



**Kit Carson County Health Service District**

**Financial Statements for**

**November 2017**



# Kit Carson County Health Service District

*Rooted in excellence. Growing in trust.*

## FINANCIAL STATEMENT SUMMARY

November 2017

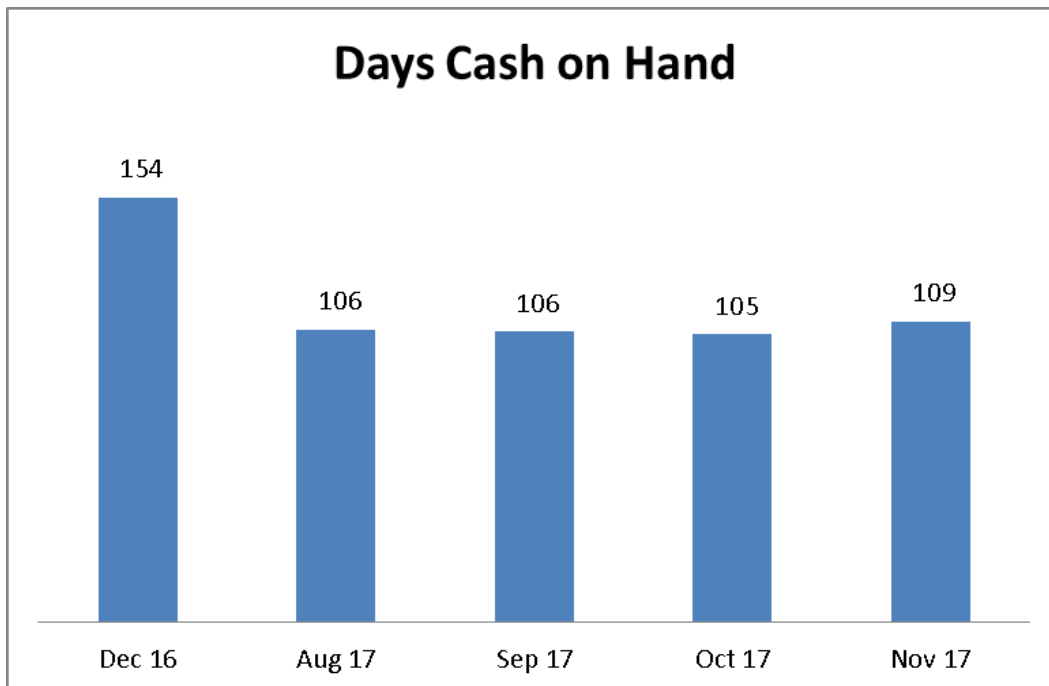
### Income Statement Summary

Kit Carson County Health Service District (KCCHSD) had a net loss of \$87,247 for the month and a net loss of \$1,534,148 YTD. KCCHSD had YTD budgeted loss of \$2,086.

KCCHSD's Net Operating Income was a loss of \$70,237 for the month and a loss of \$1,370,970 YTD. YTD Budgeted Net Operating Income was \$71,647.

### Days Cash on Hand

KCCHSD Days Cash on Hand is 109 in November compared to 105 as of October and 154 as of December, 2016. KCCHSD's Bond Covenants require 60 Days Cash. KCCHSD began receiving payments on Medicaid in November, which is one of the contributing factors to an increase in cash from prior months.



