



Kit Carson County Health Service District

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FINANCIAL STATEMENT SUMMARY

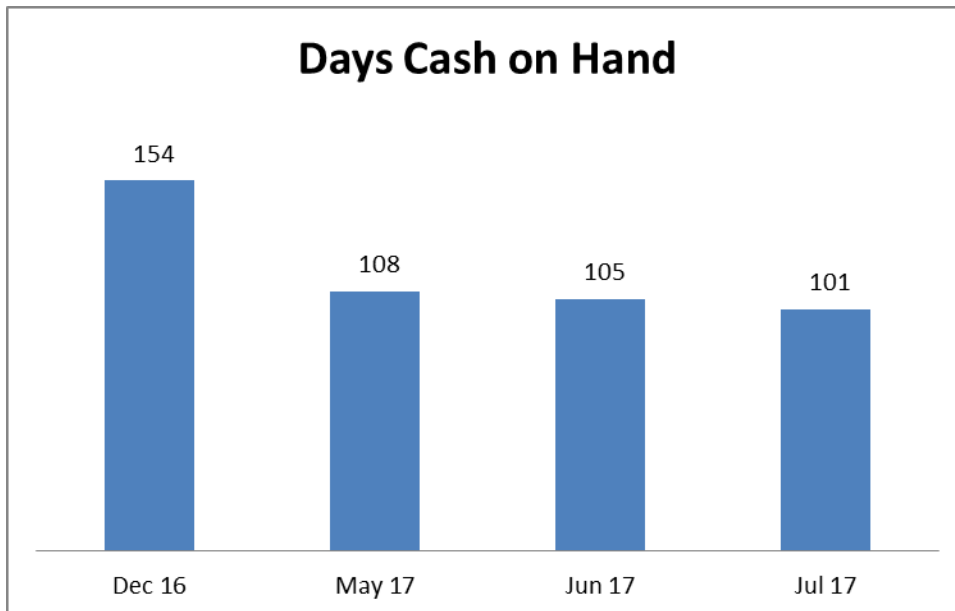
July 2017

Summary:

Kit Carson County Health Service District (KCCHSD) had a net loss of \$175,396 for the month and a net loss of \$1,267,513 YTD. KCCHSD had YTD budgeted income of \$16,380.

KCCHSD's Net Operating Income was a loss of \$171,409 for the month and a loss of \$1,162,335 YTD. YTD Budgeted Net Operating Income was \$63,301.

KCCHSD had Days Cash on Hand of 101 compared to 105 as of June and 154 as of December, 2016. KCCHSD's Bond Covenants require 60 Days Cash.



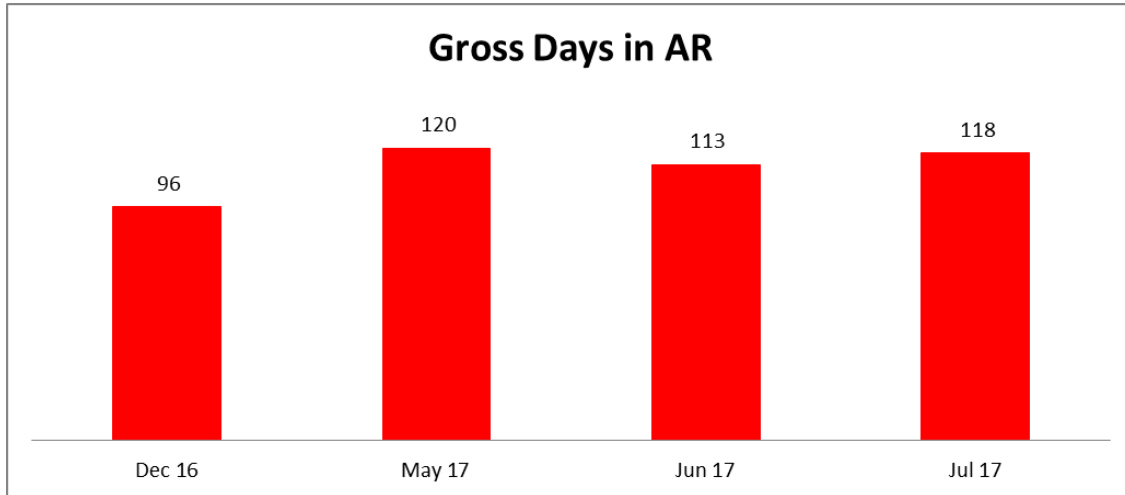
Note: Days Cash on Hand is calculated on a YTD basis consistent with the bond covenant calculation.

