

## Kalkaska Memorial Health Center

### Balance Sheet

Assets	August 31, 2021	June 30, 2021
<b>Current Assets</b>		
Cash and Cash Equivalents	\$ 9,796,687	\$ 8,941,754
Short-Term Investments	7,928,736	7,923,659
Accounts Receivable	7,901,777	6,905,864
Third Party Settlements	1,508,001	1,575,675
Due from Affiliates	6,248	1,786
Inventory	317,029	192,714
Other Current Assets	103,573	169,722
Total Current Assets	27,562,051	25,711,174
<b>Investments</b>	554,160	832,328
<b>Capital Assets (net of Accumulated Depreciation)</b>	36,017,646	36,502,459
<b>Land</b>	1,364,151	1,364,151
<b>Construction In Progress</b>	1,148,267	1,435,478
<b>Other Assets</b>		
Restricted Cash	13,569,209	14,568,991
Other Assets	102,496	102,496
Total Other Assets	13,671,705	14,671,487
Total Assets	<b>\$ 80,317,980</b>	<b>\$ 80,517,077</b>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Current Maturities - Long-Term Debt	\$ 1,219,456	\$ 1,219,456
Trade Accounts Payable	2,966,912	1,562,570
Accrued Compensation	4,013,365	5,011,549
Third Party Liabilities	2,648,883	3,011,634
Due to Affiliates	228,277	2,075,767
Other Current Liabilities	1,003,748	7,039,210
Total Current Liabilities	12,080,641	19,920,186
<b>Long-Term Debt - Less Current Maturities</b>	5,640,335	5,684,759
<b>Other Long-Term Liabilities</b>	550,000	550,000
<b>Deferred Liabilities</b>	15,720	8,420
Total Liabilities	18,286,696	26,163,365
<b>Net Assets</b>		
Invested in Capital Assets, net of Related Debt	37,299,278	38,026,878
Unrestricted	24,732,006	16,326,834
Total Net Assets	62,031,284	54,353,712
Total Liabilities and Net Assets	<b>\$ 80,317,980</b>	<b>\$ 80,517,077</b>

