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January 31, 2018

To: Marianna City Commissioners
MH&RC Board Members
Marianna City Manager

From: Bruce C. Baldwin, Consultant

Subject: December 2017 Financial Statements

December was a relatively uneventful month for the Center financially. The final net income figure was slightly below the budgeted amount. The average census was 84.2%

INCOME: Room and board income remained slightly below the budgeted level due to a lower Medicare rate. However, the Medicare census continued to exceed the budget averaging more than 22 Part-A patients per day. That number increased in January to 40 Part-A patients on certain days. Income from physical therapy was below budget; however, occupational and speech therapy exceeded the budgeted level due to greater utilization of these services by Medicare patients. Prescription drug revenue was higher than budget due to several patients requiring this service. Contractual allowance was below budget due to fewer Medicare adjustments.

EXPENSE: Expenses were well controlled and slightly below the budgeted number. R.N. salaries were below budget due to three vacant positions. Prescription drug costs were over budget due to greater patient needs. Expenses for dietary supplements were below budget due to fewer patients needing additional supplements. Housekeeping aides' salaries exceeded the budget due to an employee out on family leave. Utility costs were under budget due to more moderate temperatures during part of the month. General insurance expense was higher than budget due to an increase in the worker's compensation premium.

Year-to-date the Center is slightly ahead of the budgeted net income figure. During the month of January there was a significant increase in the number of Medicare Part-A patients so we expect the financial picture will improve in the coming months.

MARIANNA HEALTH AND REHABILITATION CENTER
Operations Summary
Month Ending December 2017

	Current	Budget	December 2016
Census	84.23%	86%	84.59%
Accounts Receivable	\$3,465,782	-	\$4,024,795
Allowance for Bad Debts \$630,000			\$685,000
Allowance for Coinsurance Write-offs	\$177,350		\$149,508
Total Expenses	\$1,265,070	\$1,286,871	\$1,225,233
Depreciation	\$26,600	\$26,600	\$26,000
Cash on Hand	\$648,623		\$2,037,088
Total Employees	204		200
Income before City Fees:	\$22,135	\$29,781	\$58,085
Net Income	\$(1,885)	\$5,761	\$34,065

Census Information from Area Facilities as of 01/31/2018:

Chipola Health & Rehab	92%
Signature Healthcare at the Courtyard	93%
Signature of North Florida in Graceville	87%
River Valley in Blountstown	78%
Blountstown Health & Rehab	88%

Marianna Health and Rehabilitation Center
Statement of Net Assets
Schedule I
December 31, 2017

ASSETS

Current Assets

Cash	\$ 648,623.18	
Accounts Receivable - General	3,465,782.45	
AR Clearing Account	11,968.13	
Accounts Receivable - Others	(2,626.59)	
Allowance for Bad Debts	(630,000.00)	
Allowance For Co-Insurance Write-Offs	(177,350.00)	
Inventory - Supplies	71,185.99	
Prepaid Expenses	9,551.32	
Prepaid Maintenance	2,261.25	
Prepaid Insurance	84,350.12	
Prepaid Dues & Subscriptions	12,968.52	
Total Current Assets	\$ 3,496,714.37	

Property, Plant, & Equipment

Land	50,000.00	
Buildings	9,139,539.28	
Vehicles	77,821.88	
Laundry Equipment	171,130.66	
Departmental Equipment	2,834,158.08	
Construction in Progress	107,608.87	
Less: Accumulated Depreciation		
A/D - Building	(4,281,225.97)	
A/D - Vehicles	(77,821.88)	
A/D - Departmental Equipment	(2,267,060.16)	
A/D - Laundry Equipment	(171,130.66)	
Net Property, Plant, & Equipment	5,583,020.10	

Other Assets

Utility Deposits	168.00	
Security Deposits	600.00	
Deferred Outflows-Contributions	1,244,904.00	
Deferred Outflows-Other Than Contributions	1,803,748.00	
Total Other Assets	3,049,420.00	

Total Assets	\$ 12,129,154.47	
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**Marianna Health and Rehabilitation Center
Statement of Net Assets
Schedule I
December 31, 2017**

