



# Kit Carson County Health Service District

*Rooted in excellence. Growing in trust.*

## FINANCIAL STATEMENT SUMMARY

May 2018

### Income Statement Summary

Kit Carson County Health Service District (KCCHSD) had a net profit of \$89,316 for the month and a net profit of \$467,876 YTD. KCCHSD had YTD budgeted income of \$25,345. The budget is set up in to twelve equal months rather than volume based. The District will more than likely begin seeing a decrease in volume in June.

KCCHSD's Net Operating Income was a profit of \$82,277 for the month and a profit of \$455,173 YTD. YTD Budgeted Net Operating Income was \$109,348.

### Revenue:

Gross Patient Revenue was \$2,239,131 for the month and \$11,307,725 YTD compared to the budget of \$2,034,730 and \$10,173,648. Again, the District will begin to see volume decreases that will cause decreased revenue in the coming months.

Net Patient revenue was \$1,377,292 for the month and \$6,732,791 YTD compared to the budget of \$1,377,081 and \$6,627,155. The District continues reviewing contractual and doubtful account allowances calculations quarterly to ensure accuracy throughout the year. Additional allowance has been accrued to aid in the offset of the imminent Medicaid write-offs and overall AR clean-up.

### Expense:

Operating Expense Less Depreciation at \$1,207,616 was over budget for the month by \$22,985. YTD Operating expense less depreciation was under budget by \$94,511.

### Non-Operating Income (Expense):

Non-Operating Income was \$7,039 compared to the budget expense of \$16,801 for May. YTD the income is \$12,703.



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## Notes

- District is under budget YTD on all categories with the exception of Purchased Service and Education.
  - Purchased services is over budget by \$98,826 – 23% over budget
    - Imaging budget is not sufficient for the current purchased maintenance
    - Home Health and Hospice is utilizing their EMR vendor for billing recovery – this cost was not factored in the budget
    - Transcription services were not factored in the budget
    - Nursing MCG subscription was not factored in the budget
  - Education is over budget by \$5,192 – 25%. Education expense will be analyzed and brought to the board meeting in July for review.
- Salary and benefits is over budget by \$18,042 for the month. This is largely due to overtime in Patient Financial Services, Med Surg, and extra on call coverage.
- Professional fees are over budget by \$14,473 for the month but under budget YTD. A large and final portion of the audit expense for the 2017 financials was paid in May.
- The District needs to be mindful that the Provider Fee payment received monthly will decline beginning in July by \$18,284 per month leaving a total deficit for the remainder of the year at \$91,420. The payment is subject to change again in August so the total deficit figure is based on the payment beginning in July and could vary.

