



# Kit Carson County Health Service District

*Rooted in excellence. Growing in trust.*

## FINANCIAL STATEMENT SUMMARY

October 2017

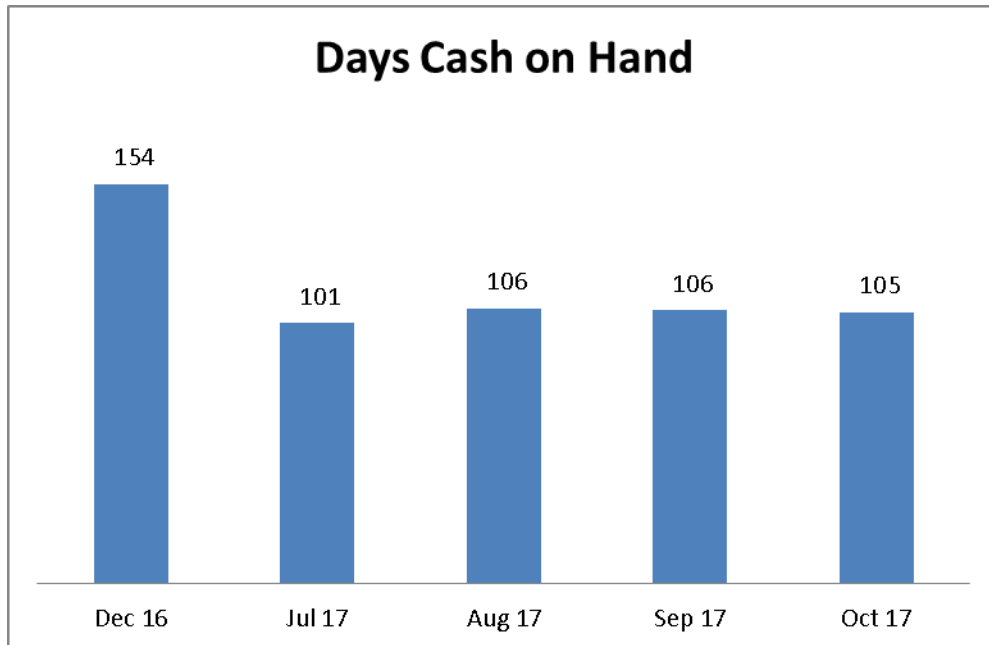
### Income Statement Summary

Kit Carson County Health Service District (KCCCHSD) had a net loss of \$57,462 for the month and a net loss of \$1,446,901 YTD. KCCCHSD had YTD budgeted income of \$2,438.

KCCCHSD's Net Operating Income was a loss of \$50,279 for the month and a loss of \$1,328,958 YTD. YTD Budgeted Net Operating Income was \$69,468.

### Days Cash on Hand

KCCCHSD Days Cash on Hand is 105 in October compared to 106 as of September and 154 as of December, 2016. KCCCHSD's Bond Covenants require 60 Days Cash.



