



# Kit Carson County Health Service District

*Rooted in excellence. Growing in trust.*

## FINANCIAL STATEMENT SUMMARY

December 2017

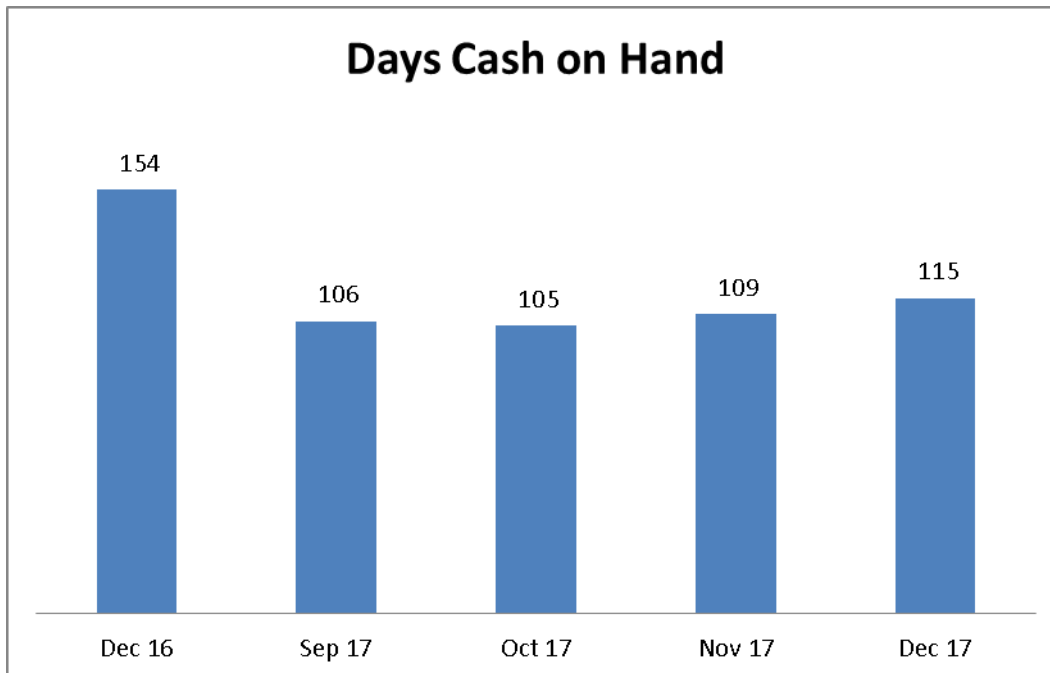
### Income Statement Summary

Kit Carson County Health Service District (KCCHSD) had a net loss of \$772,509 for the month and a net loss of \$2,306,657 YTD. KCCHSD had YTD budgeted income of \$3,540.

KCCHSD's Net Operating Income was a loss of \$735,707 for the month and a loss of \$2,135,820 YTD. YTD Budgeted Net Operating Income was \$83,978.

### Days Cash on Hand

KCCHSD Days Cash on Hand is 115 in December compared to 109 as of November and 154 as of December, 2016. KCCHSD's Bond Covenants require 60 Days Cash. KCCHSD received a large amount of Medicaid payments in December as the revenue cycle pushed to get all the Medicaid billed out.



Note: Days Cash on Hand is calculated on a YTD basis consistent with the bond covenant calculation.