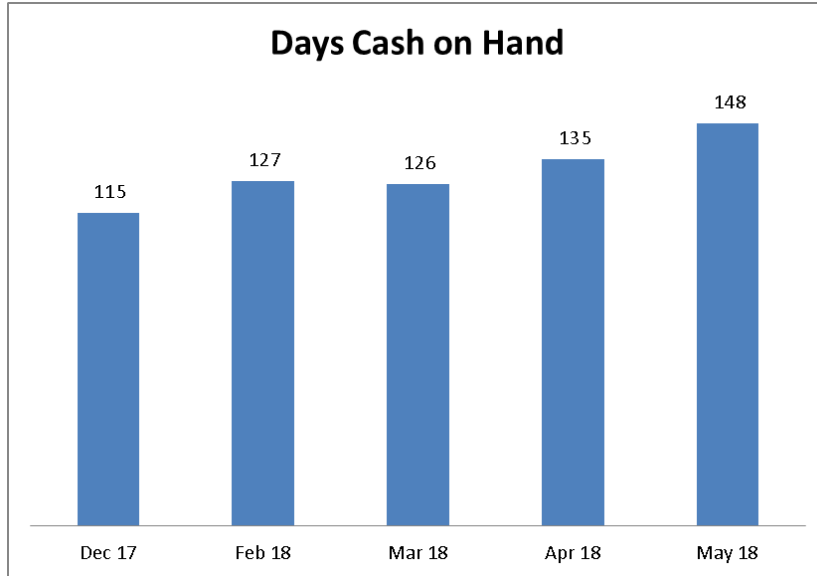


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## Days Cash on Hand

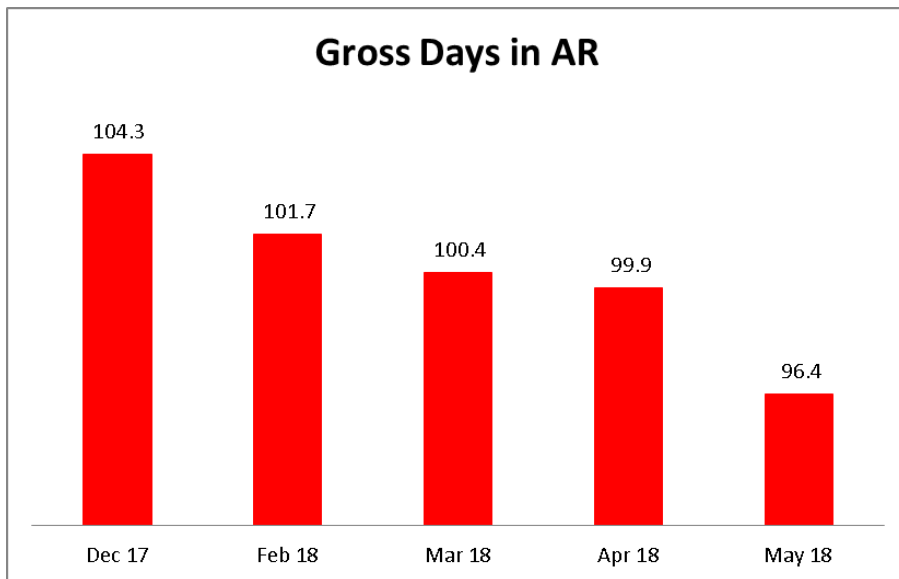
KCCHSD Days Cash on Hand is 148 in May compared to 135 as of April. The District currently continues to see an increase. KCCHSD's Bond Covenants require 60 Days Cash.



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

## Gross Days in AR

Gross Days in AR for the District in May were 96.4 compared to 99.9 as of April and 104.3 as of December 2017. The District has increased full time staff and added per diem temporary staff to help reduce aging, limit write offs, and clean up AR report. The AR balance continues to decline.