Gross Days in AR were 118 compared to 113 as of June and 96 as of December, 2016. Days in AR and Accounts Receivable are up as a result of the inability to bill or collect Medicaid accounts due to a change in the State's payment system. Self-pay accounts receivable, which the District will collect very little on, are also increasing.



Kit Carson County Health Service District

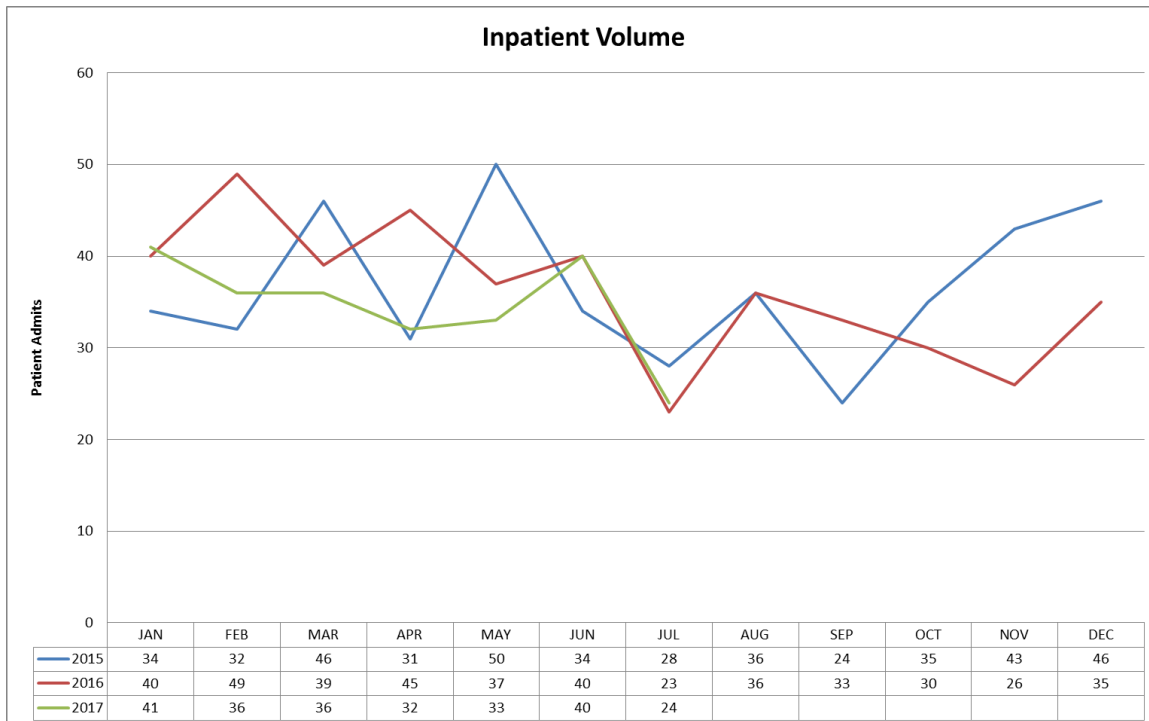
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Note: Gross Days in AR are calculated using a 6 month average for daily revenue.

Volume:

Inpatient volume was down from prior months and consistent with prior years in July.