LIABILITIES AND FUND BALANCE

Current Liabilities

Accounts Payable - General	\$ 691,368.76	
Accrued Payroll	142,592.27	
Accrued Vacation Pay	182,741.47	
P/R Pay - Accrued Leave	46,081.28	
Retirement Pay - Accrued Leave	15,032.66	
Accrued Sick Pay	398,889.21	
FICA Tax Payable	10,903.92	
Resident Trust Liability	29,992.61	
Employee Insurance Withheld	12,450.29	
Retirement Fund Payable	391.88	
Medicare Settlement Payable	6,854.02	
Other Accrued Expenses	<u>245,642.95</u>	
Total Current Liabilities		\$ 1,782,941.32

Long Term Liabilities

Net Pension Liability	6,211,405.00	
Deferred Inflows	<u>958,415.00</u>	
Total Long-Term Liabilities		<u>7,169,820.00</u>

Total Liabilities

8,952,761.32

Fund Balance

Contribution from Gen. Public	54,654.69	
Contribution from State	5,047.00	
Contribution from Fed. Govt.	427,365.98	
Surplus	2,549,416.31	
Due to City - Management Fees	209,499.00	
Net Income (Loss)	<u>(69,589.83)</u>	
Total Fund Balance		<u>3,176,393.15</u>

Total Liabilities & Fund Balance

\$ 12,129,154.47

Marianna Health and Rehabilitation Center
Statement of Net Assets
Schedule I
December 31, 2017

Cash		
Petty Cash	\$	950.00
SS Direct Deposit Acct		46,651.26
Expansion Project Fund		241,282.26
Cash in Bank - Activities Fund		15,028.07
Cash in Bank - Cash Mgmt Sweep		314,618.98
Cash - Payroll		100.00
Cash - Resident Trust Fund		<u>29,992.61</u>
Total Cash		\$ <u><u>648,623.18</u></u>

Marianna Health and Rehabilitation Center
Statement of Net Assets
Schedule II
For the Current Month and the
Three Months Ending December 31, 2017

	Current Actual	Pct	Per Pat Day	Current Budgeted	Current Variance	YTD Actual	Pct	Per Pat Day	YTD Budgeted	YTD Variance
Income										
Room & Board	\$1,088,514	86.17%	\$231.60	\$ 1,158,548	\$ 70,034	\$ 3,279,820	85.79%	\$231.18	\$ 3,438,500	\$ 158,680
Lab	4,083	0.32%	0.87	4,707	624	19,079	0.50%	1.34	13,969	(5,110)
Drugs	31,769	2.52%	6.76	24,106	(7,663)	96,194	2.52%	6.78	71,540	(24,654)
Physical Therapy	45,022	3.56%	9.58	55,437	10,415	166,055	4.34%	11.70	164,523	(1,532)
Speech Therapy	26,346	2.09%	5.61	23,545	(2,801)	92,951	2.43%	6.55	70,635	(22,316)
Occupational Therapy	39,444	3.12%	8.39	36,624	(2,820)	130,589	3.42%	9.20	109,872	(20,717)
Medical Supplies	0	0.00%	0.00	383	383	0	0.00%	0.00	1,135	1,135
Employee & Guest Meals	1,710	0.14%	0.36	1,966	256	5,375	0.14%	0.38	5,898	523
Interest Income	59	0.00%	0.01	133	74	98	0.00%	0.01	399	301
Activities Income	0	0.00%	0.00	166	166	735	0.02%	0.05	498	(237)
Miscellaneous Income	0	0.00%	0.00	73	73	0	0.00%	0.00	219	219
Total	1,236,947	97.92%	263.18	1,305,688	68,741	3,790,896	99.16%	267.21	3,877,188	86,292
Less: Cont. Allow	26,238	2.08%	5.58	(13,056)	(39,291)	32,122	0.84%	2.26	(38,771)	(70,893)
Total Income	1,263,185	100.00%	268.76	1,292,632	29,447	3,823,018	100.00%	269.47	3,838,417	15,399
Expenses										
Nursing	486,689	38.53%	103.55	490,488	3,799	1,496,800	39.15%	105.51	1,481,517	(15,283)
Dietary	95,028	7.52%	20.22	103,328	8,300	289,230	7.57%	20.39	309,589	20,359
Housekeeping	45,670	3.62%	9.72	39,867	(5,803)	128,760	3.37%	9.08	120,082	(8,678)
Laundry & Linen	20,203	1.60%	4.30	21,052	849	63,102	1.65%	4.45	63,874	772
Building & Grounds	80,406	6.37%	17.11	89,048	8,642	238,917	6.25%	16.84	265,790	26,873
Special Services	111,214	8.80%	23.66	113,852	2,638	375,799	9.83%	26.49	342,061	(33,738)
Admin & General	425,860	33.71%	90.61	429,236	3,376	1,300,001	34.00%	91.63	1,334,790	34,789
Total Expenses	1,265,070	100.15%	269.16	1,286,871	21,801	3,892,608	101.82%	274.38	3,917,703	25,095
Net Income (Loss)	\$ (1,885)	-0.15%	\$ (0.40)	\$ 5,761	\$ 7,646	\$ (69,590)	-1.82%	\$ (4.91)	\$ (79,286)	\$ (9,696)