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

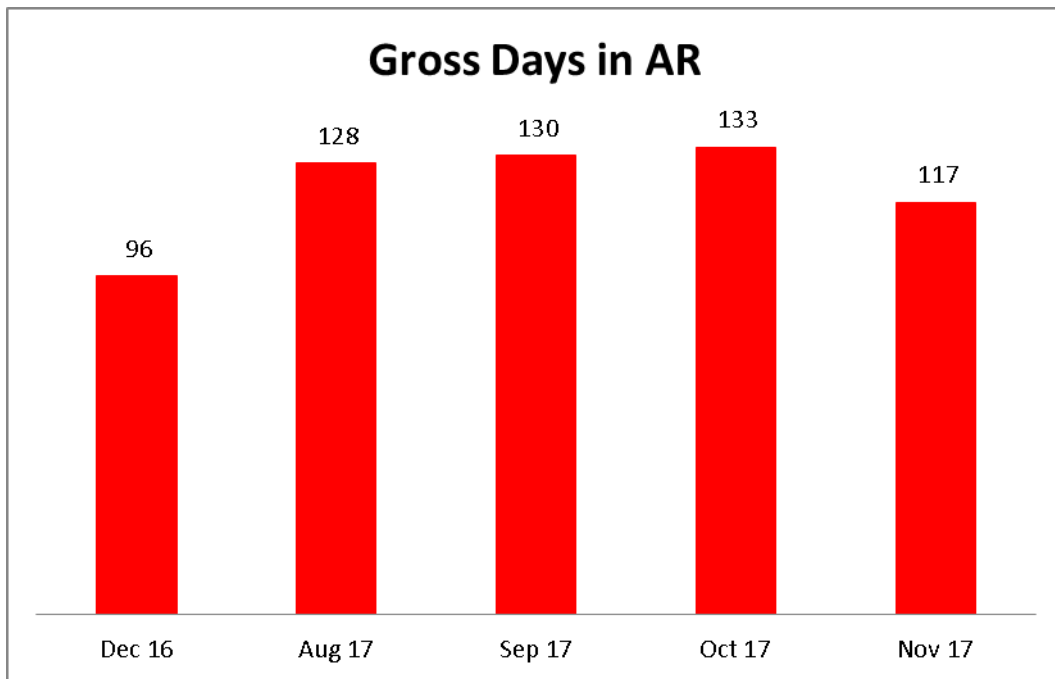


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## Gross Days in AR

Gross Days in AR for November were 117 compared to 133 as of October and 96 as of December, 2016. The Medicaid payments started coming through in November, again contributing to a decrease in Days in AR. The decrease should continue through December as more of the Medicaid payments are received and staff works diligently to collect payments from all payer types.