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

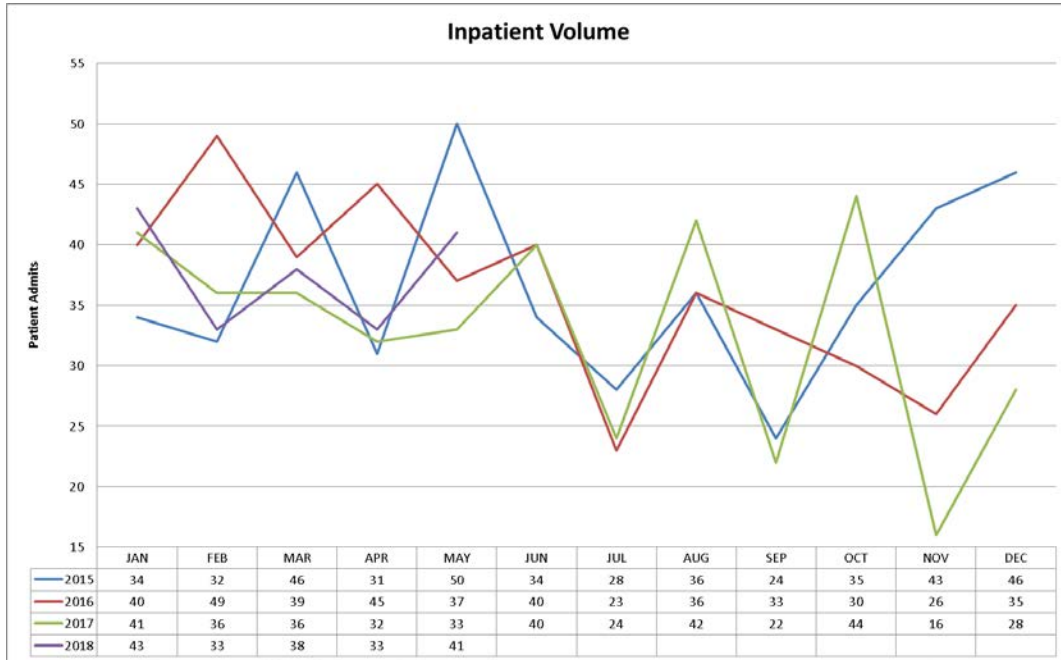


# Kit Carson County Health Service District

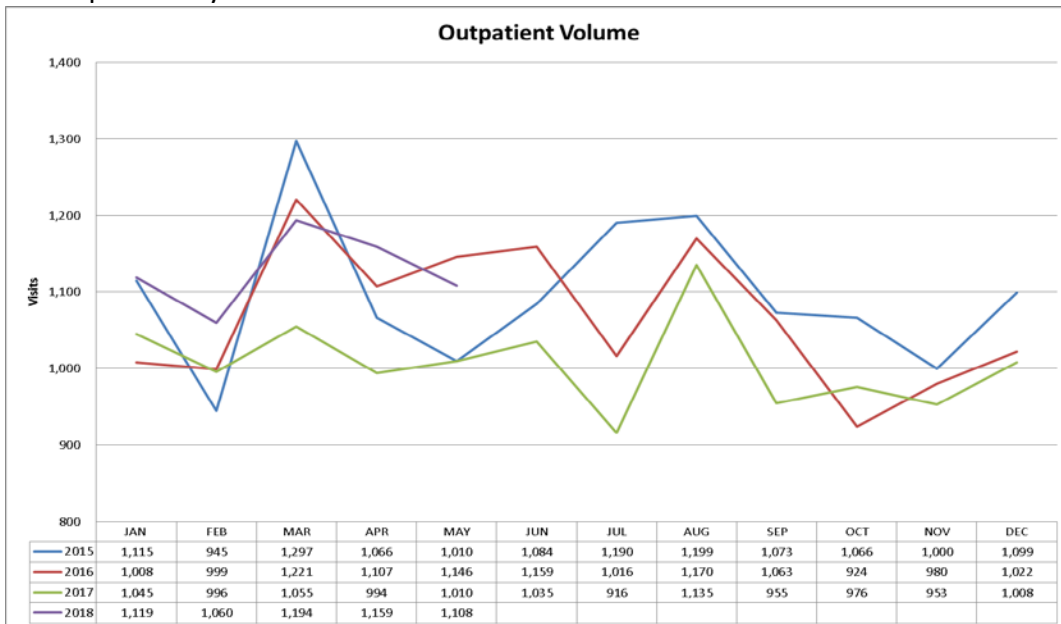
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## Volume

Inpatient volume increased in May from April. May volume is higher than the same month in previous years with the exception of 2015, which saw an exceptionally high volume.



Outpatient volume for May saw a decrease from April. May of this year is lower than all of the reported previous years.