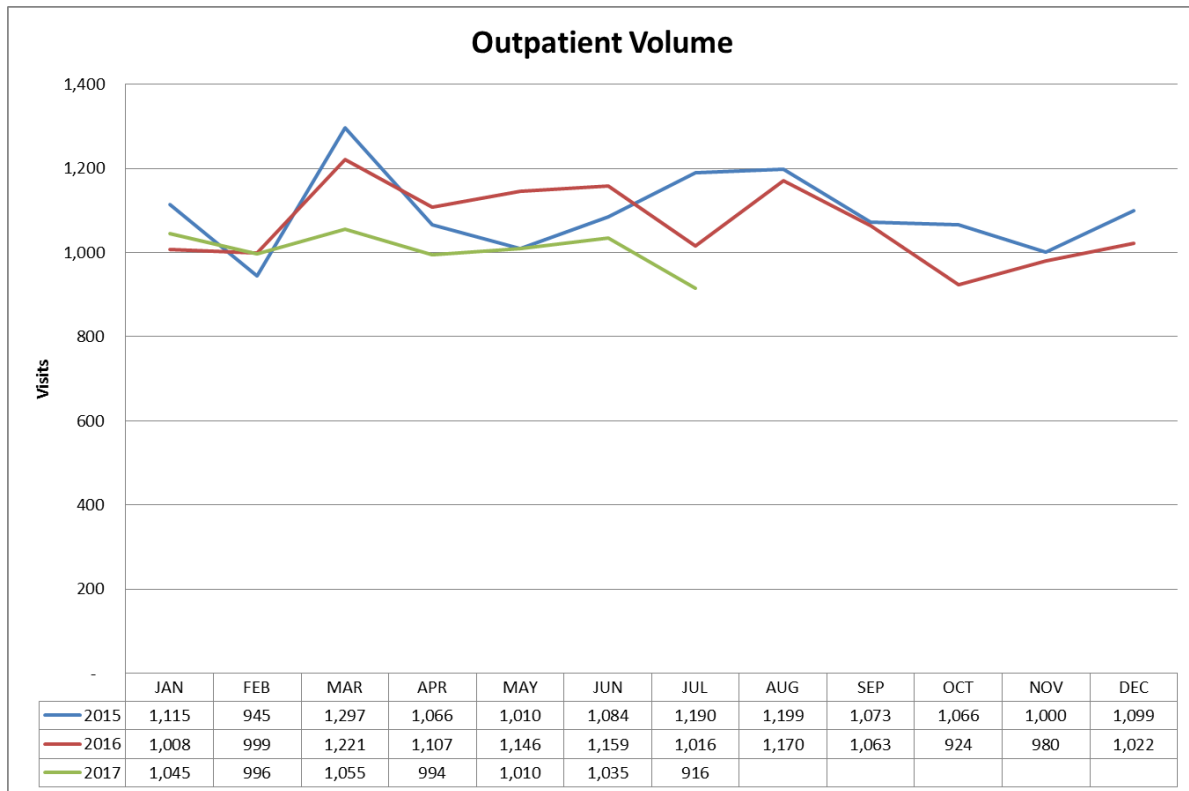




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Outpatient volume (excluding clinics) for 2017 has been and continues to be lower than prior years. Lower outpatient volume has been driven by the decrease in outpatient surgeries although all outpatient areas are being reviewed by District Management.



Revenue:

Gross Patient Revenue was \$1,929,750 for the month and \$13,013,247 YTD compared to the budget of \$1,947,820 and \$13,634,737. Revenue for July (at \$1,929,750) was higher than June (at \$1,776,002) even though volume was lower in July. Monthly revenue has fluctuated as a result of inconsistent charging practices. Revenue has not always been recorded timely. KCCHSD is beginning a complete charging and pricing review with the help of PARA (Hospital revenue, reimbursement and coding specialists).

Net Patient revenue was below budget for the month partially as a result of the lower gross revenue discussed above. YTD Net Patient Revenue was below budget by \$877,599 also partially due to the lower gross patient revenue. A reduction in the provider fee payment also contributed to the decrease. The provider fess payment received is recorded as a reduction to the contractual expense. This payment was reduced in 2017.



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Finally, Contractual Adjustments and Provision for Uncollectable Accounts (deductions from revenue) were both higher than budget, as a result of an over optimistic budget, as the total deductions from revenue are similar to prior year.

Expense:

Operating Expense Less Depreciation was under budget by \$9,143 for the month and over budget by \$297,007 for the year. Other Expense is above budget mainly as a result of the Provider Fee Payment. The Provider Fee payment is recorded in this expense category. The Provider Fee payment increased approximately \$3,000 per month in 2017. In addition, the payment was not recorded consistently in the financial statements in 2016 as it was often recorded incorrectly as a contractual expense. KCCHSD continues to monitor and reduce spending in all areas.

Non-Operating Income (Expense):

Non-Operating Income was a loss (Expense) of \$105,177 YTD compared to a loss of \$46,921. Interest Expense was the main item that contributed to this loss. Interest expense was not budgeted high enough. The District will continue to run over budget in this area the remainder of the year.

**Kit Carson County Health Services District
Financial Statement for**

July, 2017

**KIT CARSON COUNTY HEALTHSERVICES DISTRICT
STATEMENT OF CHANGES IN CASH FLOW
JULY 2017**

	Year-to-Date
Beginning Cash	5,836,764
Income From Operations:	
Net Operating Income (Loss)	(\$1,162,335)
Noncash Expenses and Revenues Included in Income:	
Depreciation	851,729
Changes in Operating Assets and Liabilities:	
Patient Receivables	(544,100)
Cost Report and Settlements	(148,589)
Inventories	952
Prepaid Expenses	143,553
Other Receivables	0
Accounts Payable and Accrued Expense	(1,435,176)
Nonoperating Revenues, Net	325,167
Cash Flows from Investing Activities:	
Investment Income	12,322
Change in Restricted Funds	(6,377)
Cash Flows from Financing Activities:	
Property Tax Receivable	480,962
Interest Expense	(442,667)
Change in Long Term Debt	(89,422)
Change in Fixed Assets	(103,854)
Change in Restricted Cash	450,361
Ending Cash	\$4,169,290

