

# Kalkaska Memorial Health Center

## Balance Sheet

Assets	January 31, 2023	June 30, 2022
<b>Current Assets</b>		
Cash and Cash Equivalents	\$ 22,293,113	\$ 26,571,541
Short-Term Investments	6,307,769	7,429,259
Accounts Receivable	11,264,500	9,912,908
Third Party Settlements	(320)	259,269
Due from Affiliates	17,413	10,232
Inventory	426,508	509,269
Other Current Assets	307,212	163,422
Total Current Assets	40,616,195	44,855,900
<b>Investments</b>	10,001,360	-
<b>Capital Assets (net of Accumulated Depreciation)</b>	35,309,787	35,872,717
<b>Land</b>	1,364,151	1,364,151
<b>Construction In Progress</b>	3,675,180	1,022,662
<b>Other Assets</b>		
Restricted Cash	14,781,392	4,565,175
Other Assets	111,432	105,412
Total Other Assets	14,892,824	4,670,587
Total Assets	<b>\$ 105,859,497</b>	<b>\$ 87,786,017</b>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Current Maturities - Long-Term Debt	\$ 2,213,192	\$ 1,067,359
Trade Accounts Payable	1,139,648	1,562,606
Accrued Compensation	3,568,160	4,251,357
Third Party Liabilities	4,257,347	3,435,719
Due to Affiliates	3,772,024	2,559,273
Other Current Liabilities	1,857,723	2,008,732
Total Current Liabilities	16,808,094	14,885,046
<b>Long-Term Debt - Less Current Maturities</b>	18,353,620	4,638,525
<b>Other Long-Term Liabilities</b>	20,000	20,000
<b>Deferred Liabilities</b>	13,042	8,420
Total Liabilities	35,194,756	19,551,991
<b>Net Assets</b>		
Invested in Capital Assets, net of Related Debt	25,411,311	38,182,651
Unrestricted	45,253,430	30,051,375
Total Net Assets	70,664,741	68,234,026
Total Liabilities and Net Assets	<b>\$ 105,859,497</b>	<b>\$ 87,786,017</b>