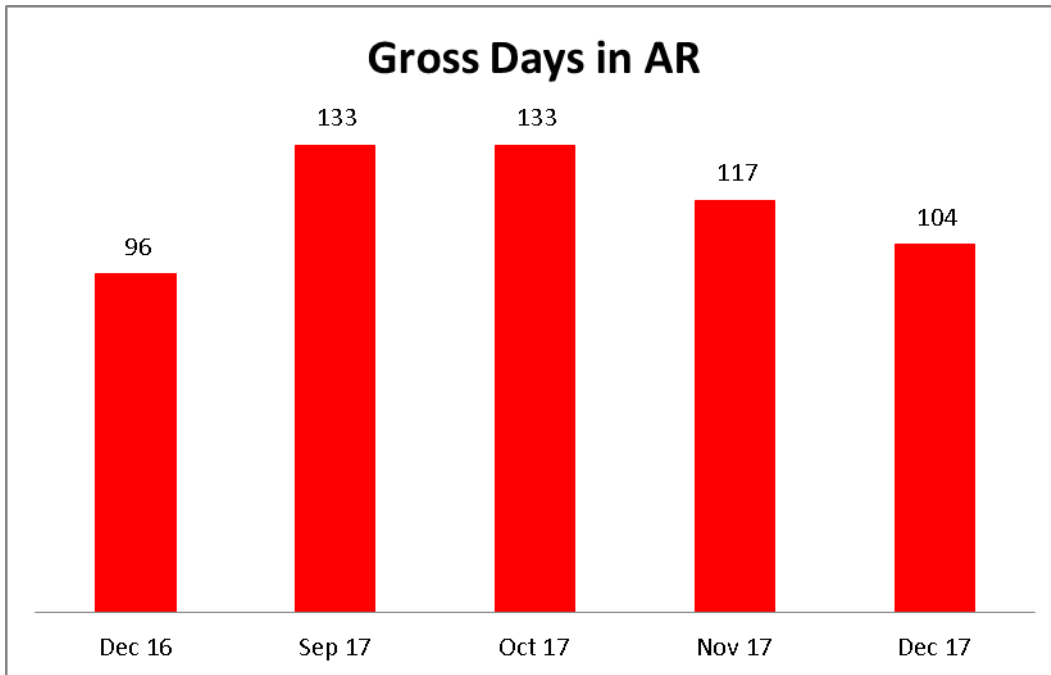


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## Gross Days in AR

Gross Days in AR for December were 104 compared to 117 as of November and 96 as of December, 2016. The Medicaid payments came through heavily in December and the District also wrote off out of timely filing accounts at year end.



Note: Gross Days in AR are calculated using a 6 month average for daily revenue.