**Kalkaska Memorial Health Center**

**Statement of Operations**

	Month of August 2021				Year to Date Ended August 31, 2021			
	Actual	Budget	Variance	Prior Year	Actual	Budget	Variance	Prior Year
<b>Operating Revenue</b>								
Inpatient	\$ 156,947	\$ 96,097	\$ 60,850	\$ 61,361	\$ 207,454	\$ 195,048	\$ 12,406	\$ 139,601
Outpatient	6,708,382	5,191,217	1,517,165	5,069,895	12,291,116	10,469,863	1,821,253	9,899,823
Professional	1,261,650	1,046,627	215,023	1,003,426	2,288,924	2,130,681	158,243	1,775,087
Long Term Care	1,001,892	969,658	32,234	930,134	2,061,653	1,936,730	124,923	1,864,991
Dialysis Center	751,108	735,254	15,854	762,649	1,478,195	1,505,148	(26,953)	1,531,814
Ambulance	370,352	405,714	(35,362)	304,486	641,511	811,428	(169,917)	621,519
Retail Pharmacy	119,610	116,155	3,455	120,720	257,216	237,831	19,385	227,438
Assisted Living	91,157	98,114	(6,957)	95,057	185,282	196,228	(10,946)	194,932
	<u>10,461,098</u>	<u>8,658,836</u>	<u>1,802,262</u>	<u>8,347,728</u>	<u>19,411,351</u>	<u>17,482,957</u>	<u>1,928,394</u>	<u>16,255,205</u>
Revenue Deductions:								
Contractual Allowances	4,605,371	3,730,569	(874,802)	3,586,896	8,574,596	7,487,482	(1,087,114)	7,038,066
Provision Charity Care	21,651	26,813	5,162	34,675	64,609	53,650	(10,959)	52,038
Provision for Bad Debt	150,053	165,148	15,095	162,951	199,192	330,699	131,507	315,788
	<u>4,777,075</u>	<u>3,922,530</u>	<u>(854,545)</u>	<u>3,784,522</u>	<u>8,838,397</u>	<u>7,871,831</u>	<u>(966,566)</u>	<u>7,405,892</u>
Net Patient Revenues	5,684,023	4,736,306	947,717	4,563,206	10,572,954	9,611,126	961,828	8,849,313
Other Operating Revenues	356,816	275,362	81,454	924,791	738,188	550,990	187,198	1,367,561
Total Operating Revenue	<u>6,040,839</u>	<u>5,011,668</u>	<u>1,029,171</u>	<u>5,487,997</u>	<u>11,311,142</u>	<u>10,162,116</u>	<u>1,149,026</u>	<u>10,216,874</u>
<b>Operating Expenses</b>								
Salaries and Wages	2,483,197	2,301,013	(182,184)	2,356,821	5,039,090	4,710,319	(328,771)	4,500,722
Fringe Benefits	621,521	638,388	16,867	658,123	1,307,508	1,276,776	(30,732)	1,289,756
Contract Labor	32,176	32,731	555	27,774	62,975	65,462	2,487	58,741
Physician Fees	91,195	98,015	6,820	59,682	159,152	198,461	39,309	117,205
Purchased Services	539,261	553,716	14,455	597,044	1,078,651	1,101,304	22,653	1,281,701
Pharmaceuticals	432,881	334,451	(98,430)	371,256	868,970	681,925	(187,045)	756,220
Supplies	281,935	284,645	2,710	244,160	543,251	575,074	31,823	513,948
Occupancy	119,229	93,258	(25,971)	96,579	197,816	197,531	(285)	186,455
Equipment, Software & Maintenance	37,534	56,622	19,088	56,249	99,771	149,580	49,809	131,107
Depreciation	239,655	231,407	(8,248)	222,529	484,813	462,814	(21,999)	444,856
Insurance	48,839	50,679	1,840	54,403	94,181	101,358	7,177	96,229
Other	24,798	41,912	17,114	22,512	69,068	84,053	14,985	58,570
	<u>4,952,221</u>	<u>4,716,837</u>	<u>(235,384)</u>	<u>4,767,132</u>	<u>10,005,246</u>	<u>9,604,657</u>	<u>(400,589)</u>	<u>9,435,510</u>
Less Shared Services	285	800	(515)	-	428	1,600	(1,172)	-
Total Operating Expenses	<u>4,951,936</u>	<u>4,716,037</u>	<u>(235,899)</u>	<u>4,767,132</u>	<u>10,004,818</u>	<u>9,603,057</u>	<u>(401,761)</u>	<u>9,435,510</u>
<b>Income from Operations before Grant Revenue from COVID-19</b>	1,088,903	295,631	793,272	720,865	1,306,324	559,059	747,265	781,364
<b>Grant Revenue COVID-19</b>	-	-	-	-	-	-	-	-
<b>Paycheck Protection Program Loan Forgiveness</b>	6,164,700	-	6,164,700	-	6,164,700	-	6,164,700	-
<b>Operating Income</b>	7,253,603	295,631	6,957,972	720,865	7,471,024	559,059	6,911,965	781,364
<b>Non-Operating Income (Expense)</b>								
Reserved for Bond Debt	118,120	117,428	692	111,730	234,925	234,856	69	224,006
Interest on Debt Related to Capital Assets	(17,325)	(17,823)	498	(20,327)	(34,688)	(35,685)	997	(40,691)
Unrealized Gain/Loss on LT Investments	(1,442)	-	(1,442)	(10,103)	(3,823)	-	(3,823)	(12,502)
Tax Levy Revenue	730	684	46	674	1,460	1,368	92	1,348
Contributions	-	150	(150)	-	-	300	(300)	-
Other Income (Loss)	3,957	6,750	(2,793)	13,780	8,674	13,500	(4,826)	20,697
Total Non-Operating Income (Expense)	<u>104,040</u>	<u>107,189</u>	<u>(3,149)</u>	<u>95,754</u>	<u>206,548</u>	<u>214,339</u>	<u>(7,791)</u>	<u>192,858</u>
Total Increase (Decrease) in Net Assets	<u>\$ 7,357,643</u>	<u>\$ 402,820</u>	<u>\$ 6,954,823</u>	<u>\$ 816,619</u>	<u>\$ 7,677,572</u>	<u>\$ 773,398</u>	<u>\$ 6,904,174</u>	<u>\$ 974,222</u>