**Kalkaska Memorial Health Center**

**Statement of Operations**

	Month of January 2023				Year to Date Ended January 31, 2023			
	Actual	Budget	Variance	Prior Year	Actual	Budget	Variance	Prior Year
<b>Operating Revenue</b>								
Inpatient	\$ 152,130	\$ 132,371	\$ 19,759	\$ 87,150	\$ 870,738	\$ 916,271	\$ (45,533)	\$ 832,939
Outpatient	8,295,830	6,594,130	1,701,700	6,833,228	52,369,418	45,719,966	6,649,452	44,396,890
Professional	1,423,120	1,239,924	183,196	1,224,414	9,171,099	8,597,338	573,761	8,171,709
Long Term Care	966,468	1,007,902	(41,434)	991,882	6,884,068	6,990,964	(106,896)	6,688,355
Dialysis Center	548,181	736,707	(188,526)	655,935	4,209,388	5,107,715	(898,327)	4,920,398
Ambulance	333,959	342,558	(8,599)	333,989	2,298,002	2,374,680	(76,678)	2,271,644
Retail Pharmacy	145,762	126,597	19,165	121,421	934,215	878,065	56,150	849,684
Assisted Living	92,051	95,893	(3,842)	93,372	645,038	665,077	(20,039)	647,365
	11,957,501	10,276,082	1,681,419	10,341,391	77,381,966	71,250,076	6,131,890	68,778,984
Revenue Deductions:								
Contractual Allowances	5,702,207	4,601,814	(1,100,393)	4,676,730	34,636,578	31,911,059	(2,725,519)	30,212,165
Provision Charity Care	22,085	26,479	4,394	23,876	214,003	183,663	(30,340)	170,208
Provision for Bad Debt	151,842	204,070	52,228	126,345	1,291,639	1,415,100	123,461	1,010,035
	5,876,134	4,832,363	(1,043,771)	4,826,951	36,142,220	33,509,822	(2,632,398)	31,392,408
Net Patient Revenues	6,081,367	5,443,719	637,648	5,514,440	41,239,746	37,740,254	3,499,492	37,386,576
Other Operating Revenues	312,447	367,849	(55,402)	468,948	2,394,070	2,430,318	(36,248)	2,803,672
Total Operating Revenue	6,393,814	5,811,568	582,246	5,983,388	43,633,816	40,170,572	3,463,244	40,190,248
<b>Operating Expenses</b>								
Salaries and Wages	3,061,520	3,009,694	(51,826)	2,996,554	21,639,893	19,864,011	(1,775,882)	18,694,579
Fringe Benefits	715,045	719,935	4,890	697,488	4,940,052	5,039,545	99,493	4,556,309
Contract Labor	34,419	34,275	(144)	32,360	230,461	239,609	9,148	219,035
Physician Fees	26,879	75,074	48,195	89,909	402,476	520,556	118,080	483,977
Purchased Services	596,772	578,692	(18,080)	541,628	4,048,561	4,087,428	38,867	3,911,433
Pharmaceuticals	632,284	536,322	(95,962)	536,579	4,494,208	3,720,466	(773,742)	3,422,387
Supplies	380,099	343,330	(36,769)	322,125	3,087,815	2,377,851	(709,964)	2,287,758
Occupancy	108,057	113,107	5,050	118,255	854,624	799,831	(54,793)	766,854
Equipment, Software & Maintenance	89,088	64,698	(24,390)	45,999	510,454	459,911	(50,543)	387,106
Depreciation	260,891	262,251	1,360	246,019	1,816,787	1,835,627	18,840	1,683,094
Insurance	110,310	63,296	(47,014)	54,270	488,781	443,051	(45,730)	371,144
Other	33,936	39,136	5,200	48,071	252,550	274,792	22,242	291,167
	6,049,300	5,839,810	(209,490)	5,729,257	42,766,662	39,662,678	(3,103,984)	37,074,843
Less Shared Services	-	280	(280)	574	-	1,960	(1,960)	13,883
Total Operating Expenses	6,049,300	5,839,530	(209,770)	5,728,683	42,766,662	39,660,718	(3,105,944)	37,060,960
<b>Income from Operations before Grant Revenue from COVID-19</b>	344,514	(27,962)	372,476	254,705	867,154	509,854	357,300	3,129,288
<b>Grant Revenue COVID-19</b>	-	-	-	-	986,610	-	986,610	711,984
<b>Paycheck Protection Program Loan Forgiveness</b>	-	-	-	-	-	-	-	6,164,700
<b>Operating Income</b>	344,514	(27,962)	372,476	254,705	1,853,764	509,854	1,343,910	10,005,972
<b>Non-Operating Income (Expense)</b>								
Reserved for Bond Debt	125,203	117,428	7,775	116,805	882,540	821,996	60,544	818,869
Interest on Debt Related to Capital Assets	(61,615)	(62,219)	604	(17,130)	(389,221)	(403,431)	14,210	(120,727)
Unrealized Gain/Loss on LT Investments	(3,953)	-	(3,953)	(7,335)	70,772	-	70,772	(17,317)
Tax Levy Revenue	730	734	(4)	730	4,770	5,138	(368)	5,110
Bond Issuance Cost	-	-	-	-	(75,500)	-	(75,500)	-
Contributions	-	100	(100)	-	6,020	700	5,320	2,113
Other Income (Loss)	31,525	3,200	28,325	3,572	77,570	22,400	55,170	24,956
Total Non-Operating Income (Expense)	91,890	59,243	32,647	96,642	576,951	446,803	130,148	713,004
Total Increase (Decrease) in Net Assets	\$ 436,404	\$ 31,281	\$ 405,123	\$ 351,347	\$ 2,430,715	\$ 956,657	\$ 1,474,058	\$ 10,718,976

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**Statement of Cash Flows**Seven Months Ending  
January 31, 2023

<b>Cash flow from operating activities</b>	
Received from patients and third-party payors	\$ 40,962,190
Payments to employees	(27,263,142)
Payments to suppliers for services and goods	(13,787,553)
Other receipts from operations	3,379,171
Net cash provided by operating activities	<u>3,290,666</u>
<b>Cash flow from capital and related financing activities</b>	
Acquisition and construction of capital assets	(3,912,096)
Proceeds from sale of capital assets	12,000
Proceeds from county bond tax levy	882,540
Interest paid on long-term debt	(389,221)
Issuance of long-term debt	15,000,000
Issuance costs paid on long-term debt	(75,500)
Principal payments on bonds and notes payable	(139,072)
Net cash provided by capital and related financing activity	<u>11,378,651</u>
<b>Cash flow from investing activities</b>	
Investment income	148,342
Sale of short-term investments	1,121,490
Net activity of investments internally designated for capital acquisitions	(10,001,360)
Net cash used by investing activities	<u>(8,731,528)</u>
Net increase in cash and cash equivalents	5,937,789
Cash and cash equivalents at beginning of year	31,136,716
Cash and cash equivalents at end of period	<u>\$ 37,074,505</u>
<b>Reconciliation of operating income to net cash flows from operating activities</b>	
Operating income	\$ 1,853,764
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	1,816,787
Provision for uncollectible accounts	1,291,639
Operating tax levy	4,770
Net gains and losses on sale of PPE	(6,279)
(Increase) decrease in assets:	
Patient accounts receivable	(2,650,412)
Third-party settlements	259,589
Inventory	82,761
Other current assets	(143,790)
Increase (decrease) in liabilities:	
Trade accounts payable	789,793
Accrued Compensation	(683,197)
Third Party Settlements	821,628
Other accrued liabilities	(146,387)
Net cash provided by operating activities	<u>\$ 3,290,666</u>