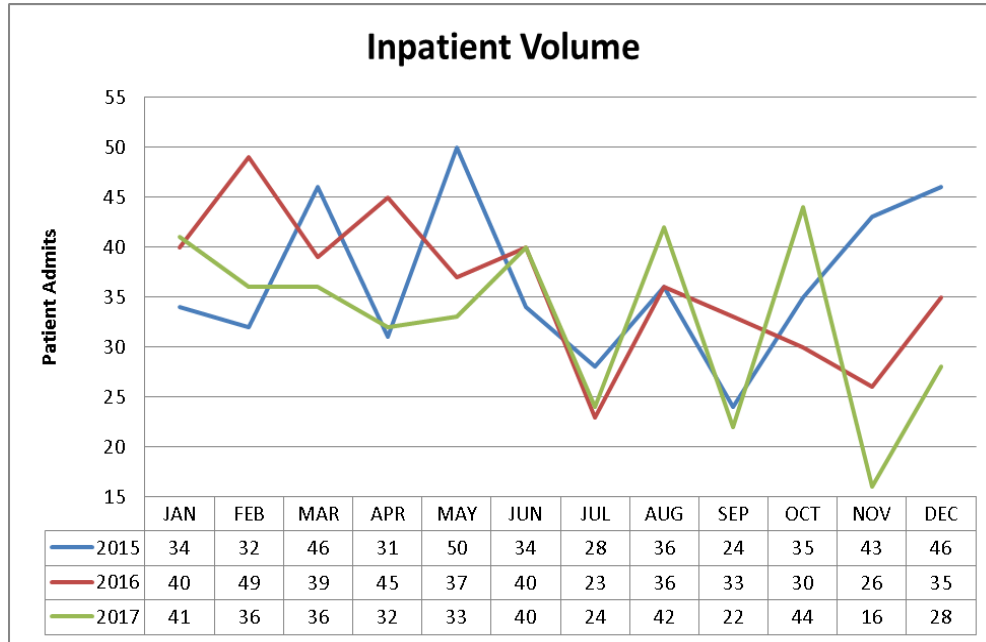


# Kit Carson County Health Service District

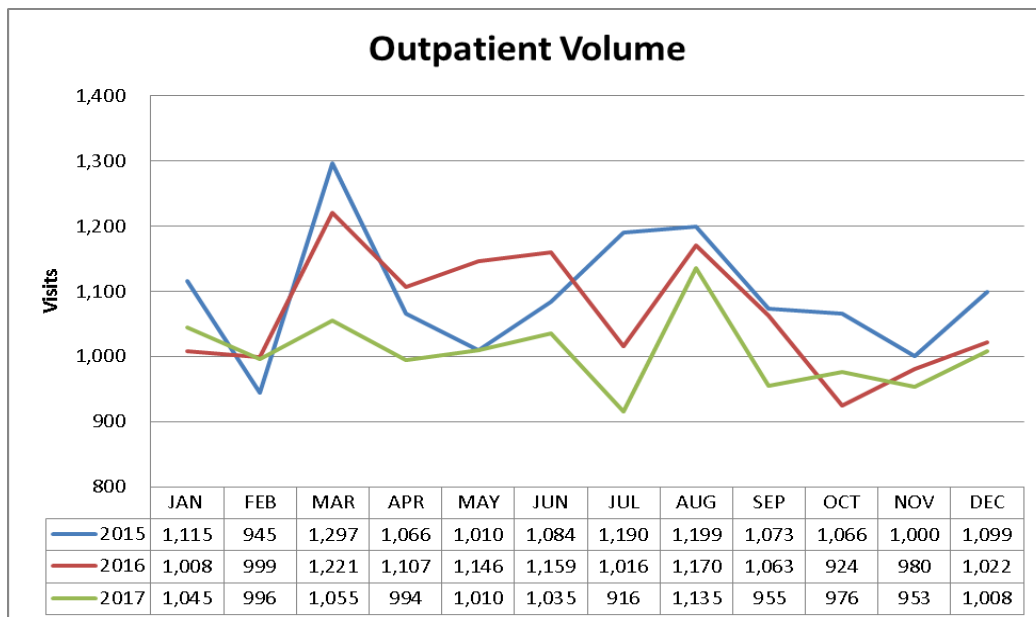
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## Volume

Inpatient volume has seen a decrease in December for the past three years. The District had a significant decrease this year.



Outpatient volume for December saw a decrease from same month prior year statistics. KCHSD continues to research outpatient services that would increase volume with little to no cost to the District.





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## **Revenue:**

Gross Patient Revenue was \$1,797,347 for the month and \$22,286,872 YTD compared to the budget of \$1,947,820 and \$23,373,842. The decrease in revenue follows the decrease in volume for November.

Net Patient revenue was \$453,301 for December and \$13,914,412 YTD compared to the budget of \$1,330,412 and \$15,964,991. The District is evaluating contractals continuously as to accurately reflect net patient revenue.

## **Expense:**

Operating Expense Less Depreciation at \$1,097,270 was under budget for the month by \$111,494. YTD Operating expense less depreciation was over budget by \$176,266. The District is persistently evaluating expenses to determine what areas can be reduced while still providing quality patient care.

## **Non-Operating Income (Expense):**

Non-Operating Income was a loss (Expense) of \$36,803 compared to the budget loss of \$6,703 for December. Interest expense continues to be the main item that contributing to this loss.



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## Debt Service Ratio

Debt Service Ratio for December is at -0.15 which is an increase from November at 0.38. The bond covenant requires the district to have a debt service ratio of 1.25.

