prepaid and Other Current Assets	\$140,950	\$158,636	\$41,409	\$27,261	\$44,754
Property Taxes Receivable	\$45,606	\$48,484	\$48,484	\$112,390	\$59,328
Long-Term Investments	\$-	\$260,279	\$-	\$-	\$-
Noncurrent Assets					
Capital Assets, Net of Depreciation	\$24,190,706	\$24,499,216	\$24,919,268	\$9,372,145	\$2,413,476
Noncurrent Investments	\$-	\$-	\$1,270,286	\$-	\$1,257,653
Cash Held by Trustee for Capital Acquisition	\$-	\$-	\$3,665,851	\$20,735,753	\$-
Net Pension Assets	\$587,311	\$407,139	\$464,327	\$-	\$-
Other Assets	\$-	\$-	\$21,841	\$19,917	\$18,089
Total Assets	\$31,241,891	\$32,410,818	\$32,994,688	\$34,519,891	\$10,248,298
DEFERRED OUTFLOWS OF RESOURCES:					
Difference of Projected and Actual Earnings	\$326,265	\$390,829	\$-	\$-	\$-
Difference of Expected and Actual Experience	\$12,823	\$19,234	\$-	\$-	\$-
Difference of Changes in Assumption	\$33,549	\$50,324	\$-	\$-	\$-
Contributions Subsequent to Measurement Date	\$207,419	\$201,500	\$-	\$-	\$-
Total Deferred Outflows of Resources	\$580,056	\$661,887	\$273,397	\$-	\$-
Total Assets and Deferred Outflows of Res	\$31,821,947	\$33,072,705	\$33,268,085	\$34,519,891	\$10,248,298
LIABILITIES:					
Current Liabilities					
Current Portion of Long-Term Debt	\$969,899	\$937,000	\$974,472	\$863,169	\$88,825
Accounts Payable	\$290,804	\$506,769	\$1,330,916	\$3,074,250	\$259,248
Est. Amounts Due to Third-Party Payers	\$-	\$-	\$2,243,668	\$162,195	\$567,405
Accr. Payroll, Benefits & Related Liabilities	\$645,032	\$508,441	\$211,634	\$241,011	\$123,948
Accrued Interest	\$-	\$-	\$192,459	\$282,348	\$-
Accrued Compensated Absences	\$-	\$-	\$157,049	\$110,848	\$104,097
Other Accrued Liabilities	\$1,463,751	\$2,852,896	\$-	\$-	\$-
Noncurrent Liabilities					
Long-Term Debt, Net of Current Position	\$21,408,038	\$22,340,062	\$23,360,444	\$24,247,419	\$78,048
Post-Employment Benefits	\$91,207	\$86,181	\$86,181	\$96,123	\$98,956
Total Liabilities	\$24,868,731	\$27,231,349	\$28,556,823	\$29,077,363	\$1,320,527
DEFERRED INFLOWS OF RESOURCES:					
Difference of Projected and Actual Earnings	\$347,141	\$347,114	\$-	\$-	\$-
Total Deferred Inflows of Resources	\$347,141	\$347,114	\$-	\$-	\$-
NET POSITION:					
Net Investment in Capital Assets	\$1,812,769	\$1,222,154	\$3,277,647	\$2,010,452	\$2,246,603
Restricted for Pensions	\$-	\$-	\$464,327	\$-	\$-
Unrestricted	\$4,793,306	\$4,272,088	\$969,288	\$3,432,076	\$6,681,168
Total Net Position	\$6,606,075	\$5,494,242	\$4,711,262	\$5,442,528	\$8,927,771
Total Liabilities, Deferred Inflow of Resources and Fund Balances	\$31,821,947	\$33,072,705	\$33,268,085	\$34,519,891	\$10,248,298

¹ Source: The District's audited financial statements.

Table 16 – Current Investments ¹

As of August 31, 2018, the District’s investable funds amounted to \$4,643,419. The following summary itemizes the District’s investment portfolio by type of security:

	<u>Percent</u>	<u>Book Value</u>	<u>Market Value</u>
Cash & Cash Equivalents	100.00%	\$4,643,419	\$4,643,419
Total Investments	100.00%	\$4,643,419	\$4,643,419

¹ Source: The District’s audited financial statements.