# Healthcare Financial Management and Economics

# — Louis Medical Center

**Developing Financial Statements**

All organizations, including those in the healthcare industry, need to make money to be profitable and survive. Financial statements, such as balance sheets, profit and loss statements, and cash flow statements, summarize an organization’s profitability and overall financial status. For this Assignment, you practice developing three key financial statements using data from the Louis Medical Center.

**Louis Medical Center**

Louis Medical Center is a large Midwestern acute care and ambulatory facility serving an urban city population.

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| **Givens (in '000s):** |  |
| Inventory | $7,000  |
| Patient revenues (net of contractual allowance) | $220,000 |
| Gross plant, property, and equipment | $161,900  |
| Net accounts receivable | $65,000  |
| Ending balance, temporarily restricted net assets | $9,300  |
| Wages payable | $18,000  |
| Long-term debt | $104,000  |
| Supply expense | $18,000  |
| Net assets released from temporary restriction | $3,500  |
| Depreciation expense | $20,000  |
| General expense | $40,000  |
| Provision for bad debt expense | $12,000  |
| Cash and cash equivalents | $7,500  |
| Transfer to parent corporation | ($3,300) |
| Beginning balance, unrestricted net assets | $70,000  |
| Accounts payable  | $12,000  |
| Beginning balance, temporarily restricted net assets | $12,800  |
| Interest expense | $6,500  |
| Labor expense | $77,600  |
| Accumulated depreciation | $90,000  |
| Long-term investments  | $108,000  |
| Ending balance, unrestricted net assets | $116,100  |

**To prepare for this Assignment:**

Examine the data from Louis Medical Center. Reflect on how you will use this data to develop a Balance Sheet, Profit and Loss Statement, and Cash Flow Statement. Refer to the course text for additional guidance.

**The Assignment:**

Complete a Balance Sheet, Profit and Loss Statement (Statement of Operations), and Cash Flow Statement (Statement of Changes in Net Assets) using the Week 7 Financial Statement Excel Templatelocated in the Learning Resources.

**Your Assignment is due by** **Day 7 of Week 7.**