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**Statement of Cash Flows**

	Two Months Ending August 31, 2021
<b>Cash flow from operating activities</b>	
Received from patients and third-party payors	\$ 9,277,502
Payments to employees	(7,344,782)
Payments to suppliers for services and goods	(9,702,883)
Other receipts from operations	6,904,348
Net cash used by operating activities	<u>(865,815)</u>
<b>Cash flow from capital and related financing activities</b>	
Acquisition and construction of capital assets	287,211
Proceeds from sale of capital assets	-
Proceeds from county bond tax levy	234,925
Interest paid on long-term debt	(34,688)
Principal payments on bonds and notes payable	(44,424)
Net cash provided by capital and related financing activity	<u>443,024</u>
<b>Cash flow from investing activities</b>	
Investment income	4,851
Purchase of short-term investments	(5,077)
Net activity of investments internally designated for capital acquisitions	278,168
Net cash provided by investing activities	<u>277,942</u>
Net decrease in cash and cash equivalents	(144,849)
Cash and cash equivalents at beginning of year	23,510,745
Cash and cash equivalents at end of period	<u>\$ 23,365,896</u>
<b>Reconciliation of operating income to net cash flows from operating activities</b>	
Operating income	\$ 7,471,024
Adjustments to reconcile operating income to net cash used by operating activities:	
Depreciation	484,813
Provision for uncollectible accounts	199,192
Operating tax levy	1,460
Net gains and losses on sale of PPE	-
(Increase) decrease in assets:	
Patient accounts receivable	(1,199,567)
Third-party settlements	67,674
Inventory	(124,315)
Other current assets	66,149
Increase (decrease) in liabilities:	
Trade accounts payable	(443,148)
Accrued Compensation	(998,184)
Third Party Settlements	(362,751)
Other accrued liabilities	(6,028,162)
Net cash used by operating activities	<u>\$ (865,815)</u>

**Kalkaska Memorial Health Center**

**Statement of Changes in Net Assets  
Two Months Ending August 31, 2021**

	Invested in Capital Assets, net of Related Debt	Unrestricted	Total Net Assets
<b>Net Assets at June 30, 2020</b>	\$ 31,663,831	\$ 17,985,240	\$ 49,649,071
Acquisition and construction of capital assets	2,263,093		3,665,276
Depreciation	(2,794,817)		(2,605,609)
Sale of Capital Assets	12,452		53,341
Net Change in Debt	1,253,314		1,217,859
Increase (Decrease) in Net Assets Net of Amounts Invested in Capital Assets		3,970,599	(450,120)
Increase (Decrease) in Net Assets	734,042	3,970,599	1,880,747
<b>Net Assets at June 30, 2021</b>	<b>32,397,873</b>	<b>21,955,839</b>	<b>54,353,712</b>
Acquisition and construction of capital assets	(287,211)		(287,211)
Depreciation	(484,813)		(484,813)
Sale of Capital Assets	-		-
Net Change in Debt	44,424		44,424
Increase (Decrease) in Net Assets Net of Amounts Invested in Capital Assets		8,405,172	8,405,172
Increase (Decrease) in Net Assets	(727,600)	8,405,172	7,677,572
<b>Net Assets at August 31, 2021</b>	<b>\$ 31,670,273</b>	<b>\$ 30,361,011</b>	<b>\$ 62,031,284</b>