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

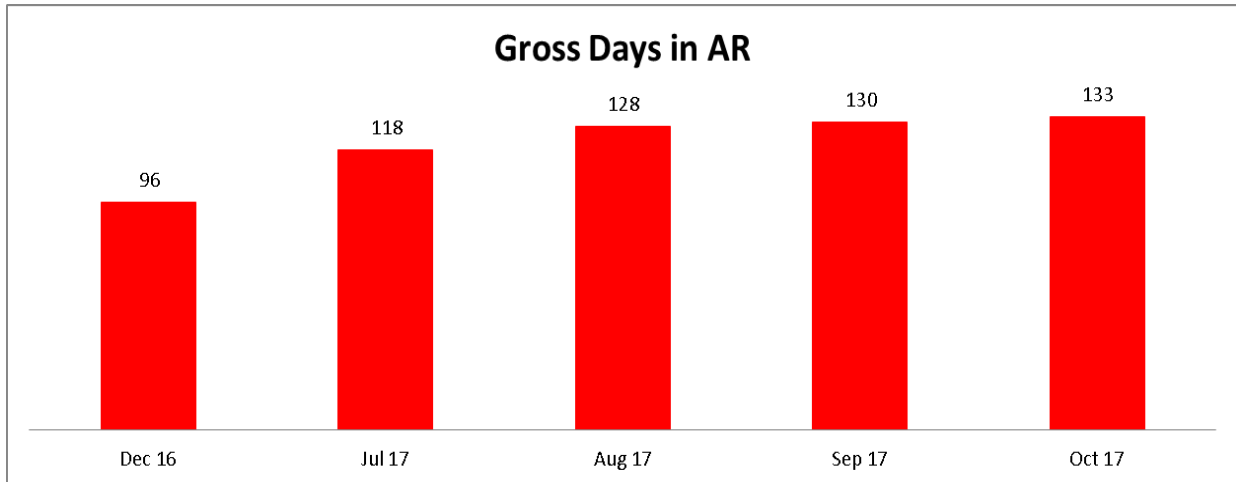


# Kit Carson County Health Service District

*Rooted in excellence. Growing in trust.*

## Gross Days in AR

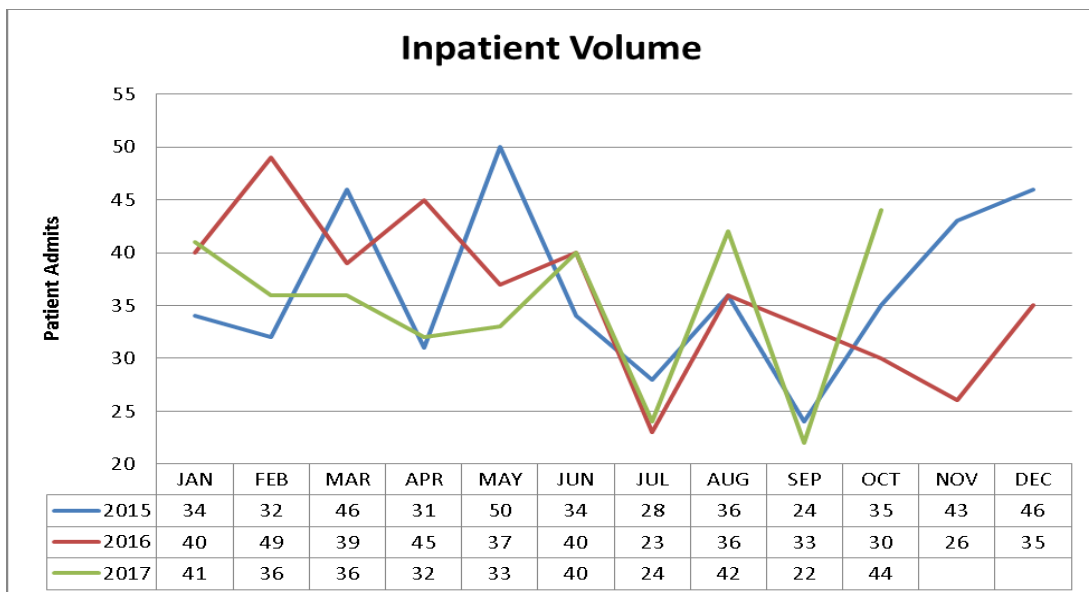
Gross Days in AR for October were 133 compared to 130 as of September and 96 as of December, 2016. The steady increase in AR Days is largely contributable to the hold on the Medicaid payments that was in place. The District was approved the end of October to submit past Medicaid claims for the hospital and began receiving cash reimbursements for Medicaid in November. This inflow of cash will affect the Gross Days in AR as well as the Days Cash on Hand.



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

## Volume

Inpatient volume is up from prior months and from prior years in October. The District had heavier than usual inpatient volume during the month of October.