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

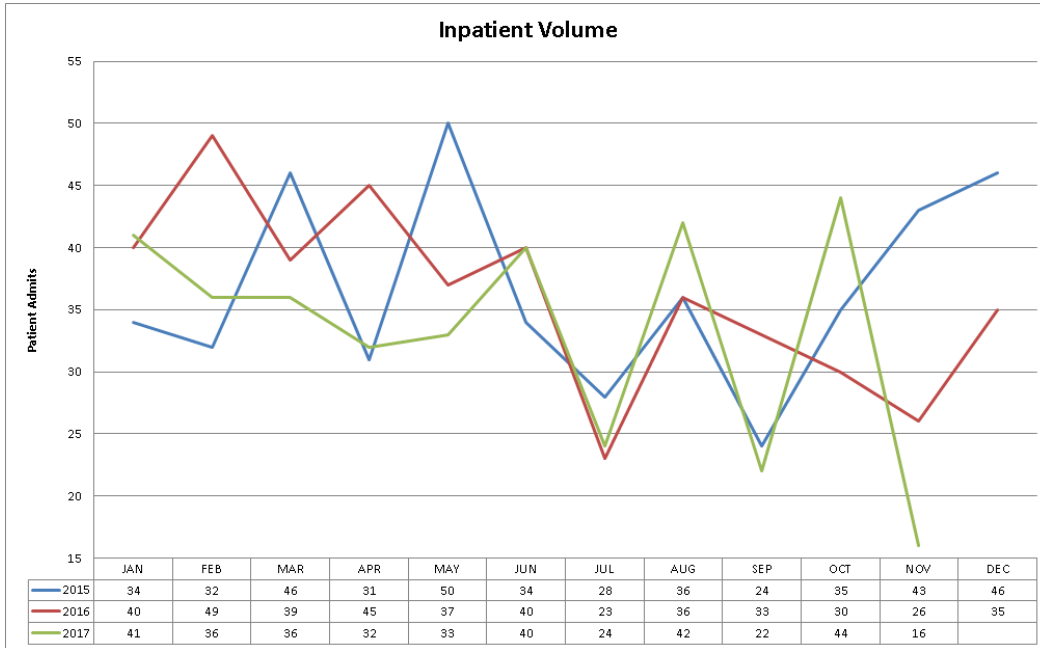


# Kit Carson County Health Service District

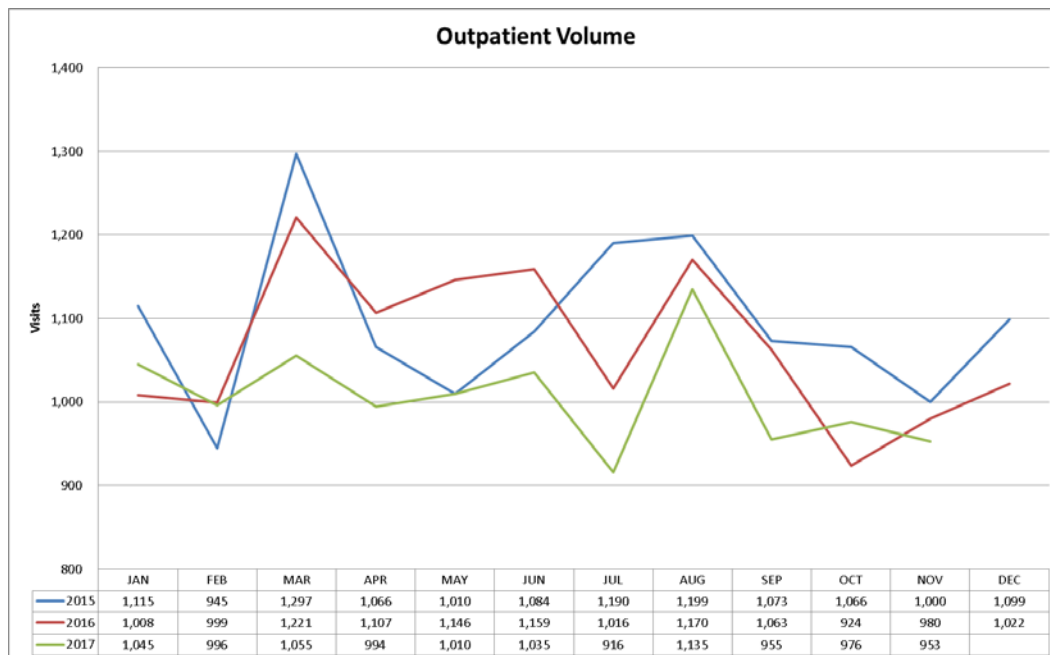
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## Volume

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



Outpatient volume for November saw a decrease from same month prior year statistics. KCCHSD 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 \$1,708,550 for the month and \$20,489,525 YTD compared to the budget of \$1,947,820 and \$21,426,015. The decrease in revenue follows the decrease in volume for November.

Net Patient revenue was \$1,156,612 for November and \$13,467,287 YTD compared to the budget of \$1,330,716 and \$14,637,874. The District is evaluating contractals continuously as to accurately reflect net patient revenue.

## **Expense:**

Operating Expense Less Depreciation at \$1,132,778 was under budget for the month by \$85,025. YTD Operating expense less depreciation was over budget by \$253,203. 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 \$17,010 compared to the budget loss of \$6,703 for November. Interest expense continues to be the main item that contributing to this loss.

## **Debt Service Ratio**

Debt Service Ratio for November is at 0.38 which is an increase from October at 0.34. The bond covenant requires the district to have a debt service ratio of 1.25.



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## Notes to November 2017 Financial Reporting

1. Although Medicaid AR did decrease from October to November by about \$545,000, the balance remained \$2,880,457 going in to December. KCCHSD has continued to receive Medicaid payments throughout December but with the large remaining balance at November month end, we remain conservative in the estimate of the ability to collect the Medicaid accounts, effectively lowering Net Patient Revenue. This will be evaluated year end thoroughly with the auditors to determine an accurate year end adjustment.
2. Finance is currently analyzing and reconciling supply expense and prepaid expenses in preparation for the year end audit. Supplies are lower in November but no adjustments have been made as the reconciliation is in process.