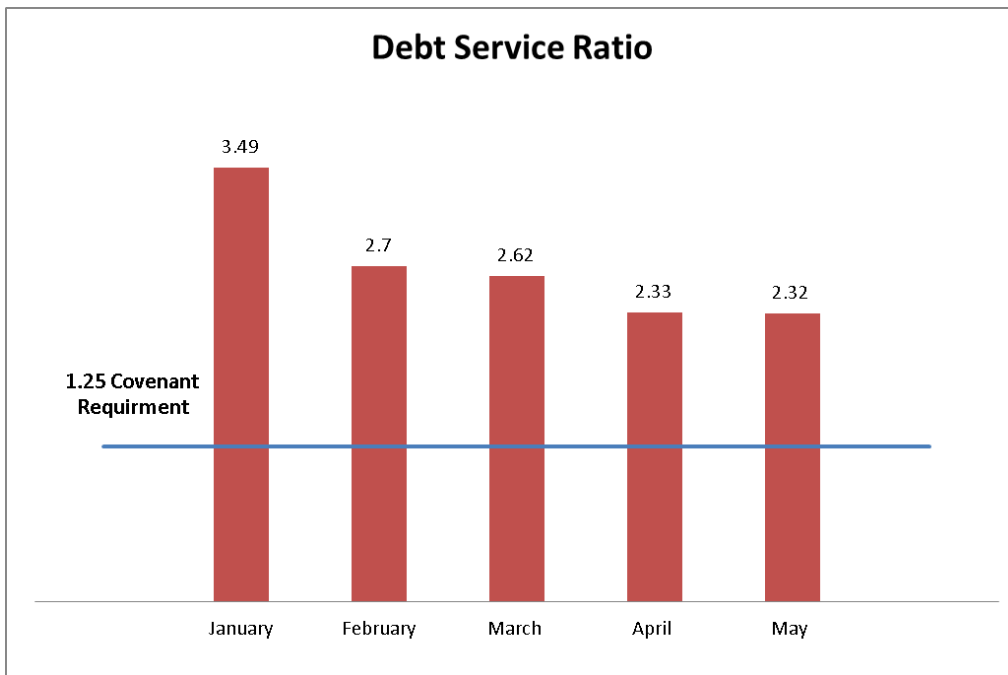
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## Debt Service Ratio

Debt Service Ratio for May is at 2.32 which is a decrease from April at 2.33. The bond covenant requires the district to have a debt service ratio of 1.25.

Debt Service Coverage Ratio	
Net Income	467,876
Interest exp	301,852
Dep Exp	464,313
Revenue Available for Debt Service	1,234,041
MRI	50,645
CT	40,575
Bonds	441,209
Annual Debt Service	532,429
Debt Service Coverage Ratio	2.32
**YTD Figures in accordance with bond covenants	



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

**May 2018**



**KIT CARSON COUNTY HEALTH SERVICE DISTRICT  
STATEMENT OF CHANGES IN CASH FLOW  
May 2018**

	<b>Year-to-Date</b>
<b>Beginning Cash</b>	4,750,083
<b>Income From Operations:</b>	
Net Operating Income (Loss)	\$455,173
Noncash Expenses and Revenues Included in Income:	
Depreciation	464,313
Changes in Operating Assets and Liabilities:	
Patient Receivables	(76,839)
Cost Report and Settlements	228,863
Inventories	(10,995)
Prepaid Expenses	(16,316)
Other Receivables	0
Accounts Payable and Accrued Expense	(761,908)
Nonoperating Revenues, Net	304,403
<b>Cash Flows from Investing Activities:</b>	
Investment Income	10,152
Change in Restricted Funds	(3,053)
<b>Cash Flows from Financing Activities:</b>	
Property Tax Receivable	399,361
Interest Expense	(301,852)
Change in Long Term Debt	0
Change in Fixed Assets	(13,295)
Change in Restricted Cash	277,106
	<b>277,106</b>
<b>Ending Cash</b>	<b>\$5,705,197</b>