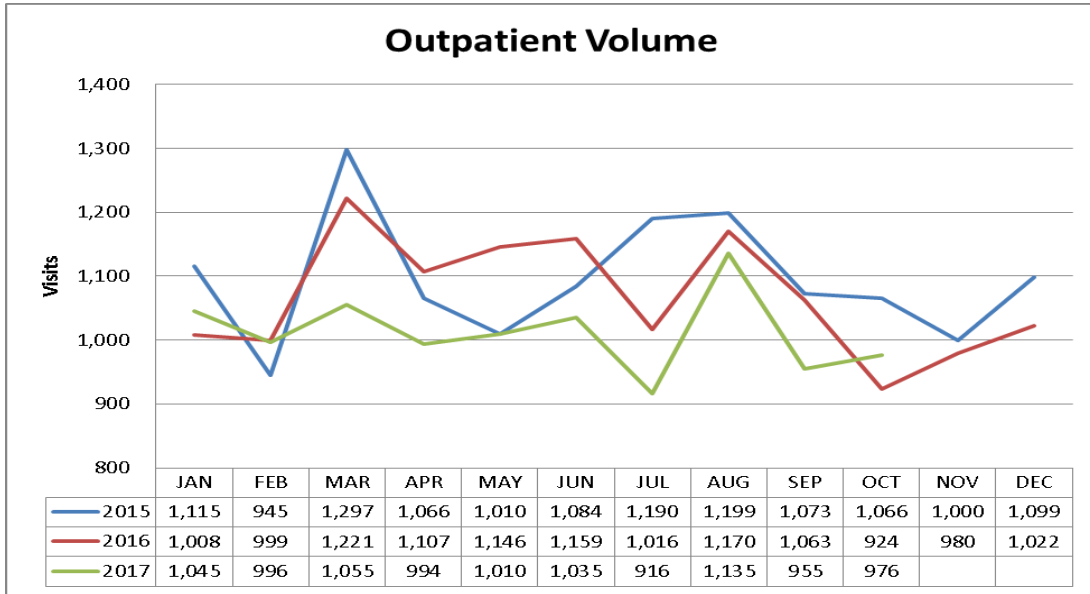




# Kit Carson County Health Service District

*Rooted in excellence. Growing in trust.*

Outpatient volume for October was an increase from September and comparable to the October statistics from previous years. The District is striving to increase outpatient services for patients without creating any additional cost to the District.



**Revenue:**

Gross Patient Revenue was \$1,914,755 for the month and \$18,780,975 YTD compared to the budget of \$1,947,820 and \$19,478,195. The decrease in revenue follows the decrease in volume for September. Again, this is partially due to the lower volume in surgery. The District is continuing to strive towards the consistency of charging practices to improve the revenue stream. PARA is currently performing the charging and pricing review.

Net Patient revenue was \$1,329,269 for October and \$12,311,499 YTD compared to the budget of \$1,330,716 and \$13,307,158. The District is evaluating contractuals continuously as to accurately reflect net patient revenue.

**Expense:**

Operating Expense Less Depreciation at \$1,282,271 was close to budget for the month of \$1,217,803. YTD Operating expense less depreciation was over budget by \$64,468. The District is continuously evaluating expenses to determine what areas can be reduced while still providing quality patient care.



