

CHOCTAW REGIONAL MEDICAL CENTER
(A Component Unit of Choctaw County, Mississippi)

STATEMENTS OF NET POSITION

September 30, 2017 and 2016

	<u>Assets</u>	
	2017	2016
Current Assets		
Cash	\$ 353,056	\$ 531,822
Patient accounts receivable, net of estimated uncollectibles of \$2,509,710 and \$2,763,920, respectively	3,119,617	2,594,125
Estimated amounts due from third-party payors	525,830	575,872
Inventory	114,635	96,097
Prepaid expenses	44,570	71,488
Total current assets	4,157,708	3,869,404
Capital Assets		
Property and equipment, net of depreciation	14,497,602	15,235,565
Other Assets		
Assets whose use is limited	950,856	951,418
Patient trust funds	19,854	81,664
Unemployment reserve account	36,931	36,931
Total other assets	1,007,641	1,070,013
Total assets	\$ 19,662,951	\$ 20,174,982

The accompanying notes are an integral part of the financial statements.

Liabilities and Net Position

	<u>2017</u>	<u>2016</u>
Current Liabilities		
Accounts payable	\$ 1,427,615	\$ 1,915,855
Patient accounts receivable credit balances	188,892	210,503
Accrued expenses and payroll withholdings	673,016	673,450
Accrued interest payable	87,713	97,017
Estimated amounts due to third-party payors	1,242,493	631,120
Current maturities of note payable	440,000	415,000
Current maturities of capital lease obligations	52,853	100,623
Total current liabilities	4,112,582	4,043,568
Noncurrent Liabilities		
Note payable, less current maturities	3,745,000	4,147,180
Capital lease obligations, less current maturities	77,554	129,480
Patient trust funds	19,693	81,664
Total noncurrent liabilities	3,842,247	4,358,324
Total liabilities	7,954,829	8,401,892
Net Position		
Invested in capital assets, net of related debt	10,182,195	10,405,462
Restricted note agreement	950,856	951,418
Unrestricted	575,071	416,210
Total net position	11,708,122	11,773,090
Total liabilities and net position	\$ 19,662,951	\$ 20,174,982

CHOCTAW REGIONAL MEDICAL CENTER
(A Component Unit of Choctaw County, Mississippi)

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

For the Years Ended September 30, 2017 and 2016

	2017	2016
Operating Revenues		
Net patient revenue, net of provision for bad debts of \$3,770,188 and \$3,362,900, respectively	\$ 19,725,917	\$ 17,677,645
340B pharmacy program revenue, net of expenses of \$78,081 and \$311, respectively	193,026	57,997
Electronic health records incentive	501,300	1,512,769
Other revenue	77,223	147,159
Total operating revenues	<u>20,497,466</u>	<u>19,395,570</u>
Operating Expenses		
Salaries and benefits	14,092,108	13,636,410
Supplies and drugs	1,773,976	1,677,609
Other expenses	4,807,021	5,558,557
Insurance	229,349	125,200
Depreciation	942,569	922,606
Total operating expenses	<u>21,845,023</u>	<u>21,920,382</u>
Loss from operations	(1,347,557)	(2,524,812)
Nonoperating Revenues (Expenses)		
Contributions from Choctaw County	1,524,179	2,138,336
Other contributions	37,704	38,300
Interest income	1,681	1,767
Interest expense	(280,975)	(259,786)
Total nonoperating revenues (expenses)	<u>1,282,589</u>	<u>1,918,617</u>
Change in net position	(64,968)	(606,195)
Net position, beginning of year	<u>11,773,090</u>	<u>12,379,285</u>
Net position, end of year	<u>\$ 11,708,122</u>	<u>\$ 11,773,090</u>

The accompanying notes are an integral part of the financial statements.

CHOCTAW REGIONAL MEDICAL CENTER
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STATEMENTS OF CASH FLOWS

For the Years Ended September 30, 2017 and 2016

	2017	2016
Cash Flows Provided By (Used For) Operating Activities:		
Receipts from and on behalf of patients	\$ 19,840,068	\$ 19,144,490
Payments for supplies and other expenses	(7,290,206)	(7,846,788)
Payments to and on behalf of employees	(14,092,542)	(13,407,368)
Other receipts and payments	771,549	202,458
Net cash used for operating activities	<u>(771,131)</u>	<u>(1,907,208)</u>
Cash Flows From (Used For) Capital and Related Financing Activities:		
Principal payments on notes payable	(377,180)	(400,000)
Principal payments on captial lease obligations	(99,696)	(86,080)
Change in assets whose use is limited	562	(300,778)
Interest paid on long-term debt	(290,279)	(162,769)
Proceeds from issuance of debt	-	990,174
Purchase of capital assets	(204,606)	(747,351)
Net cash used for capital and related financing activities	<u>(971,199)</u>	<u>(706,804)</u>
Cash Flows From (Used For) Noncapital Financing Activities:		
Contributions	1,561,883	2,176,636
Cash Flows From (Used For) Investing Activities:		
Interest income	<u>1,681</u>	<u>1,767</u>
Net decrease in cash and cash equivalents	(178,766)	(435,609)
Cash and cash equivalents - beginning of the year	<u>531,822</u>	<u>967,431</u>
Cash and cash equivalents - end of the year	<u>\$ 353,056</u>	<u>\$ 531,822</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used For) Operating Activities:		
Operating loss	\$ (1,347,557)	\$ (2,524,812)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows Provided By (Used For) Operating Activities:		
Depreciation and amortization	942,569	922,606
Provisions for uncollectible accounts	3,770,188	3,362,900
Change in assets and liabilities:		
Patient accounts receivable	(4,245,799)	(2,996,107)
Supplies and curent assets	8,380	(640,196)
Accounts payable, accrued expenses, and other current liabilities	(510,285)	(982,562)
Estimated third-party payor settlements	<u>611,373</u>	<u>950,963</u>
Net cash used for operating activities	<u>\$ (771,131)</u>	<u>\$ (1,907,208)</u>

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