**Kalkaska Memorial Health Center**

**Statement of Changes in Net Assets  
Seven Months Ending January 31, 2023**

	<b>Invested in Capital Assets, net of Related Debt</b>	<b>Unrestricted</b>	<b>Total Net Assets</b>
<b>Net Assets at June 30, 2021</b>	\$ 32,397,873	\$ 22,208,339	\$ 54,606,212
Acquisition and construction of capital assets	1,987,421		1,987,421
Depreciation	(2,991,509)		(2,991,509)
Sale of Capital Assets	(38,470)		(38,470)
Net Change in Debt	1,198,331		1,198,331
Increase (Decrease) in Net Assets Net of Amounts Invested in Capital Assets		13,472,041	14,762,361
Increase (Decrease) in Net Assets	155,773	13,472,041	14,918,134
<b>Net Assets at June 30, 2022</b>	<b>32,553,646</b>	<b>35,680,380</b>	<b>68,234,026</b>
Acquisition and construction of capital assets	3,900,096		3,900,096
Depreciation	(1,816,787)		(1,816,787)
Sale of Capital Assets	6,279		6,279
Capital Grants	-		-
Net Change in Debt	(14,860,928)		(14,860,928)
Increase (Decrease) in Net Assets Net of Amounts Invested in Capital Assets		15,202,055	15,202,055
Increase (Decrease) in Net Assets	(12,771,340)	15,202,055	2,430,715
<b>Net Assets at January 31, 2023</b>	<b>\$ 19,782,306</b>	<b>\$ 50,882,435</b>	<b>\$ 70,664,741</b>

# Kalkaska Memorial Health Center

## Statistical Report

	Month of January 2023				Year to Date Ended January 31, 2023			
	Actual	Budget	Variance	Prior Year	Actual	Budget	Variance	Prior Year
<b>ADMISSIONS:</b>								
Acute Care	14	16	(2)	13	106	110	(4)	102
Long Term Care	12	15	(3)	17	76	105	(29)	98
Extended Stays	9	22	(13)	29	79	150	(71)	194
<b>PATIENT DAYS:</b>								
Acute Care	54	59	(5)	43	376	409	(33)	376
Long Term Care-Skilled	177	283	(106)	265	901	1,963	(1,062)	1,545
Long Term Care-Basic	2,200	2,425	(225)	2,271	15,816	16,819	(1,003)	16,728
Extended Stays	9	8	1	15	79	54	25	99
<b>AVERAGE LENGTH OF STAY:</b>								
Acute Care	3.9	3.7	(0.2)	3.3	3.5	3.7	0.2	3.7
<b>DAILY AVERAGE CENSUS:</b>								
Acute Care	1.7	1.9	(0.3)	1.4	1.7	1.9	(0.2)	1.7
Long Term Care	76.7	87.4	(10.7)	81.8	77.8	87.4	(9.6)	85.0
<b>PERCENT OF OCCUPANCY:</b>								
Acute Care	21.8%	23.8%	-2.0%	17.3%	21.9%	23.8%	-1.9%	21.9%
Long Term Care	73.7%	84.0%	-10.3%	78.7%	74.8%	84.0%	-9.2%	81.7%
<b>ANCILLARY DEPARTMENT VOLUME:</b>								
Emergency Room	1,199	1,191	8	1,283	9,540	8,259	1,281	9,094
Urgent Care	0	0	0	2	1	0	1	420
Walk-in Clinic	471	406	65	442	3,120	2,816	304	3,006
Primary Care Physician RVU's	7,340	6,481	859	7,793	47,145	44,949	2,196	42,806
Primary Care Physician Encounters	3,915	3,962	(47)	4,818	26,174	27,478	(1,304)	25,921
Specialty Clinics	320	381	(61)	267	2,373	2,641	(268)	2,614
KMA Clinic RVU's	7,938	7,143	795	6,316	51,248	49,539	1,709	46,067
Total Outpatient Visits	7,389	7,398	(9)	6,929	51,776	51,310	466	50,023
Surgical Procedures	156	117	39	100	1,030	811	219	763
Radiology	2,893	2,494	399	2,417	19,140	17,294	1,846	17,266
Laboratory	18,777	19,633	(856)	18,887	133,828	136,165	(2,337)	136,404
Physical Therapy	4,142	3,396	746	3,052	25,756	23,552	2,204	23,154
Chemo Therapy	631	426	205	350	4,074	2,956	1,118	2,847
Dialysis Treatments	471	628	(157)	566	3,646	4,354	(708)	4,267
Ambulance Transports	204	236	(32)	239	1,486	1,636	(150)	1,577
Assisted Living Days	894	963	(69)	959	6,244	6,679	(435)	6,562
<b>Cost per adjusted IP and LTC day:</b>	216.27	215.31	0.96	210.97	231.81	210.93	21	198.27
<b>TOTAL FTE'S:</b>	447	447	(1)	441	453	451	(4)	438