# Kit Carson County Health Service District

*Rooted in excellence. Growing in trust.*

## Non-Operating Income (Expense):

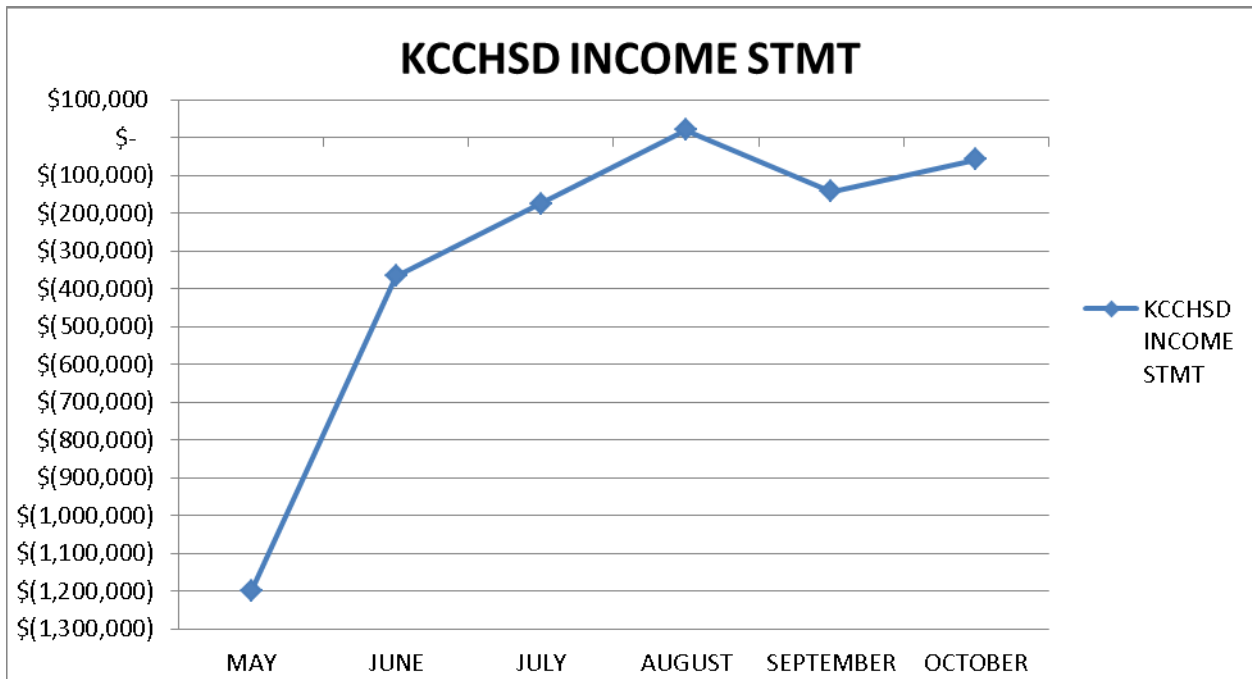
Non-Operating Income was a loss (Expense) of \$7,183 compared to the budget loss of \$6,703 for October. Interest expense continues to be the main item that contributing to this loss.

## Debt Service Ratio

Debt Service Ratio for October is at 0.34 which is an increase from September at 0.25. The bond covenant requires the district to have a debt service ratio of 1.25.

## Comparative Monthly Operating Statements

Great strides have been made to improve the financial state of the District. Every aspect has been analyzed for any possibility of improvement. The loss in October, when compared to May, reflects the vast changes that have been made throughout the District in the last six months.





# Kit Carson County Health Service District

*Rooted in excellence. Growing in trust.*

## Notes to October 2017 Financial Reporting

1. Gross Days in AR was reported inaccurately the past few months. An error in the formula was discovered for September and a few of the previous months data was off marginally, causing the calculation to be incorrect for the rolling six month period.
2. In 2017, the Gross Days in AR was calculated against the AR balance for the hospital only. Beginning in January 2018, the District will begin reporting the Gross Days in AR for the hospital, clinics, home health, and hospice separately with comparison to industry benchmarks.