Debt Service Coverage Ratio	
Net Income	(2,306,657)
Interest exp	758,545
Dep Exp	1,363,320
Revenue Available for Debt Service	(184,793)
MRI	121,548
CT	97,380
Bonds	1,011,759
Annual Debt Service	1,230,687
Debt Service Coverage Ratio	-0.15
**YTD Figures in accordance with bond covenants	

\*\*YTD Figures in accordance with the bond covenants

## Notes to December 2017 Financial Reporting

1. The District had to write off \$700,000 in Medicaid due to out of timely filing at the end of 2017. This is largely contributed to the inability to bill for a substantial amount of time in 2017 due to revalidation issues. The amount of cash that should have been collected is approximately \$193,900 at the District's current contractual reimbursement calculations. The Medicaid validation issue was remedied in September of 2017 and the District has been billing and collecting on all patient visits since that time. Medicaid did allow the District to go back to February 2017 for billing; however, that still resulted in missed claims.
2. The District did not accrue any accounts payable in January of 2017.

**Kit Carson County Health Service District  
Financial Statements for**



**December 2017**

**KIT CARSON COUNTY HEALTH SERVICE DISTRICT**  
**STATEMENT OF CHANGES IN CASH FLOW**  
December 2017

	<b>Year-to-Date</b>
<b>Beginning Cash</b>	5,836,764
<b>Income From Operations:</b>	
Net Operating Income (Loss)	(\$2,135,820)
Noncash Expenses and Revenues Included in Income:	
Depreciation	1,363,320
Changes in Operating Assets and Liabilities:	
Patient Receivables	720,475
Cost Report and Settlements	(92,734)
Inventories	16,084
Prepaid Expenses	114,663
Other Receivables	0
Accounts Payable and Accrued Expense	(202,220)
Nonoperating Revenues, Net	572,595
<b>Cash Flows from Investing Activities:</b>	
Investment Income	15,113
Change in Restricted Funds	(6,883)
<b>Cash Flows from Financing Activities:</b>	
Property Tax Receivable	(98,747)
Interest Expense	(758,545)
Change in Long Term Debt	(647,983)
Change in Fixed Assets	(111,195)
Change in Restricted Cash	56,615
	56,615
<b>Ending Cash</b>	<b>\$4,641,500</b>

**KIT CARSON COUNTY HEALTH SERVICE DISTRICT  
COMPARATIVE BALANCE SHEET  
DECEMBER 2017**

<b>UNRESTRICTED FUNDS - ASSETS:</b>	<u>12/31/2017</u>	<u>12/31/2016</u>	<u>Increase/ (Decrease)</u>
<b>CURRENT ASSETS:</b>			
Cash:	\$ 4,641,501	\$ 5,836,764	\$ (1,195,263)
Receivables:			
Patient	5,858,168	5,721,683	136,485
Less: Allowances for Bad Debts	(1,476,535)	(1,430,001)	(46,534)
Less: Contractual Allowances	<u>(2,534,427)</u>	<u>(1,724,000)</u>	<u>(810,427)</u>
Net Patient Receivables	1,847,207	2,567,682	(720,475)
Medicare / Medicaid / Cost Report	605,443	512,709	92,734
Property Tax Receivable	579,709	480,962	98,747
Other Receivables	<u>29,372</u>	<u>29,372</u>	<u>-</u>
Total Receivables	<u>3,061,730</u>	<u>3,590,725</u>	<u>(528,995)</u>
Other Current Assets:			
Inventories	461,700	477,784	(16,084)
Prepaid Expense	<u>181,108</u>	<u>295,771</u>	<u>(114,663)</u>
Total Other Current Assets	<u>642,808</u>	<u>773,555</u>	<u>(130,747)</u>
Total Current Assets	<u>8,346,039</u>	<u>10,201,044</u>	<u>(1,855,004)</u>
<b>OTHER ASSETS:</b>			
Property, Plant and Equipment	23,072,705	22,961,510	111,195
Less: Accumulated Depreciation	<u>(15,599,016)</u>	<u>(14,235,696)</u>	<u>(1,363,320)</u>
Net Property Plant and Equipment	7,473,690	8,725,814	(1,252,124)
Bond Funds	1,831,547	1,888,162	(56,615)
Restricted Fund Assets	<u>1,013,826</u>	<u>1,006,943</u>	<u>6,883</u>
Total Other Assets	<u>10,319,063</u>	<u>11,620,918</u>	<u>(1,301,855)</u>
<b>TOTAL ASSETS</b>	<u>\$ 18,665,102</u>	<u>\$ 21,821,962</u>	<u>\$ (3,156,860)</u>



