

Kalkaska Memorial Health Center

Balance Sheet

Assets	April 30, 2022	June 30, 2021
Current Assets		
Cash and Cash Equivalents	\$ 26,705,967	\$ 8,941,754
Short-Term Investments	7,508,525	7,923,659
Accounts Receivable	8,105,576	6,905,864
Third Party Settlements	1,023,711	1,828,175
Due from Affiliates	1,395	1,786
Inventory	468,634	192,714
Other Current Assets	100,449	169,722
Total Current Assets	43,914,257	25,963,674
Investments	-	832,328
Capital Assets (net of Accumulated Depreciation)	35,580,899	36,502,459
Land	1,364,151	1,364,151
Construction In Progress	1,087,385	1,435,478
Other Assets		
Restricted Cash	4,536,491	14,568,991
Other Assets	106,479	102,496
Total Other Assets	4,642,970	14,671,487
Total Assets	\$ 86,589,662	\$ 80,769,577
Liabilities and Net Assets		
Current Liabilities		
Current Maturities - Long-Term Debt	\$ 1,219,456	\$ 1,219,456
Trade Accounts Payable	1,454,622	1,562,570
Accrued Compensation	4,147,983	5,011,549
Third Party Liabilities	2,746,203	3,011,634
Due to Affiliates	3,559,527	2,075,767
Other Current Liabilities	3,070,591	7,039,210
Total Current Liabilities	16,198,382	19,920,186
Long-Term Debt - Less Current Maturities	4,488,487	5,684,759
Other Long-Term Liabilities	20,000	550,000
Deferred Liabilities	9,880	8,420
Total Liabilities	20,716,749	26,163,365
Net Assets		
Invested in Capital Assets, net of Related Debt	37,953,497	38,026,878
Unrestricted	27,919,416	16,579,334
Total Net Assets	65,872,913	54,606,212
Total Liabilities and Net Assets	\$ 86,589,662	\$ 80,769,577