Marianna Health and Rehabilitation Center
Statement of Net Assets
Schedule II
For the Current Month and the
Three Months Ending December 31, 2017

	Current Actual	Pct	Per Pat Day	Current Budgeted	Current Variance	YTD Actual	Pct	Per Pat Day	YTD Budgeted	YTD Variance
Nursing										
Payroll - Director	\$ 7,440	0.59%	\$ 1.58	\$ 8,884	\$ 1,444	\$ 24,212	0.63%	\$ 1.71	\$ 28,173	\$ 3,961
Asst Dir.	7,719	0.61%	1.64	8,340	621	24,647	0.64%	1.74	26,449	1,802
R.N.	64,340	5.09%	13.69	75,258	10,918	209,138	5.47%	14.74	225,892	16,754
L.P.N.	111,929	8.86%	23.81	114,892	2,963	346,381	9.06%	24.42	346,134	(247)
Aides	210,077	16.63%	44.70	213,001	2,924	638,286	16.70%	44.99	644,159	5,873
Ward Clerks	14,433	1.14%	3.07	14,468	35	44,651	1.17%	3.15	44,599	(52)
Employee Drug Screening	680	0.05%	0.14	354	(326)	1,795	0.05%	0.13	1,062	(733)
Drugs	39,615	3.14%	8.43	24,303	(15,312)	106,033	2.77%	7.47	72,909	(33,124)
Nursing Supplies	18,520	1.47%	3.94	18,114	(406)	62,442	1.63%	4.40	53,757	(8,685)
Noncovered PPS Expenses	1,900	0.15%	0.40	1,791	(109)	11,559	0.30%	0.81	5,315	(6,244)
Oxygen	3,033	0.24%	0.65	3,857	824	11,517	0.30%	0.81	11,447	(70)
Respiratory Supplies	1,729	0.14%	0.37	1,774	45	4,590	0.12%	0.32	5,265	675
Medical Records Consultant	0	0.00%	0.00	720	720	0	0.00%	-	2,160	2,160
Pharmacy Consultant	2,856	0.23%	0.61	1,622	(1,234)	4,263	0.11%	0.30	4,866	603
Dental Consultant	8	0.00%	0.00	11	3	25	0.00%	0.00	33	8
Medical Director	2,375	0.19%	0.51	2,375	0	7,125	0.19%	0.50	7,125	0
Inservice Teaching Aides	0	0.00%	0.00	50	50	0	0.00%	-	150	150
Education	0	0.00%	0.00	366	366	0	0.00%	-	1,098	1,098
Advertising - Help Wanted	36	0.00%	0.01	208	172	136	0.00%	0.01	624	488
Travel - Nursing	0	0.00%	0.00	100	100	0	0.00%	-	300	300
Total Nursing	486,689	38.53%	103.55	490,488	3,799	1,496,800	39.15%	105.51	1,481,517	(15,283)
Dietary										
Salaries - Supervisor	7,512	0.59%	1.60	7,868	356	23,332	0.61%	1.64	24,299	967
Cooks	8,275	0.66%	1.76	8,270	(5)	24,521	0.64%	1.73	25,431	910
Aides	23,915	1.89%	5.09	25,451	1,536	72,142	1.89%	5.09	76,569	4,427
Food	45,878	3.63%	9.76	49,923	4,045	138,582	3.62%	9.77	148,158	9,576
Dietary Supplements	1,605	0.13%	0.34	3,434	1,829	5,016	0.13%	0.35	10,191	5,175
Kitchen Supplies	5,815	0.46%	1.24	6,048	233	19,551	0.51%	1.38	17,949	(1,602)
Equipment Rental	0	0.00%	-	306	306	0	0.00%	-	908	908
Dietician	2,028	0.16%	0.43	2,028	0	6,084	0.16%	0.43	6,084	0
Total Dietary	95,028	7.52%	20.22	103,328	8,300	289,230	7.57%	20.39	309,589	20,359
Housekeeping										
Salaries - Supervisor	3,399	0.27%	0.72	3,573	174	10,217	0.27%	0.72	10,605	388
Aides	33,293	2.64%	7.08	29,245	(4,048)	95,242	2.49%	6.71	88,558	(6,684)
Supplies	8,978	0.71%	1.91	7,049	(1,929)	23,301	0.61%	1.64	20,919	(2,382)
Total Housekeeping	45,670	3.62%	9.72	39,867	(5,803)	128,760	3.37%	9.08	120,082	(8,678)