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

	<u>Year-to-Date</u>
<b>Beginning Cash</b>	5,836,764
<b>Income From Operations:</b>	
Net Operating Income (Loss)	(\$1,370,970)
Noncash Expenses and Revenues Included in Income:	
Depreciation	1,269,418
Changes in Operating Assets and Liabilities:	
Patient Receivables	(261,728)
Cost Report and Settlements	(23,420)
Inventories	1,531
Prepaid Expenses	122,856
Other Receivables	0
Accounts Payable and Accrued Expense	(1,379,435)
Nonoperating Revenues, Net	512,224
<b>Cash Flows from Investing Activities:</b>	
Investment Income	19,276
Change in Restricted Funds	(8,565)
<b>Cash Flows from Financing Activities:</b>	
Property Tax Receivable	480,962
Interest Expense	(694,678)
Change in Long Term Debt	(89,422)
Change in Fixed Assets	(111,484)
Change in Restricted Cash	<u>135,595</u>
<b>Ending Cash</b>	<u><u>\$4,438,925</u></u>

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

<b>UNRESTRICTED FUNDS - ASSETS:</b>	<u>11/30/2017</u>	<u>12/31/2016</u>	<u>Increase/ (Decrease)</u>
<b>CURRENT ASSETS:</b>			
Cash:	\$ 4,438,925	\$ 5,836,764	\$ (1,397,839)
Receivables:			
Patient	7,284,863	5,721,683	1,563,180
Less: Allowances for Bad Debts	(1,286,742)	(1,430,001)	143,259
Less: Contractual Allowances	<u>(3,168,711)</u>	<u>(1,724,000)</u>	<u>(1,444,711)</u>
Net Patient Receivables	2,829,410	2,567,682	261,728
Medicare / Medicaid / Cost Report	536,129	512,709	23,420
Property Tax Receivable	0	480,962	(480,962)
Other Receivables	<u>29,372</u>	<u>29,372</u>	<u>-</u>
Total Receivables	<u>3,394,911</u>	<u>3,590,725</u>	<u>(195,814)</u>
Other Current Assets:			
Inventories	476,253	477,784	(1,531)
Prepaid Expense	<u>172,915</u>	<u>295,771</u>	<u>(122,856)</u>
Total Other Current Assets	<u>649,168</u>	<u>773,555</u>	<u>(124,387)</u>
Total Current Assets	<u>8,483,004</u>	<u>10,201,044</u>	<u>(1,718,040)</u>
<b>OTHER ASSETS:</b>			
Property, Plant and Equipment	23,072,994	22,961,510	111,484
Less: Accumulated Depreciation	<u>(15,505,115)</u>	<u>(14,235,696)</u>	<u>(1,269,418)</u>
Net Property Plant and Equipment	7,567,880	8,725,814	(1,157,934)
Bond Funds	1,752,567	1,888,162	(135,595)
Restricted Fund Assets	<u>1,015,508</u>	<u>1,006,943</u>	<u>8,565</u>
Total Other Assets	<u>10,335,954</u>	<u>11,620,918</u>	<u>(1,284,964)</u>
<b>TOTAL ASSETS</b>	<u>\$ 18,818,958</u>	<u>\$ 21,821,962</u>	<u>\$ (3,003,004)</u>



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

<b>LIABILITIES AND FUND BALANCE:</b>	<u>11/30/2017</u>	<u>12/31/2016</u>	<u>Increase/ (Decrease)</u>
<b>CURRENT LIABILITIES:</b>			
Accounts Payable and Accrued Expenses	\$ 284,878	\$ 656,773	\$ (371,895)
Leases Payable - Current	97,371	180,510	(83,139)
Bonds Payable - current	-	335,000	(335,000)
Vacation Payable	206,266	218,442	(12,176)
Salary & Salary Deductions Payable	89,579	155,011	(65,431)
Interest Payable	333,402	404,313	(70,911)
Deferred Income County Tax	40,080	480,962	(440,882)
Medicare / Medicaid / Cost Report	<u>0</u>	<u>0</u>	<u>0</u>
Total Current Liabilities	<u>1,051,576</u>	<u>2,431,011</u>	<u>(1,379,435)</u>
<b>LONG TERM LIABILITIES:</b>			
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>12,277,315</u>	<u>13,746,171</u>	<u>(1,468,856)</u>
<b>FUND BALANCE:</b>			
Operating Fund	8,075,791	8,075,791	0
Revenues over Expenses	<u>(1,534,148)</u>	<u></u>	<u>(1,534,148)</u>
Total Fund Balance	<u>6,541,643</u>	<u>8,075,791</u>	<u>(1,534,148)</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u>\$ 18,818,958</u>	<u>\$ 21,821,962</u>	<u>\$ (3,003,004)</u>