Kalkaska Memorial Health Center

Statement of Operations

	Month of April 2022				Year to Date Ended April 30, 2022			
	Actual	Budget	Variance	Prior Year	Actual	Budget	Variance	Prior Year
Operating Revenue								
Inpatient	\$ 89,789	\$ 97,322	\$ (7,533)	\$ 69,064	\$ 1,135,198	\$ 953,946	\$ 181,252	\$ 813,778
Outpatient	6,325,525	4,886,409	1,439,116	5,204,359	62,691,172	50,724,975	11,966,197	48,546,212
Professional	1,174,127	967,343	206,784	1,015,598	11,575,764	10,250,895	1,324,869	9,720,771
Long Term Care	933,032	933,044	(12)	964,693	9,503,324	9,555,960	(52,636)	9,111,867
Dialysis Center	656,331	735,254	(78,923)	675,008	6,762,897	7,562,614	(799,717)	7,334,216
Ambulance	294,745	305,376	(10,631)	379,255	3,164,567	3,232,623	(68,056)	3,055,797
Retail Pharmacy	116,428	116,155	273	140,244	1,201,634	1,194,870	6,764	1,175,587
Assisted Living	83,519	94,990	(11,471)	87,974	914,834	962,298	(47,464)	954,894
	<u>9,673,496</u>	<u>8,135,893</u>	<u>1,537,603</u>	<u>8,536,195</u>	<u>96,949,390</u>	<u>84,438,181</u>	<u>12,511,209</u>	<u>80,713,122</u>
Revenue Deductions:								
Contractual Allowances	4,320,435	3,628,011	(692,424)	4,051,426	42,796,075	36,850,379	(5,945,696)	36,570,624
Provision Charity Care	62,192	25,963	(36,229)	10,206	267,423	263,179	(4,244)	192,985
Provision for Bad Debt	36,642	156,117	119,475	(68,077)	1,369,941	1,589,565	219,624	922,157
	<u>4,419,269</u>	<u>3,810,091</u>	<u>(609,178)</u>	<u>3,993,555</u>	<u>44,433,439</u>	<u>38,703,123</u>	<u>(5,730,316)</u>	<u>37,685,766</u>
Net Patient Revenues	<u>5,254,227</u>	<u>4,325,802</u>	<u>928,425</u>	<u>4,542,640</u>	<u>52,515,951</u>	<u>45,735,058</u>	<u>6,780,893</u>	<u>43,027,356</u>
Other Operating Revenues	335,586	250,964	84,622	320,170	4,100,774	2,742,919	1,357,855	4,011,462
Total Operating Revenue	<u>5,589,813</u>	<u>4,576,766</u>	<u>1,013,047</u>	<u>4,862,810</u>	<u>56,616,725</u>	<u>48,477,977</u>	<u>8,138,748</u>	<u>47,038,818</u>
Operating Expenses								
Salaries and Wages	2,692,387	2,373,551	(318,836)	2,394,932	26,469,722	24,004,397	(2,465,325)	23,540,107
Fringe Benefits	788,262	620,458	(167,804)	643,281	6,703,652	6,278,894	(424,758)	6,249,278
Contract Labor	23,096	31,831	8,735	47,557	297,968	321,910	23,942	304,743
Physician Fees	67,442	100,386	32,944	44,378	695,090	987,037	291,947	622,126
Purchased Services	631,839	532,578	(99,261)	552,997	5,612,780	5,397,697	(215,083)	5,955,823
Pharmaceuticals	628,609	333,304	(295,305)	362,345	5,197,752	3,414,408	(1,783,344)	3,622,227
Supplies	269,078	275,146	6,068	254,257	3,191,358	2,823,876	(367,482)	2,798,175
Occupancy	96,152	96,772	620	98,529	1,080,541	972,233	(108,308)	897,692
Equipment, Software & Maintenance	101,447	61,455	(39,992)	65,825	709,363	631,663	(77,700)	619,702
Depreciation	256,565	231,407	(25,158)	251,095	2,448,126	2,314,070	(134,056)	2,270,884
Insurance	45,640	50,679	5,039	45,707	518,136	506,790	(11,346)	469,562
Other	48,171	44,451	(3,720)	27,285	386,763	433,562	46,799	319,849
	<u>5,648,688</u>	<u>4,752,018</u>	<u>(896,670)</u>	<u>4,788,188</u>	<u>53,311,251</u>	<u>48,086,537</u>	<u>(5,224,714)</u>	<u>47,670,168</u>
Less Shared Services	332	-	332	2,101	26,594	2,400	24,194	5,511
Total Operating Expenses	<u>5,648,356</u>	<u>4,752,018</u>	<u>(896,338)</u>	<u>4,786,087</u>	<u>53,284,657</u>	<u>48,084,137</u>	<u>(5,200,520)</u>	<u>47,664,657</u>
Income from Operations before Grant Revenue from COVID-19	<u>(58,543)</u>	<u>(175,252)</u>	<u>116,709</u>	<u>76,723</u>	<u>3,332,068</u>	<u>393,840</u>	<u>2,938,228</u>	<u>(625,839)</u>
Grant Revenue COVID-19	-	-	-	180,000	758,409	-	758,409	1,717,598
Paycheck Protection Program Loan Forgiveness	-	-	-	-	6,164,700	-	6,164,700	-
Operating Income	<u>(58,543)</u>	<u>(175,252)</u>	<u>116,709</u>	<u>256,723</u>	<u>10,255,177</u>	<u>393,840</u>	<u>9,861,337</u>	<u>1,091,759</u>
Non-Operating Income (Expense)								
Reserved for Bond Debt	116,805	113,640	3,165	108,772	1,169,284	1,151,552	17,732	1,117,738
Interest on Debt Related to Capital Assets	(17,068)	(17,513)	445	(20,020)	(171,954)	(176,792)	4,838	(201,929)
Unrealized Gain/Loss on LT Investments	1,432	-	1,432	(3,879)	(26,581)	-	(26,581)	(42,296)
Tax Levy Revenue	730	684	46	674	7,300	6,840	460	6,740
Contributions	-	150	(150)	-	3,983	1,500	2,483	1,862
Other Income (Loss)	36	6,750	(6,714)	5,663	29,492	67,500	(38,008)	85,368
Total Non-Operating Income (Expense)	<u>101,935</u>	<u>103,711</u>	<u>(1,776)</u>	<u>91,210</u>	<u>1,011,524</u>	<u>1,050,600</u>	<u>(39,076)</u>	<u>967,483</u>
Total Increase (Decrease) in Net Assets	<u>\$ 43,392</u>	<u>\$ (71,541)</u>	<u>\$ 114,933</u>	<u>\$ 347,933</u>	<u>\$ 11,266,701</u>	<u>\$ 1,444,440</u>	<u>\$ 9,822,261</u>	<u>\$ 2,059,242</u>

Statement of Cash Flows

	Ten Months Ending April 30, 2022
Cash flow from operating activities	
Received from patients and third-party payors	\$ 51,855,663
Payments to employees	(34,036,940)
Payments to suppliers for services and goods	(20,991,151)
Other receipts from operations	11,031,183
Net cash provided by operating activities	<u>7,858,755</u>
Cash flow from capital and related financing activities	
Acquisition and construction of capital assets	(1,178,473)
Proceeds from sale of capital assets	-
Proceeds from county bond tax levy	1,169,284
Interest paid on long-term debt	(171,954)
Principal payments on bonds and notes payable	(1,196,272)
Net cash used in capital and related financing activities	<u>(1,377,415)</u>
Cash flow from investing activities	
Investment income	2,911
Sale of short-term investments	415,134
Net activity of investments internally designated for capital acquisitions	832,328
Net cash provided by investing activities	<u>1,250,373</u>
Net increase in cash and cash equivalents	7,731,713
Cash and cash equivalents at beginning of year	23,510,745
Cash and cash equivalents at end of period	<u>\$ 31,242,458</u>
Reconciliation of operating income to net cash flows from operating activities	
Operating income	\$ 10,255,177
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	2,448,126
Provision for uncollectible accounts	1,369,941
Operating tax levy	7,300
Net gains and losses on sale of PPE	-
(Increase) decrease in assets:	
Patient accounts receivable	(2,569,262)
Third-party settlements	804,464
Inventory	(275,920)
Other current assets	69,273
Increase (decrease) in liabilities:	
Trade accounts payable	1,375,812
Accrued Compensation	(863,566)
Third Party Settlements	(265,431)
Other accrued liabilities	(4,497,159)
Net cash provided by operating activities	<u>\$ 7,858,755</u>