Marianna Health and Rehabilitation Center
Statement of Net Assets
Schedule II
For the Current Month and the
Three Months Ending December 31, 2017

	Current Actual	Pct	Per Pat Day	Current Budgeted	Current Variance	YTD Actual	Pct	Per Pat Day	YTD Budgeted	YTD Variance
Laundry										
Salaries - Aides	17,386	1.38%	3.70	17,392	6	55,823	1.46%	3.93	52,894	(2,929)
Linen & Laundry Usage	1,217	0.10%	0.26	2,060	843	2,479	0.06%	0.17	6,180	3,701
Laundry Supplies	1,600	0.13%	0.34	1,600	0	4,800	0.13%	0.34	4,800	0
Total Laundry	20,203	1.60%	4.30	21,052	849	63,102	1.65%	4.45	63,874	772
Building & Grounds										
Salary - Supervisor	4,097	0.32%	0.87	4,059	(38)	12,924	0.34%	0.91	12,047	(877)
Staff	9,781	0.77%	2.08	11,845	2,064	27,846	0.73%	1.96	35,653	7,807
Travel - Maintenance	0	0.00%	-	78	78	0	0.00%	-	234	234
Utilities	25,885	2.05%	5.51	30,320	4,435	81,578	2.13%	5.75	89,982	8,404
Repairs & Maint.	9,633	0.76%	2.05	11,298	1,665	22,988	0.60%	1.62	33,530	10,542
Deprec. & Amort.	26,600	2.11%	5.66	26,600	0	79,800	2.09%	5.62	79,800	0
Rent	149	0.01%	0.03	223	74	595	0.02%	0.04	669	74
Insurance	1,730	0.14%	0.37	1,732	2	5,191	0.14%	0.37	5,196	5
Equipment Leasing	0	0.00%	-	150	150	0	0.00%	-	450	450
Pest Control	355	0.03%	0.08	355	0	1,065	0.03%	0.08	1,065	0
Outside Services	1,240	0.10%	0.26	1,455	215	4,170	0.11%	0.29	4,365	195
TV Repair & Service	935	0.07%	0.20	933	(2)	2,761	0.07%	0.19	2,799	38
Total Bldg & Grounds	80,406	6.37%	17.11	89,048	8,642	238,917	6.25%	16.84	265,790	26,873
Special Services										
Salary - Act. Dir.	13,438	1.06%	2.86	12,730	(708)	40,257	1.05%	2.84	37,779	(2,478)
Physical Therapy	35,679	2.82%	7.59	43,380	7,701	130,650	3.42%	9.21	130,140	(510)
Speech Pathology	17,369	1.37%	3.70	15,015	(2,354)	60,899	1.59%	4.29	45,045	(15,854)
Occup Therapy	30,715	2.43%	6.54	28,755	(1,960)	100,462	2.63%	7.08	86,265	(14,197)
Salaries - Social Worker	10,800	0.86%	2.30	11,498	698	32,810	0.86%	2.31	35,410	2,600
Social Service Supplies	16	0.00%	0.00	224	208	333	0.01%	0.02	672	339
Patient Activities	3,197	0.25%	0.68	2,250	(947)	10,387	0.27%	0.73	6,750	(3,637)
Total Special Services	111,214	8.80%	23.66	113,852	2,638	375,799	9.83%	26.49	342,061	(33,738)

Marianna Health and Rehabilitation Center
Statement of Net Assets
Schedule II
For the Current Month and the
Three Months Ending December 31, 2017