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

Month			YTD		
2017		2016	2017		2016
Actual	Budget	Actual	Actual	Budget	Actual
<b>OPERATING REVENUE:</b>					
\$ 1,708,550	\$ 1,947,820	\$ 1,243,330	\$ 20,489,525	\$ 21,426,015	\$ 19,547,677
(539,845)	(530,607)	(490,182)	(6,337,491)	(5,836,673)	(5,499,121)
1,168,706	1,417,213	753,149	14,152,034	15,589,341	14,048,556
(12,093)	(86,497)	7,539	(684,747)	(951,467)	(1,167,836)
1,156,612	1,330,716	760,687	13,467,287	14,637,874	12,880,719
4,384	2,843	1,942	35,780	31,273	30,638
1,160,996	1,333,559	762,629	13,503,067	14,669,147	12,911,357
68%	68%	63%	66%	68%	66%
<b>OPERATING EXPENSE:</b>					
745,139	782,734	777,388	8,694,613	8,553,883	7,841,168
73,557	139,650	151,441	1,290,389	1,536,152	1,374,041
54,861	66,156	72,765	561,894	727,716	848,035
117,454	108,907	92,681	1,342,378	1,197,972	1,075,179
6,602	10,017	3,016	101,033	110,190	85,787
11,734	9,639	8,982	131,723	106,029	102,410
30,079	29,269	26,129	316,495	321,959	324,698
7,605	23,699	6,943	117,535	260,694	124,619
13,984	23,679	15,532	157,455	260,465	206,668
9,128	6,512	7,669	89,391	80,155	62,327
548	1,003	1,832	14,329	11,033	9,935
62,087	16,538	(253,555)	784,134	181,916	42,791
1,132,778	1,217,803	910,823	13,601,367	13,348,164	12,097,658
28,218	115,755	(148,194)	(98,300)	1,320,983	813,699
98,455	113,576	113,336	1,269,418	1,249,336	1,266,623
(70,237)	2,179	(261,530)	(1,370,970)	71,647	(452,924)
<b>NON-OPERATING INCOME (EXPENSE)</b>					
(62,935)	(57,514)	(64,824)	(694,678)	(632,654)	(717,922)
1,773	1,473	792	19,276	16,203	13,863
46,702	39,569	23,605	490,658	435,259	511,380
(2,550)	1,321	(3,844)	5,437	14,531	56,212
-	8,448	-	16,129	92,928	33,610
(17,010)	(6,703)	(44,271)	(163,178)	(73,733)	(102,859)
\$ (87,247)	\$ (4,524)	\$ (305,801)	\$ (1,534,148)	\$ (2,086)	\$ (555,783)



## TARGET NET INCOME TO ACHIEVE DEBT SERVICE RATIO

Net Income	(687,365)	Debt Service Ratio	1.25
Interest exp	761,321		
Dep Exp	1,464,404		
	1,538,360		
MRI	121,548		
CT	97,380		
Bonds	1,011,760		
	1,230,688		

**\*\*Note:** Based on budgeted interest and depreciation and average 2017 bond payment annualized

### \*\*Well Fargo Debt Service Ratio Calculation

indebitness that would be available to pay Debt Service on such final maturity.

#### DEBT SERVICE COVERAGE RATIO

Excess of Revenue over Expenses	⑧	456,211	FS tab	
Interest Expense	⑦	106,141	↓	
Depreciation Expense	⑥	667,072	↓	
<b>Revenue Available for Debt Service</b>		<b>1,229,424</b>		
2011 Bond Payments		1,030,532	Schedules tab	
2011 Ultrasound Payments		17,669	↓	
2011 MRI Payments		138,492	↓	
		1,186,693		
2008 Interest Payments		(522,754)		Excluded from calculation as amounts were funded from bond proceeds
<b>Maximum Annual Debt Service</b>		<b>663,939</b>		
<b>Debt Service Coverage Ratio</b>		<b>1.85</b>		In Compliance