**KIT CARSON COUNTY HEALTH SERVICE DISTRICT  
COMPARATIVE BALANCE SHEET  
MAY 2018**

<b>UNRESTRICTED FUNDS - ASSETS:</b>	<u>5/31/2018</u>	<u>12/31/2017</u>	<u>Increase/ (Decrease)</u>
<b>CURRENT ASSETS:</b>			
Cash:	\$ 5,705,197	\$ 4,750,083	\$ 955,113
Receivables:			
Patient	\$ 7,386,166	\$ 6,284,250	1,101,916
Less: Allowances for Bad Debts	\$ (2,093,400)	\$ (1,763,566)	(329,835)
Less: Contractual Allowances	\$ (3,128,337)	\$ (2,433,094)	(695,243)
Net Patient Receivables	2,164,429	2,087,590	76,839
Medicare / Medicaid / Cost Report	\$ 436,941	\$ 665,805	(228,863)
Property Tax Receivable	\$ 180,347	\$ 579,709	(399,361)
Other Receivables	\$ 29,372	\$ 29,372	-
Total Receivables	<u>2,811,090</u>	<u>3,362,476</u>	<u>(551,386)</u>
Other Current Assets:			
Inventories	\$ 472,696	\$ 461,700	10,995
Prepaid Expense	\$ 229,404	\$ 213,088	16,316
Total Other Current Assets	<u>702,100</u>	<u>674,789</u>	<u>27,311</u>
Total Current Assets	<u>9,218,387</u>	<u>4,037,265</u>	<u>431,039</u>
<b>OTHER ASSETS:</b>			
Property, Plant and Equipment	\$ 23,086,001	\$ 23,072,705	13,295
Less: Accumulated Depreciation	\$ (16,067,567)	\$ (15,603,254)	(464,313)
Net Property Plant and Equipment	7,018,434	7,469,452	(451,017)
Bond Funds	\$ 1,554,442	\$ 1,831,547	(277,106)
Restricted Fund Assets	\$ 1,016,879	\$ 1,013,826	3,053
Total Other Assets	<u>9,589,755</u>	<u>10,314,825</u>	<u>(725,070)</u>
<b>TOTAL ASSETS</b>	<u>\$ 18,808,142</u>	<u>\$ 19,102,173</u>	<u>\$ (294,031)</u>



**KIT CARSON COUNTY HEALTH SERVICE DISTRICT  
COMPARATIVE BALANCE SHEET  
MAY 2018**

<b>LIABILITIES AND FUND BALANCE:</b>	<u>5/31/2018</u>	<u>12/31/2017</u>	<u>Increase/ (Decrease)</u>
<b>CURRENT LIABILITIES:</b>			
Accounts Payable and Accrued Expenses	\$ 694,846	\$ 611,994	\$ 82,852
Leases Payable - Current	125,978	198,561	(72,583)
Bonds Payable - current	-	360,000	(360,000)
Vacation Payable	181,585	211,804	(30,219)
Salary & Salary Deductions Payable	120,822	187,825	(67,003)
Interest Payable	293,344	364,163	(70,819)
Deferred Income County Tax	341,790	585,926	(244,136)
Medicare / Medicaid / Cost Report	0	0	0
Total Current Liabilities	<u>1,758,365</u>	<u>2,520,271</u>	<u>(761,908)</u>
<b>LONG TERM LIABILITIES:</b>			
Leases	318,432	318,432	0
Bonds Payable	<u>10,430,000</u>	<u>10,430,000</u>	<u>0</u>
Total Long Term Debt	<u>10,748,432</u>	<u>10,748,432</u>	<u>0</u>
Total Liabilities	<u>12,506,797</u>	<u>13,268,702</u>	<u>(761,908)</u>
<b>FUND BALANCE:</b>			
Operating Fund	5,833,469	8,086,309	(2,252,840)
Revenues over Expenses	467,876	(2,252,840)	2,720,717
Total Fund Balance	<u>6,301,345</u>	<u>5,833,469</u>	<u>467,876</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u><u>\$ 18,808,142</u></u>	<u><u>\$ 19,102,173</u></u>	<u><u>\$ (294,031)</u></u>