**KIT CARSON COUNTY HEALTH SERVICE DISTRICT  
COMPARATIVE BALANCE SHEET  
DECEMBER 2017**

<b>LIABILITIES AND FUND BALANCE:</b>	<u>12/31/2017</u>	<u>12/31/2016</u>	<u>Increase/ (Decrease)</u>
<b>CURRENT LIABILITIES:</b>			
Accounts Payable and Accrued Expenses	\$ 261,647	\$ 656,773	\$ (395,126)
Leases Payable - Current	270,732	180,510	90,222
Bonds Payable - current	360,000	335,000	25,000
Vacation Payable	211,804	218,442	(6,638)
Salary & Salary Deductions Payable	144,586	155,011	(10,424)
Interest Payable	394,096	404,313	(10,218)
Deferred Income County Tax	585,926	480,962	104,964
Medicare / Medicaid / Cost Report	<u>0</u>	<u>0</u>	<u>0</u>
Total Current Liabilities	<u>2,228,791</u>	<u>2,431,011</u>	<u>(202,220)</u>
<b>LONG TERM LIABILITIES:</b>			
Leases	237,178	525,160	(287,983)
Bonds Payable	<u>10,430,000</u>	<u>10,790,000</u>	<u>(360,000)</u>
Total Long Term Debt	<u>10,667,178</u>	<u>11,315,160</u>	<u>(647,983)</u>
Total Liabilities	<u>12,895,969</u>	<u>13,746,171</u>	<u>(850,203)</u>
<b>FUND BALANCE:</b>			
Operating Fund	8,075,791	8,075,791	0
Revenues over Expenses	<u>(2,306,657)</u>	<u></u>	<u>(2,306,657)</u>
Total Fund Balance	<u>5,769,134</u>	<u>8,075,791</u>	<u>(2,306,657)</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u>\$ 18,665,102</u>	<u>\$ 21,821,962</u>	<u>\$ (3,156,860)</u>