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



**October 2017**

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

	<u>Year-to-Date</u>
<b>Beginning Cash</b>	5,836,764
<b>Income From Operations:</b>	
Net Operating Income (Loss)	(\$1,328,958)
Noncash Expenses and Revenues Included in Income:	
Depreciation	1,170,963
Changes in Operating Assets and Liabilities:	
Patient Receivables	(431,819)
Cost Report and Settlements	(23,420)
Inventories	1,397
Prepaid Expenses	112,564
Other Receivables	0
Accounts Payable and Accrued Expense	(1,397,897)
Nonoperating Revenues, Net	496,298
<b>Cash Flows from Investing Activities:</b>	
Investment Income	17,503
Change in Restricted Funds	(8,493)
<b>Cash Flows from Financing Activities:</b>	
Property Tax Receivable	481,322
Interest Expense	(631,744)
Change in Long Term Debt	(89,422)
Change in Fixed Assets	(110,991)
Change in Restricted Cash	214,507
<b>Ending Cash</b>	<u><u>\$4,308,574</u></u>

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

<b>UNRESTRICTED FUNDS - ASSETS:</b>	<u>10/31/2017</u>	<u>12/31/2016</u>	<u>Increase/ (Decrease)</u>
<b>CURRENT ASSETS:</b>			
Cash:	\$ 4,308,573	\$ 5,836,764	\$ (1,528,190)
Receivables:			
Patient	7,901,209	5,721,683	2,179,526
Less: Allowances for Bad Debts	(1,386,957)	(1,430,001)	43,044
Less: Contractual Allowances	<u>(3,514,751)</u>	<u>(1,724,000)</u>	<u>(1,790,751)</u>
Net Patient Receivables	2,999,501	2,567,682	431,819
Medicare / Medicaid / Cost Report	536,129	512,709	23,420
Property Tax Receivable	(360)	480,962	(481,322)
Other Receivables	<u>29,372</u>	<u>29,372</u>	<u>-</u>
Total Receivables	<u>3,564,642</u>	<u>3,590,725</u>	<u>(26,083)</u>
Other Current Assets:			
Inventories	476,387	477,784	(1,397)
Prepaid Expense	<u>183,207</u>	<u>295,771</u>	<u>(112,564)</u>
Total Other Current Assets	<u>659,594</u>	<u>773,555</u>	<u>(113,961)</u>
Total Current Assets	<u>8,532,810</u>	<u>10,201,044</u>	<u>(1,668,234)</u>
<b>OTHER ASSETS:</b>			
Property, Plant and Equipment	23,072,501	22,961,510	110,991
Less: Accumulated Depreciation	<u>(15,406,660)</u>	<u>(14,235,696)</u>	<u>(1,170,963)</u>
Net Property Plant and Equipment	7,665,841	8,725,814	(1,059,973)
Bond Funds	1,673,655	1,888,162	(214,507)
Restricted Fund Assets	<u>1,015,436</u>	<u>1,006,943</u>	<u>8,493</u>
Total Other Assets	<u>10,354,932</u>	<u>11,620,918</u>	<u>(1,265,986)</u>
<b>TOTAL ASSETS</b>	<u>\$ 18,887,742</u>	<u>\$ 21,821,962</u>	<u>\$ (2,934,220)</u>



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

<b>LIABILITIES AND FUND BALANCE:</b>	<u>10/31/2017</u>	<u>12/31/2016</u>	<u>Increase/ (Decrease)</u>
<b>CURRENT LIABILITIES:</b>			
Accounts Payable and Accrued Expenses	\$ 307,367	\$ 656,773	\$ (349,405)
Leases Payable - Current	113,374	180,510	(67,136)
Bonds Payable - current	-	335,000	(335,000)
Vacation Payable	207,254	218,442	(11,188)
Salary & Salary Deductions Payable	52,250	155,011	(102,760)
Interest Payable	272,708	404,313	(131,605)
Deferred Income County Tax	80,160	480,962	(400,802)
Medicare / Medicaid / Cost Report	<u>0</u>	<u>0</u>	<u>0</u>
Total Current Liabilities	<u>1,033,114</u>	<u>2,431,011</u>	<u>(1,397,897)</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>12,258,853</u>	<u>13,746,171</u>	<u>(1,487,319)</u>
<b>FUND BALANCE:</b>			
Operating Fund	8,075,791	8,075,791	0
Revenues over Expenses	<u>(1,446,901)</u>	<u></u>	<u>(1,446,901)</u>
Total Fund Balance	<u>6,628,890</u>	<u>8,075,791</u>	<u>(1,446,901)</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u>\$ 18,887,742</u>	<u>\$ 21,821,962</u>	<u>\$ (2,934,219)</u>