**KIT CARSON COUNTY HEALTHSERVICES DISTRICT
COMPARATIVE BALANCE SHEET
JULY 31, 2017**

UNRESTRICTED FUNDS - ASSETS:	<u>7/31/2017</u>	<u>12/31/2016</u>	Increase/ (Decrease)
CURRENT ASSETS:			
Cash:	\$ 4,169,290	\$ 5,836,764	\$ (1,667,473)
Receivables:			
Patient	7,482,225	5,721,683	1,760,542
Less: Allowances for Bad Debts	(1,387,312)	(1,430,001)	42,688
Less: Contractual Allowances	<u>(2,983,130)</u>	<u>(1,724,000)</u>	<u>(1,259,130)</u>
Net Patient Receivables	3,111,782	2,567,682	544,100
Medicare / Medicaid / Cost Report	661,298	512,709	148,589
Property Tax Receivable	0	480,962	(480,962)
Other Receivables	<u>29,372</u>	<u>29,372</u>	<u>-</u>
Total Receivables	<u>3,802,453</u>	<u>3,590,725</u>	<u>211,727</u>
Other Current Assets:			
Inventories	476,832	477,784	(952)
Prepaid Expense	<u>152,217</u>	<u>295,771</u>	<u>(143,553)</u>
Total Other Current Assets	<u>629,049</u>	<u>773,555</u>	<u>(144,506)</u>
Total Current Assets	<u>8,600,792</u>	<u>10,201,044</u>	<u>(1,600,251)</u>
OTHER ASSETS:			
Property, Plant and Equipment	23,065,364	22,961,510	103,854
Less: Accumulated Depreciation	<u>(15,087,425)</u>	<u>(14,235,696)</u>	<u>(851,729)</u>
Net Property Plant and Equipment	7,977,939	8,725,814	(747,875)
Bond Funds	1,437,801	1,888,162	(450,361)
Restricted Fund Assets	<u>1,013,320</u>	<u>1,006,943</u>	<u>6,377</u>
Total Other Assets	<u>10,429,060</u>	<u>11,620,918</u>	<u>(1,191,859)</u>
TOTAL ASSETS	<u>\$ 19,029,852</u>	<u>\$ 21,821,962</u>	<u>\$ (2,792,110)</u>

**KIT CARSON COUNTY HEALTHSERVICES DISTRICT
COMPARATIVE BALANCE SHEET
JULY 31, 2017**

LIABILITIES AND FUND BALANCE:	<u>7/31/2017</u>	<u>12/31/2016</u>	<u>Increase/ (Decrease)</u>
CURRENT LIABILITIES:			
Accounts Payable and Accrued Expenses	\$ 179,772	\$ 656,773	\$ (477,001)
Leases Payable - Current	161,110	180,510	(19,400)
Bonds Payable - current	-	335,000	(335,000)
Vacation Payable	216,498	218,442	(1,944)
Salary & Salary Deductions Payable	147,427	155,011	(7,584)
Interest Payable	90,627	404,313	(313,686)
Deferred Income County Tax	200,401	480,962	(280,561)
Medicare / Medicaid / Cost Report	<u>0</u>	<u>0</u>	<u>0</u>
Total Current Liabilities	<u>995,835</u>	<u>2,431,011</u>	<u>(1,435,176)</u>
LONG TERM LIABILITIES:			
Leases	435,739	525,160	(89,422)
Bonds Payable	<u>10,790,000</u>	<u>10,790,000</u>	<u>0</u>
Total Long Term Debt	<u>11,225,739</u>	<u>11,315,160</u>	<u>(89,422)</u>
Total Liabilities	<u>12,221,574</u>	<u>13,746,171</u>	<u>(1,524,597)</u>
FUND BALANCE:			
Operating Fund	8,075,791	8,075,791	0
Revenues over Expenses	<u>(1,267,513)</u>	<u></u>	<u>(1,267,513)</u>
Total Fund Balance	<u>6,808,278</u>	<u>8,075,791</u>	<u>(1,267,513)</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 19,029,852</u>	<u>\$ 21,821,962</u>	<u>\$ (2,792,110)</u>