	Current Actual	Pct	Per Pat Day	Current Budgeted	Current Variance	YTD Actual	Pct	Per Pat Day	YTD Budgeted	YTD Variance
Admin & General										
Salary - Admin	6,597	0.52%	1.40	8,287	1,690	21,060	0.55%	1.48	24,594	3,534
Asst Admin	2,835	0.22%	0.60	3,726	891	9,203	0.24%	0.65	11,058	1,855
Bookkeeper	3,204	0.25%	0.68	3,423	219	10,004	0.26%	0.71	10,158	154
Sec'y & Recept	19,571	1.55%	4.16	24,658	5,087	57,418	1.50%	4.05	73,012	15,594
Advertising	0	0.00%	-	66	66	0	0.00%	-	198	198
Auto Operations	1,037	0.08%	0.22	570	(467)	1,893	0.05%	0.13	1,710	(183)
Consultant Fees	8,200	0.65%	1.74	8,200	0	24,600	0.64%	1.73	24,600	0
Data Processing	3,060	0.24%	0.65	2,923	(137)	9,179	0.24%	0.65	8,769	(410)
Dues & Subscriptions	1,080	0.09%	0.23	1,079	(1)	3,236	0.08%	0.23	3,237	1
Education	0	0.00%	-	364	364	38	0.00%	0.00	1,092	1,054
Travel & Entertainment	354	0.03%	0.08	700	346	1,262	0.03%	0.09	5,250	3,988
Equipment Rental	1,580	0.13%	0.34	1,475	(105)	3,773	0.10%	0.27	3,625	(148)
General Expense	450	0.04%	0.10	650	200	1,853	0.05%	0.13	4,500	2,647
AHCA Assessment Fee	100,453	7.95%	21.37	99,206	(1,247)	299,613	7.84%	21.12	297,618	(1,995)
Group Insurance	101,616	8.04%	21.62	110,911	9,295	300,493	7.86%	21.18	332,733	32,240
General Insurance	20,871	1.65%	4.44	16,484	(4,387)	59,946	1.57%	4.23	49,452	(10,494)
Legal & Accounting	1,283	0.10%	0.27	2,227	944	4,429	0.12%	0.31	6,681	2,252
Professional Services	274	0.02%	0.06	394	120	788	0.02%	0.06	1,182	394
Taxes & Licenses	97	0.01%	0.02	250	153	358	0.01%	0.03	750	392
General Office Expense	3,876	0.31%	0.82	4,398	522	12,459	0.33%	0.88	13,194	735
Payroll Taxes	42,249	3.34%	8.99	40,281	(1,968)	136,358	3.57%	9.61	143,804	7,446
Retirement Plan	42,998	3.40%	9.15	41,361	(1,637)	160,522	4.20%	11.31	144,764	(15,758)
Telephone	1,994	0.16%	0.42	1,583	(411)	4,754	0.12%	0.34	4,749	(5)
Bad Debt	38,162	3.02%	8.12	32,000	(6,162)	104,702	2.74%	7.38	96,000	(8,702)
City Administration Fee	24,020	1.90%	5.11	24,020	0	72,060	1.88%	5.08	72,060	0
Total Admin & General	425,860	33.71%	90.61	429,236	3,376	1,300,001	34.00%	91.63	1,334,790	34,789

**Marianna Health and Rehabilitation Center
Statement of Net Assets
Schedule III
For the Current Month and the
Three Months Ending December 31, 2017**

	Month	% Occ	Year	% Occ
Bed Days Available	5,580	100.00%	16,560	100.00%
Total Bed Days	4,700	84.23%	14,187	85.67%

**Marianna Health and Rehabilitation Center
Statement of Net Assets
Schedule IV
For the Current Month and the
Three Months Ending December 31, 2017**

	Current Actual	Pct	Current Budgeted	Current Variance	YTD Actual	Pct	YTD Budgeted	YTD Variance
Patient Days								
Medicare	700	14.89%	321	(379)	2,230	15.72%	953	(1,277)
Medicaid	3,124	66.47%	4,147	1,023	9,414	66.36%	12,307	2,893
Private	658	14.00%	329	(329)	1,840	12.97%	977	(863)
Hospice	218	4.64%	0	(218)	703	4.96%	0	(703)
Total Patient Days	<u>4,700</u>	<u>100.00%</u>	<u>4,797</u>	<u>97</u>	<u>14,187</u>	<u>100.00%</u>	<u>14,237</u>	<u>50</u>