

## Sample Financial Statements for XYZ Health Center

Use this financial information to answer questions in Case Study 1.

### Patient Service Revenue Data

<b>Fiscal 20CY</b>	<b>Revenue</b>	<b>Visits</b>	<b>Net revenue per visit</b>
Medicare	1,650,000	10,000	\$ 165
Medicaid	4,150,000	22,450	\$ 185
Self-Pay	800,000	17,775	\$ 45
Other third party	2,500,000	27,775	\$ 90
<b>Total</b>	<b>9,100,000</b>	<b>78,000</b>	

<b>Fiscal 20PY</b>	<b>Revenue</b>	<b>Visits</b>	<b>Net revenue per visit</b>
Medicare	800,000	5,000	\$ 160
Medicaid	4,800,000	26,650	\$ 180
Self-Pay	1,600,000	40,000	\$ 40
Other third party	800,000	8,900	\$ 90
<b>Total</b>	<b>8,000,000</b>	<b>80,550</b>	

### Accounts Receivable Information

<b>Fiscal 20CY</b>	<b>Gross &gt; 60 days old</b>	<b>Collection %</b>	<b>Fiscal 20PY</b>	<b>Gross &gt; 60 days old</b>	<b>Collection %</b>
Medicare	100,000	95%	Medicare	100,000	95%
Medicaid	100,000	105%	Medicaid	100,000	115%
Self-Pay	500,000	20%	Self-Pay	500,000	10%
Other third party	250,000	65%	Other third party	250,000	45%
<b>Total</b>	<b>950,000</b>		<b>Total</b>	<b>950,000</b>	

**Example CHC**  
**Balance Sheets (Statement of Financial Position)**  
**December 31, 20CY and 20PY**

<b>Assets</b>	<b>20CY</b>	<b>20PY</b>
<b>Current Assets</b>		
Cash	\$ 100,000	\$ 300,000
Patient accounts receivable, net of allowance; 2019 - \$200,000, 2018 - \$300,000	500,000	600,000
Grants and other receivables	100,000	100,000
Estimated amounts due from third-party payers	1,900,000	2,900,000
Supplies, prepaid expenses and other	300,000	300,000
<b>Total current assets</b>	<b>2,900,000</b>	<b>4,200,000</b>
<b>Property and Equipment, at Cost</b>		
Land	300,000	400,000
Buildings and leasehold improvements	13,000,000	13,000,000
Equipment	2,200,000	2,200,000
	15,500,000	15,600,000
Less accumulated depreciation	4,500,000	3,600,000
	11,000,000	12,000,000
<b>Total assets</b>	<b>\$ 13,900,000</b>	<b>\$ 16,200,000</b>

**Example CHC**  
**Income Statement/Statements of Activities**  
**December 31, 20CY and 20PY**

	20CY	20PY
<b>Unrestricted Revenues, Gains and Other Support</b>		
Patient service revenue	\$ 9,100,000	\$ 8,000,000
Grant revenue	4,400,000	4,000,000
Contributions	200,000	300,000
Other	100,000	200,000
Net assets released from restrictions used for operations	200,000	100,000
Total unrestricted revenues, gains and other support	14,000,000	12,600,000
<b>Expenses and Losses</b>		
Salaries and wages	7,300,000	7,200,000
Employee benefits	1,300,000	1,200,000
Purchased services and professional fees	1,200,000	1,400,000
Supplies and other	2,600,000	2,200,000
Pharmacy cost of goods sold	1,100,000	200,000
Rent	100,000	100,000
Depreciation	900,000	900,000
Interest	500,000	600,000
Loss on disposal of property and equipment	100,000	-
Total expenses and losses	15,100,000	13,800,000
<b>Deficiency of Revenues Over Expenses</b>	<b>\$ (1,100,000)</b>	<b>\$ (1,200,000)</b>

	20CY	20PY
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Notes payable to bank, unsecured	\$ -	\$ 700,000
Current maturities of long-term debt	500,000	400,000
Accounts payable	1,100,000	900,000
Accrued expenses	800,000	700,000
Deferred grant revenue	100,000	300,000
Total current liabilities	2,500,000	3,000,000
<b>Long-Term Debt</b>	10,700,000	11,300,000
Total liabilities	13,200,000	14,300,000
<b>Net Assets</b>		
Without donor restrictions	300,000	1,400,000
With donor restrictions	400,000	500,000
Total net assets	700,000	1,900,000
Total liabilities and net assets	<b>\$ 13,900,000</b>	<b>\$ 16,200,000</b>

**Example CHC**  
**Statements of Cash Flows**  
**December 31, 20CY and 20PY**

	<b>20CY</b>	<b>20PY</b>
<b>Operating Activities</b>		
Change in net assets	\$ (1,200,000)	\$ (800,000)
Items not requiring (providing) operating cash flow		
Depreciation	900,000	900,000
Loss on disposal of property and equipment	100,000	-
Changes in		
Patient accounts receivable, net	100,000	100,000
Estimated amounts due from third-party payers	1,000,000	100,000
Accounts payable and accrued expenses	300,000	(300,000)
Deferred grant revenue	(200,000)	200,000
Net cash provided by operating activities	<u>1,000,000</u>	<u>200,000</u>
<b>Investing Activities</b>		
Purchase of property and equipment	-	(100,000)
Net cash used in investing activities	<u>-</u>	<u>(100,000)</u>
<b>Financing Activities</b>		
Principal payments on long-term debt	(500,000)	(600,000)
Proceeds from issuance of notes payable to bank	-	700,000
Principal payments on notes payable to bank	(700,000)	(500,000)
Net cash used in financing activities	<u>(1,200,000)</u>	<u>(400,000)</u>
<b>Decrease in Cash</b>	<u>(200,000)</u>	<u>(300,000)</u>
<b>Cash, Beginning of Year</b>	<u>300,000</u>	<u>600,000</u>
<b>Cash, End of Year</b>	<u>\$ 100,000</u>	<u>\$ 300,000</u>
<b>Supplemental Cash Flows Information</b>		
Interest paid	\$ 500,000	\$ 600,000