**KIT CARSON COUNTY HEALTH SERVICE DISTRICT  
COMBINED INCOME STATEMENT  
May 2018**

Month			YTD			
2018		2017	2018		2017	
Actual	Budget	Actual	Actual	Budget	Actual	
<b>OPERATING REVENUE:</b>						
\$ 2,239,131	\$ 2,034,730	1,694,015	Patient Revenue, Gross	\$ 11,307,725	10,173,648	\$ 9,306,270
\$ (740,224)	\$ (657,648)	(1,375,655)	Less: Contractual Adjustments	\$ (4,101,208)	(3,288,240)	\$ (2,980,677)
1,498,908	1,377,081	318,360	Patient Revenue, Net of Contractual Adjustments	7,206,517	6,885,407	6,325,593
\$ (121,616)	\$ (51,650)	83,037	Less: Provision for Uncollectable Accounts	\$ (473,725)	(258,252)	\$ (192,712)
			Patient Revenue, Net	6,732,791	6,627,155	6,132,881
1,377,292	1,325,431	401,397	Other Operating Revenue	\$ 15,337	15,515	\$ 20,303
\$ 3,961	\$ 3,103	1,765				
			<b>NET OPERATING REVENUE</b>	<b>6,748,128</b>	<b>6,642,670</b>	<b>6,153,184</b>
1,381,252	1,328,534	403,162				
62%	65%	24%		60%	65%	66%
<b>OPERATING EXPENSE:</b>						
\$ 775,384	\$ 757,342	885,591	Salary and Benefits	\$ 3,779,985	3,786,711	\$ 3,998,614
\$ 112,427	\$ 117,695	100,101	Supplies, Drugs and Food	\$ 505,769	588,474	\$ 586,933
\$ 89,510	\$ 75,037	77,432	Professional Fees	\$ 368,735	375,187	\$ 376,253
\$ 114,264	\$ 84,272	100,551	Purchased Service	\$ 520,185	421,359	\$ 425,168
\$ 895	\$ 9,746	6,669	Repair and Maintenance	\$ 20,544	48,730	\$ 48,661
\$ 11,438	\$ 12,282	9,089	Insurance	\$ 57,192	61,410	\$ 53,380
\$ 19,857	\$ 26,628	36,038	Utilities	\$ 128,842	133,140	\$ 130,603
\$ 3,092	\$ 4,236	18,416	Travel and Education	\$ 26,374	21,182	\$ 66,321
\$ 11,134	\$ 14,731	14,552	Lease	\$ 70,322	73,657	\$ 68,221
\$ 7,631	\$ 9,488	10,628	Dues, Books and Subscriptions	\$ 35,620	47,440	\$ 42,718
\$ 656	\$ 1,493	2,293	Advertising	\$ 2,702	7,466	\$ 5,652
\$ 61,328	\$ 71,680	195,669	Other	\$ 312,372	358,398	\$ 377,532
			Total Operating Expense Less Depreciation	5,828,642	5,923,153	6,180,055
1,207,616	1,184,631	1,457,029				
173,637	143,903	(1,053,867)	<b>EBIDA</b>	<b>919,486</b>	<b>719,516</b>	<b>(26,871)</b>
\$ 91,360	\$ 122,034	122,055	Depreciation	\$ 464,313	610,169	\$ 609,954
82,277	21,870	(1,175,922)	<b>NET OPERATING INCOME</b>	<b>455,173</b>	<b>109,348</b>	<b>(636,825)</b>
<b>NON-OPERATING INCOME (EXPENSE)</b>						
\$ (60,450)	\$ (63,443)	(65,556)	Interest (Expense)	\$ (301,852)	(317,217)	\$ (316,801)
\$ 1,682	\$ 1,340	773	Interest Income	\$ 10,152	6,700	\$ 5,297
\$ 48,827	\$ 40,080	40,080	Tax Revenue	\$ 244,136	200,401	\$ 200,401
\$ 475	\$ 110	(2,070)	Donations and Grants	\$ 3,669	551	\$ (3,926)
\$ 16,504	\$ 5,112	2,173	Other Non-Operating Income/(Loss)	\$ 56,597	25,561	\$ 25,013
			Total	12,703	(84,004)	(90,016)
7,039	(16,801)	(24,601)				
\$ 89,316	\$ 5,069	(1,200,523)	<b>NET INCOME</b>	<b>\$ 467,876</b>	<b>25,345</b>	<b>\$ (726,841)</b>