## Kalkaska Memorial Health Center

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### Additional Financial Information

	January 31, 2023
MTD % increase in net revenue vs. prior year	10.28%
MTD % increase in expense vs. prior year	5.60%
	<u>4.68%</u>
YTD % increase in net revenue vs. prior year	10.31%
YTD % increase in expense vs. prior year	15.40%
	<u>-5.09%</u>
LTC Expense per Critical Unit - MTD	\$ 268.94
LTC Expense per Critical Unit - YTD	\$ 315.67
Ambulance Days in AR YTD	123.30
Dialysis number of patients - MTD	57
Dialysis net income - MTD	\$ (34,839)
Dialysis net income - YTD	\$ (282,470)
Assisted Living net income - MTD	\$ (40,193)
Assisted Living net income - YTD	(399,770)
Average Age of Plant (as of 1/31/23)	11.72
Debt to Capitalization Ratio	0.23

### Net Revenue Analysis

	Month of January 2023		
	Actual	Budget	Variance
Service Line Revenue % of Total			
Inpatient	1.3%	1.3%	0.0%
Outpatient	69.4%	64.2%	5.2%
Professional	11.9%	12.1%	-0.2%
Long-Term Care	8.1%	9.8%	-1.7%
Dialysis Center	4.6%	7.2%	-2.6%
Ambulance	2.8%	3.3%	-0.5%
Retail Pharmacy	1.2%	1.2%	0.0%
Assisted Living	0.8%	0.9%	-0.2%
	<u>100.0%</u>	<u>100.0%</u>	<u>0.0%</u>

Revenue Deductions as % of Gross Revenue			
Contractual Allowances	47.7%	44.8%	-2.9%
Charity Care	0.2%	0.3%	0.1%
Bad Debt	1.3%	2.0%	0.7%
Total Revenue Deductions	<u>49.1%</u>	<u>47.0%</u>	<u>-2.1%</u>

	Year to Date Ended January 31, 2023		
	Actual	Budget	Variance
Service Line Revenue % of Total			
Inpatient	1.1%	1.3%	-0.2%
Outpatient	67.7%	64.2%	3.5%
Professional	11.9%	12.1%	-0.2%
Long-Term Care	8.9%	9.8%	-0.9%
Dialysis Center	5.4%	7.2%	-1.7%
Ambulance	3.0%	3.3%	-0.4%
Retail Pharmacy	1.2%	1.2%	0.0%
Assisted Living	0.8%	0.9%	-0.1%
	<u>100.0%</u>	<u>100.0%</u>	<u>0.0%</u>

Revenue Deductions as % of Gross Revenue			
Contractual Allowances	44.8%	44.8%	0.0%
Charity Care	0.3%	0.3%	0.0%
Bad Debt	1.7%	2.0%	0.3%
Total Revenue Deductions	<u>46.7%</u>	<u>47.0%</u>	<u>0.3%</u>

# Kalkaska Memorial Health Center

## Payor Mix Schedule

YTD 2023

Revenue %

	MCare	MCareHMO	Medicaid	Medicaid Adv	BC	Comm	Priority	Private	Total
Acute including EMS	25.42%	23.70%	0.18%	20.00%	13.65%	6.15%	9.03%	1.86%	100.00%
LTC	6.34%	9.66%	59.25%	0.00%	0.13%	9.40%	0.00%	15.22%	100.00%
ER	17.80%	17.13%	0.00%	33.13%	15.06%	5.94%	7.59%	3.36%	100.00%
OR	21.75%	22.65%	0.00%	14.14%	23.05%	5.48%	12.14%	0.77%	100.00%

YTD 2022

Revenue %

	MCare	MCareHMO	Medicaid	Medicaid Adv	BC	Comm	Priority	Private	Total
Acute including EMS	26.04%	22.85%	0.10%	20.11%	13.85%	6.29%	8.83%	1.93%	100.00%
LTC	13.03%	14.23%	55.03%	0.00%	0.00%	5.07%	0.00%	12.65%	100.00%
ER	18.60%	16.15%	0.00%	32.30%	14.86%	6.58%	8.22%	3.29%	100.00%
OR	20.68%	28.47%	0.00%	15.15%	17.74%	6.79%	10.48%	0.69%	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%