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

Month		2016			YTD		2016	
2017		Actual			2017		Actual	
Actual	Budget	Actual	Budget		Actual	Budget	Actual	Budget
\$ 1,914,755	\$ 1,947,820	\$ 1,641,350		<b>OPERATING REVENUE:</b>	\$ 18,780,975	\$ 19,478,195	\$ 18,304,346	
(547,105)	(530,607)	(199,933)		Patient Revenue, Gross	(5,796,823)	(5,306,067)	(5,016,111)	
1,367,651	1,417,213	1,441,417		Less: Contractual Adjustments	12,984,152	14,172,128	13,288,235	
(38,382)	(86,497)	(127,214)		Patient Revenue, Net of Contractual Adjustments	(672,654)	(864,970)	(1,175,375)	
				Less: Provision for Uncollectable Accounts				
1,329,269	1,330,716	1,314,203		Patient Revenue, Net	12,311,499	13,307,158	12,112,860	
2,399	2,843	1,642		Other Operating Revenue	32,584	28,430	28,696	
1,331,667	1,333,559	1,315,845		<b>NET OPERATING REVENUE</b>	12,344,083	13,335,588	12,141,556	
69%	68%	63%			66%	68%	66%	
				<b>OPERATING EXPENSE:</b>				
767,414	782,734	642,753		Salary and Benefits	7,949,474	7,771,148	7,063,780	
158,357	139,650	119,569		Supplies, Drugs and Food	1,216,832	1,396,502	1,222,596	
46,167	66,156	66,088		Professional Fees	507,032	661,560	775,270	
141,691	108,907	68,148		Purchased Service	1,226,237	1,089,066	982,498	
14,739	10,017	13,316		Repair and Maintenance	94,431	100,173	82,771	
11,734	9,639	8,982		Insurance	119,989	96,390	93,428	
36,492	29,269	56,218		Utilities	286,415	292,690	298,568	
4,496	23,699	11,502		Travel and Education	109,930	236,994	117,677	
11,113	23,679	14,259		Lease	143,471	236,787	191,136	
6,591	6,512	6,371		Dues, Books and Subscriptions	80,263	73,643	54,658	
378	1,003	333		Advertising	13,781	10,030	8,103	
83,099	16,538	27,892		Other	750,971	165,378	283,281	
1,282,271	1,217,803	1,035,430		Total Operating Expense Less Depreciation	12,498,825	12,130,361	11,173,767	
49,397	115,755	280,414		<b>EBIDA</b>	(154,742)	1,205,228	967,788	
99,676	113,576	\$ 116,715		Depreciation	\$ 1,170,963	1,135,760	\$ 1,153,287	
(50,279)	2,179	163,699		<b>NET OPERATING INCOME</b>	(1,328,958)	69,468	(185,498)	
				<b>NON-OPERATING INCOME (EXPENSE)</b>				
(62,958)	(57,514)	(64,867)		Interest (Expense)	(631,744)	(575,140)	(653,098)	
1,629	1,473	1,267		Interest Income	17,503	14,730	13,070	
47,266	39,569	-		Tax Revenue	443,957	395,690	487,775	
4,254	1,321	1,219		Donations and Grants	14,224	13,210	53,937	
2,626	8,448	460		Other Non-Operating Income/(Loss)	38,117	84,480	33,833	
(7,183)	(6,703)	(61,920)		Total	(117,943)	(67,030)	(64,483)	
\$ (57,462)	\$ (4,524)	\$ 101,778		<b>NET INCOME</b>	\$ (1,446,901)	\$ 2,438	\$ (249,981)	