**KIT CARSON COUNTY HEALTH SERVICE DISTRICT  
COMBINED INCOME STATEMENT  
December 2017**

<b>Month</b>			<b>YTD</b>				
<b>2017</b>		<b>2016</b>	<b>2017</b>		<b>2016</b>		
<b>Actual</b>	<b>Budget</b>	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>		
<b>OPERATING REVENUE:</b>							
1	\$ 1,797,347	\$ 1,947,820	\$ 2,199,016	Patient Revenue, Gross	\$ 22,286,872	\$ 23,373,842	\$ 21,754,706
2	\$ (1,170,425)	\$ (530,911)	\$ (264,220)	Less: Contractual Adjustments	\$ (7,510,316)	\$ (6,370,880)	\$ (5,765,874)
	626,922	1,416,909	1,934,797	Patient Revenue, Net of Contractual Adjustments	14,776,556	17,002,962	15,988,832
3	\$ (173,621)	\$ (86,497)	\$ (59,129)	Less: Provision for Uncollectable Accounts	\$ (862,144)	\$ (1,037,971)	\$ (1,375,959)
	453,301	1,330,412	1,875,668	Patient Revenue, Net	13,914,412	15,964,991	14,612,873
4	\$ 2,164	\$ 2,843	\$ 3,026	Other Operating Revenue	\$ 44,857	\$ 34,122	\$ 33,664
	455,465	1,333,255	1,878,694	<b>NET OPERATING REVENUE</b>	<b>13,959,269</b>	<b>15,999,113</b>	<b>14,646,537</b>
	25%	68%	63%		62%	68%	67%
<b>OPERATING EXPENSE:</b>							
5	\$ 864,171	\$ 775,020	\$ 800,808	Salary and Benefits	\$ 9,558,784	\$ 9,328,914	\$ 8,647,751
6	\$ 109,600	\$ 139,650	\$ 162,782	Supplies, Drugs and Food	\$ 1,399,939	\$ 1,675,760	\$ 1,537,062
7	\$ 57,789	\$ 66,156	\$ 104,441	Professional Fees	\$ 622,007	\$ 793,870	\$ 991,460
8	\$ 220,859	\$ 105,228	\$ 184,679	Purchased Service	\$ 1,563,421	\$ 1,262,716	\$ 1,256,366
9	\$ 12,866	\$ 13,696	\$ 6,443	Repair and Maintenance	\$ 114,015	\$ 164,365	\$ 94,384
10	\$ 18,178	\$ 9,639	\$ 8,982	Insurance	\$ 149,901	\$ 115,660	\$ 111,392
11	\$ 49,673	\$ 29,269	\$ 53,640	Utilities	\$ 366,167	\$ 351,187	\$ 378,406
12	\$ 3,431	\$ 23,699	\$ 46,319	Travel and Education	\$ 120,966	\$ 284,402	\$ 164,912
13	\$ 15,245	\$ 23,679	\$ (1,836)	Lease	\$ 172,700	\$ 284,157	\$ 204,831
14	\$ 16,432	\$ 6,513	\$ 13,865	Dues, Books and Subscriptions	\$ 105,823	\$ 82,100	\$ 77,188
15	\$ 885	\$ 1,003	\$ 1,433	Advertising	\$ 15,213	\$ 12,035	\$ 11,368
16	\$ (271,858)	\$ 15,212	\$ 311,713	Other	\$ 539,581	\$ 197,086	\$ 329,745
	1,097,270	1,208,764	1,693,267	Total Operating Expense Less Depreciation	14,728,518	14,552,252	13,804,865
	(641,805)	124,490	185,427	<b>EBIDA</b>	(769,248)	1,446,861	841,672
17	\$ 93,901	\$ 113,576	\$ 148,815	Depreciation	\$ 1,363,320	\$ 1,362,883	\$ 1,415,278
	(735,707)	10,914	36,612	<b>NET OPERATING INCOME</b>	<b>(2,135,820)</b>	<b>83,978</b>	<b>(573,606)</b>
<b>NON-OPERATING INCOME (EXPENSE)</b>							
18	\$ (63,867)	\$ (57,514)	\$ (68,211)	Interest (Expense)	\$ (758,545)	\$ (690,170)	\$ (786,133)
19	\$ 2,773	\$ 1,074	\$ (844)	Interest Income	\$ 15,113	\$ 12,888	\$ 12,885
20	\$ 40,080	\$ 39,569	\$ 23,554	Tax Revenue	\$ 530,738	\$ 474,828	\$ 659,993
21	\$ (21,961)	\$ 1,321	\$ (4,743)	Donations and Grants	\$ (12,747)	\$ 15,853	\$ 75,503
22	\$ 6,171	\$ 8,847	\$ 12,094	Other Non-Operating Income/(Loss)	\$ 54,604	\$ 106,163	\$ 54,038
	(36,803)	(6,703)	(38,150)	Total	(170,837)	(80,438)	16,286
	\$ (772,509)	\$ 4,211	\$ (1,537)	<b>NET INCOME</b>	<b>\$ (2,306,657)</b>	<b>\$ 3,540</b>	<b>\$ (557,319)</b>