# Kalkaska Memorial Health Center

## Statistical Report

	Month of August 2021				Year to Date Ended August 31, 2021			
	Actual	Budget	Variance	Prior Year	Actual	Budget	Variance	Prior Year
<b>ADMISSIONS:</b>								
Acute Care	17	18	(1)	15	25	36	(11)	27
Long Term Care	15	15	0	16	21	29	(8)	36
Extended Stays	9	5	4	10	24	10	14	20
<b>PATIENT DAYS:</b>								
Acute Care	83	43	40	35	107	86	21	60
Long Term Care-Skilled	192	254	(62)	147	424	508	(84)	311
Long Term Care-Basic	2,619	2,480	139	2,581	5,256	4,960	296	5,151
Extended Stays	3	13	(10)	7	8	26	(18)	17
<b>AVERAGE LENGTH OF STAY:</b>								
Acute Care	4.9	2.4	2.5	2.3	4.3	2.4	1.9	2.2
<b>DAILY AVERAGE CENSUS:</b>								
Acute Care	2.7	1.4	1.3	1.1	1.7	1.4	0.3	1.0
Long Term Care	90.7	88.2	2.5	88.0	91.6	88.2	3.4	88.1
<b>PERCENT OF OCCUPANCY:</b>								
Acute Care	33.5%	17.3%	16.1%	14.1%	21.6%	17.3%	4.2%	12.1%
Long Term Care	87.2%	84.8%	2.4%	84.6%	88.1%	84.8%	3.3%	84.7%
<b>ANCILLARY DEPARTMENT VOLUME:</b>								
Emergency Room	1,514	1,148	366	861	2,072	2,322	(250)	1,385
Urgent Care	228	0	228	269	407	0	407	480
Walk-in Clinic	421	250	171	0	739	512	227	0
Primary Care Physician RVU's	5,886	4,857	1,029	4,109	11,951	9,945	2,006	8,299
Primary Care Physician Encounters	3,301	3,515	(214)	2,817	6,861	7,197	(336)	5,712
Specialty Clinics	549	367	182	310	917	752	165	597
KMA Clinic RVU's	6,351	5,775	576	4,516	13,041	11,825	1,216	8,952
Total Outpatient Visits	7,065	6,988	77	7,055	14,353	13,976	377	14,422
Surgical Procedures	111	103	8	95	212	211	1	182
Radiology	2,556	2,133	423	2,133	5,122	4,266	856	4,235
Laboratory	18,690	17,211	1,479	17,295	38,499	34,338	4,161	34,858
Physical Therapy	3,390	3,148	242	2,933	6,929	6,445	484	6,455
Chemo Therapy	460	307	153	296	809	628	181	386
Dialysis Treatments	637	658	(21)	696	1,278	1,347	(69)	1,397
Ambulance Transports	263	279	(16)	210	438	558	(120)	436
Assisted Living Days	961	1,005	(44)	992	1,918	2,010	(92)	2,031
<b>Cost per adjusted IP and LTC day:</b>	174.25	191.75	(17.50)	194.81	185.00	193.63	(9) 0	194.81
<b>TOTAL FTE'S:</b>	448	433	(15)	407	445	433	12	407

## Kalkaska Memorial Health Center

### Additional Financial Information

	August 31, 2021
MTD % increase in net revenue vs. prior year	24.56%
MTD % increase in expense vs. prior year	3.88%
	<u>20.69%</u>
YTD % increase in net revenue vs. prior year	19.48%
YTD % increase in expense vs. prior year	6.03%
	<u>13.44%</u>
LTC Expense per Critical Unit - MTD	\$ 217.60
LTC Expense per Critical Unit - YTD	\$ 211.16
Ambulance Days in AR YTD	40.60
Dialysis number of patients - MTD	57
Dialysis net income - MTD	\$ (3,561)
Dialysis net income - YTD	\$ 13,818
Assisted Living net income - MTD	\$ (7,977)
Assisted Living net income - YTD	(29,436)
Average Age of Plant (as of 8/31/21)	11.86
Debt to Capitalization Ratio	0.10

### Net Revenue Analysis

	Month of August 2021		
	Actual	Budget	Variance
Service Line Revenue % of Total			
Inpatient	1.5%	1.1%	0.4%
Outpatient	64.1%	60.0%	4.2%
Professional	12.1%	12.1%	0.0%
Long-Term Care	9.6%	11.2%	-1.6%
Dialysis Center	7.2%	8.5%	-1.3%
Ambulance	3.5%	4.7%	-1.1%
Retail Pharmacy	1.1%	1.3%	-0.2%
Assisted Living	0.9%	1.1%	-0.3%
	<u>100.0%</u>	<u>100.0%</u>	<u>0.0%</u>

Revenue Deductions as % of Gross Revenue			
Contractual Allowances	44.0%	43.1%	-0.9%
Charity Care	0.2%	0.3%	0.1%
Bad Debt	1.4%	1.9%	0.5%
Total Revenue Deductions	<u>45.7%</u>	<u>45.3%</u>	<u>-0.4%</u>

