
MORGAN MEMORIAL HOSPITAL

Financial Highlights

**For the year ended
June 30, 2018**

IMPACT OF AUDIT ADJUSTMENTS (in thousands)

	<i>Change in Net Position</i>
Per books, prior to audit	\$ 489
Audit adjustments:	
Cost report settlements	1,161
Other	<u>(496)</u>
Impact of audit adjustments	<u>665</u>
Per audited financial statements	<u><u>\$ 1,154</u></u>

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION (in thousands)

	<u>2018</u>	<u>2017</u>	<u>\$ Change</u>	<u>% Change</u>
Net revenues	\$ 15,040	\$ 13,892	\$ 1,148	8%
Total expenses	<u>15,498</u>	<u>13,878</u>	<u>1,620</u>	12%
Operating income (loss)	<u>(458)</u>	<u>14</u>	<u>(472)</u>	-3371%
County contributions	833	620	213	34%
Rural hospital tax credit contributions	379	117	262	224%
Capital contribution from Foundation	1,707	225	1,482	659%
Capital contribution of land	-	1,950	(1,950)	-100%
Investment income	19	4	15	375%
Interest expense	(37)	(6)	(31)	517%
Debt issuance costs	(1,297)	(151)	(1,146)	759%
Changes to restricted assets	<u>8</u>	<u>12</u>	<u>(4)</u>	-33%
Change in net position	<u><u>\$ 1,154</u></u>	<u><u>\$ 2,785</u></u>	<u><u>\$ (1,631)</u></u>	-59%

SUMMARY OF PATIENT SERVICE REVENUE

(in thousands)

	<u>2018</u>	<u>2017</u>	<u>\$ Change</u>	<u>% Change</u>
Inpatient	\$ 556	\$ 678	\$ (122)	-18%
Swing bed	7,348	7,479	(131)	-2%
Outpatient	4,081	4,578	(497)	-11%
Emergency	9,764	10,121	(357)	-4%
Outreach	1,440	980	460	47%
Gross patient service revenue	<u>23,189</u>	<u>23,836</u>	<u>(647)</u>	-3%
Contractual adjustments	(6,477)	(7,948)	1,471	-19%
Bad debts	(2,443)	(2,635)	192	-7%
Upper Payment Limit	39	29	10	34%
Indigent Care Trust Fund	608	492	116	24%
Total contractals & bad debts	<u>(8,273)</u>	<u>(10,062)</u>	<u>1,789</u>	-18%
Net patient service revenue	14,916	13,774	1,142	8%
Other revenue	124	118	6	5%
Total revenues	<u>\$ 15,040</u>	<u>\$ 13,892</u>	<u>\$ 1,148</u>	8%

SUMMARY OF OPERATING EXPENSES (in thousands)

	<u>2018</u>	<u>2017</u>	<u>\$ Change</u>	<u>% Change</u>
Salaries & wages	\$ 6,559	\$ 6,325	\$ 234	4%
Employee benefits	1,540	1,345	195	14%
Purchased services & professional fees	3,821	3,260	561	17%
Supplies & drugs	823	786	37	5%
Depreciation & amortization	234	165	69	42%
Other	2,521	1,997	524	26%
Total expenses	<u><u>\$ 15,498</u></u>	<u><u>\$ 13,878</u></u>	<u><u>\$ 1,620</u></u>	12%

COMPARISON OF FINANCIAL INDICATORS

	<u>Morgan</u>	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>
Average daily census:					
Inpatient	0.75	4.36	4.43	3.50	8.74
Swing bed	13.36	5.50	5.71	2.51	0.01
Contractuals as a % of revenue	28%	43%	53%	65%	59%
Bad debt as a % of revenue	11%	7%	6%	2%	11%
FTE per adjusted occupied bed	3.36	4.53	2.16	9.41	8.96
Operating income (loss)	(\$458,000)	(\$124,000)	(\$232,000)	(\$10,098,000)	(\$5,754,000)
Operating margin	-3%	-1%	-1%	-23%	-15%
County funds	\$833,000	\$89,000	\$400,000	\$3,649,000	\$4,180,000

SUMMARY BALANCE SHEET (in thousands)

	<u>2018</u>	<u>2017</u>	<u>\$ Change</u>	<u>% Change</u>
Assets	\$48,597	\$7,749	\$ 40,848	527%
Liabilities	41,012	1,318	39,694	3012%
Net Position	<u>\$ 7,585</u>	<u>\$ 6,431</u>	<u>\$ 1,154</u>	18%

ASSETS (in thousands)

	<u>2018</u>	<u>2017</u>	<u>\$ Change</u>	<u>% Change</u>
Cash - Operating	\$ 1,442	\$ 186	\$ 1,256	675%
Cash - Sinking Funds	1,504	208	1,296	623%
Cash - Loan proceeds for construction	18,019	-	18,019	-
Cash/Investments - Endowments	<u>164</u>	<u>156</u>	<u>8</u>	<u>5%</u>
Total cash & investments	<u>21,129</u>	<u>550</u>	<u>20,579</u>	<u>3742%</u>
Gross accounts receivable	6,118	6,164	(46)	-1%
Contractuals & bad debts	<u>(4,366)</u>	<u>(4,930)</u>	<u>564</u>	<u>-11%</u>
Net accounts receivable	<u>1,752</u>	<u>1,234</u>	<u>518</u>	<u>42%</u>
Cost report settlements	<u>818</u>	<u>295</u>	<u>523</u>	<u>177%</u>
Total cost reports	<u>818</u>	<u>295</u>	<u>523</u>	<u>177%</u>
Capital assets	32,823	13,647	19,176	141%
Accumulated depreciation	<u>(8,194)</u>	<u>(8,291)</u>	<u>97</u>	<u>-1%</u>
Net capital assets	<u>24,629</u>	<u>5,356</u>	<u>19,273</u>	<u>360%</u>
Supplies	204	193	11	6%
Other current assets	50	95	(45)	-47%
Notes receivable	<u>15</u>	<u>26</u>	<u>(11)</u>	<u>-42%</u>
Total other assets	<u>269</u>	<u>314</u>	<u>(45)</u>	<u>-14%</u>
Total assets	<u>\$48,597</u>	<u>\$ 7,749</u>	<u>\$ 40,848</u>	<u>527%</u>

LIABILITIES (in thousands)

	<u>2018</u>	<u>2017</u>	<u>\$ Change</u>	<u>% Change</u>
Accounts payable	\$ 4,633	\$ 669	\$ 3,964	593%
Accrued expenses	808	523	285	54%
Cost report settlements	248	21	227	1081%
	<u>5,689</u>	<u>1,213</u>	<u>4,476</u>	<u>3.69</u>
Series 1997 bonds	-	105	(105)	-100%
Construction loan	35,000	-	35,000	-
Capital lease	323	-	323	-
	<u>35,323</u>	<u>105</u>	<u>35,218</u>	<u>33541%</u>
Total	<u><u>\$41,012</u></u>	<u><u>\$ 1,318</u></u>	<u><u>\$ 39,694</u></u>	<u><u>3012%</u></u>

COMPARISON OF FINANCIAL INDICATORS

	<u>Morgan</u>	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>
Current ratio	0.74	0.81	0.97	1.76	1.11
Days operating cash on hand	34	5	21	42	11
Net days revenue in accounts receivable (days)	43	38	77	48	81
Long-term debt to capitalization	82%	125%	127%	61%	104%

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