	Year to Date Ended August 31, 2021		
	Actual	Budget	Variance
Service Line Revenue % of Total			
Inpatient	1.1%	1.1%	0.0%
Outpatient	63.3%	59.9%	3.4%
Professional	11.8%	12.2%	-0.4%
Long-Term Care	10.6%	11.1%	-0.5%
Dialysis Center	7.6%	8.6%	-1.0%
Ambulance	3.3%	4.6%	-1.3%
Retail Pharmacy	1.3%	1.4%	0.0%
Assisted Living	1.0%	1.1%	-0.2%
	<u>100.0%</u>	<u>100.0%</u>	<u>0.0%</u>

Revenue Deductions as % of Gross Revenue			
Contractual Allowances	44.2%	42.8%	-1.3%
Charity Care	0.3%	0.3%	0.0%
Bad Debt	1.0%	1.9%	0.9%
Total Revenue Deductions	<u>45.5%</u>	<u>45.0%</u>	<u>-0.5%</u>

# Kalkaska Memorial Health Center

## Payor Mix Schedule

YTD 2022

Revenue %	MCare	MCareHMO	Medicaid	Medicaid Adv	BC	Comm	Priority	Private	Total
Acute including EMS	29.46%	22.00%	0.07%	16.98%	13.54%	6.45%	8.35%	3.15%	100.00%
LTC	11.30%	10.50%	59.94%	0.00%	0.00%	4.48%	0.00%	13.78%	100.00%
ER	20.22%	15.93%	0.00%	30.26%	14.16%	7.54%	8.00%	3.90%	100.00%
OR	23.11%	22.39%	0.00%	18.84%	15.90%	7.80%	11.60%	0.36%	100.00%

YTD 2021

Revenue %	MCare	MCareHMO	Medicaid	Medicaid Adv	BC	Comm	Priority	Private	Total
Acute including EMS	29.64%	22.29%	0.34%	16.97%	13.17%	6.53%	8.10%	2.96%	100.00%
LTC	11.30%	10.50%	59.94%	0.00%	0.00%	4.48%	0.00%	13.78%	100.00%
ER	20.22%	15.93%	0.00%	30.26%	14.16%	7.54%	8.00%	3.90%	100.00%
OR	23.11%	22.39%	0.00%	18.84%	15.90%	7.80%	11.60%	0.36%	100.00%

YTD 2020

Revenue %	MCare	MCareHMO	Medicaid	Medicaid Adv	BC	Comm	Priority	Private	Total
Acute including EMS	32.78%	18.49%	0.30%	17.39%	14.81%	5.76%	7.57%	2.89%	100.00%
LTC	14.75%	9.87%	55.12%	0.00%	0.07%	6.65%	0.00%	13.54%	100.00%
ER	23.86%	12.91%	0.00%	28.30%	15.13%	6.72%	7.64%	5.43%	100.00%
OR	21.94%	18.12%	0.00%	27.92%	15.98%	6.10%	9.61%	0.33%	100.00%

YTD 2019

Revenue %	MCare	MCareHMO	Medicaid	Medicaid Adv	BC	Comm	Priority	Private	Total
Acute including EMS	35.31%	14.95%	0.51%	17.51%	17.15%	5.26%	7.23%	2.08%	100.00%
LTC	13.43%	5.66%	64.30%	0.00%	0.06%	4.94%	0.00%	11.62%	100.00%
ER	27.44%	10.47%	0.00%	27.59%	15.95%	6.08%	6.93%	5.54%	100.00%
OR	26.38%	12.35%	0.00%	28.65%	18.96%	4.56%	8.20%	0.90%	100.00%

YTD 2018

Revenue %	MCare	MCareHMO	Medicaid	Medicaid Adv	BC	Comm	Priority	Private	Total
Acute including EMS	37.43%	12.47%	0.87%	18.88%	14.78%	6.97%	6.62%	1.98%	100.00%
LTC	12.87%	4.54%	65.37%	0.00%	0.04%	4.33%	0.00%	12.85%	100.00%
ER	26.07%	8.58%	0.00%	30.48%	14.53%	8.06%	5.80%	6.48%	100.00%
OR	29.87%	8.13%	0.00%	32.16%	15.21%	3.47%	11.07%	0.08%	100.00%