Kalkaska Memorial Health Center
**Statement of Changes in Net Assets
Ten Months Ending April 30, 2022**

	Invested in Capital Assets, net of Related Debt	Unrestricted	Total Net Assets
Net Assets at June 30, 2020	\$ 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		4,223,099	(450,120)
Increase (Decrease) in Net Assets	734,042	4,223,099	1,880,747
Net Assets at June 30, 2021	32,397,873	22,208,339	54,606,212
Acquisition and construction of capital assets	1,178,473		1,178,473
Depreciation	(2,448,126)		(2,448,126)
Net Change in Debt	1,196,272		1,196,272
Increase (Decrease) in Net Assets Net of Amounts Invested in Capital Assets		11,340,082	11,340,082
Increase (Decrease) in Net Assets	(73,381)	11,340,082	11,266,701
Net Assets at April 30, 2022	\$ 32,324,492	\$ 33,548,421	\$ 65,872,913

Kalkaska Memorial Health Center

Statistical Report

	Month of April 2022				Year to Date Ended April 30, 2022			
	Actual	Budget	Variance	Prior Year	Actual	Budget	Variance	Prior Year
ADMISSIONS:								
Acute Care	15	17	(2)	8	150	175	(25)	126
Long Term Care	22	15	7	18	164	143	21	158
Extended Stays	10	13	(3)	6	128	129	(1)	104
PATIENT DAYS:								
Acute Care	47	42	5	30	546	422	124	331
Long Term Care-Skilled	272	245	27	189	2,313	2,487	(174)	1,636
Long Term Care-Basic	2,232	2,400	(168)	2,495	23,362	24,320	(958)	24,722
Extended Stays	11	5	6	6	72	50	22	76
AVERAGE LENGTH OF STAY:								
Acute Care	3.1	2.5	(0.7)	3.8	3.6	2.4	(1.2)	2.6
DAILY AVERAGE CENSUS:								
Acute Care	1.6	1.4	0.1	1.0	1.8	1.4	0.4	1.1
Long Term Care	83.5	88.2	(4.7)	89.5	84.5	88.2	(3.7)	86.7
PERCENT OF OCCUPANCY:								
Acute Care	19.6%	17.5%	2.1%	12.5%	22.5%	17.4%	5.1%	13.6%
Long Term Care	80.3%	84.8%	-4.5%	86.0%	81.2%	84.8%	-3.6%	83.4%
ANCILLARY DEPARTMENT VOLUME:								
Emergency Room	1,214	785	429	756	11,830	9,628	2,202	7,294
Urgent Care	0	0	0	249	419	0	419	2,277
Walk-in Clinic	318	250	68	24	4,064	2,572	1,492	24
Primary Care Physician RVU's	6,034	4,857	1,177	6,130	61,546	49,956	11,590	47,688
Primary Care Physician Encounters	3,382	3,515	(133)	4,581	36,264	36,154	110	35,209
Specialty Clinics	281	367	(86)	449	3,571	3,780	(209)	3,810
KMA Clinic RVU's	6,712	5,775	937	6,644	66,544	59,400	7,144	51,920
Total Outpatient Visits	6,715	6,762	(47)	6,994	70,182	68,525	1,657	68,772
Surgical Procedures	155	103	52	112	1,174	1,060	114	971
Radiology	2,402	2,064	338	2,118	24,563	20,917	3,646	20,786
Laboratory	19,105	16,574	2,531	19,134	192,695	168,869	23,826	173,039
Physical Therapy	3,151	3,146	5	3,266	32,621	32,363	258	30,599
Chemo Therapy	496	307	189	415	4,176	3,155	1,021	2,961
Dialysis Treatments	547	658	(111)	623	5,867	6,768	(901)	6,698
Ambulance Transports	207	210	(3)	254	2,244	2,223	21	2,096
Assisted Living Days	810	973	(163)	891	9,169	9,857	(688)	9,782
Cost per adjusted IP and LTC day:	215.06	206.31	8.75	194.61	203.55	202.27	1	198.69
TOTAL FTE'S:	452	424	(28)	438	439	430	(10)	421

Kalkaska Memorial Health Center

Additional Financial Information

	April 30, 2022
MTD % increase in net revenue vs. prior year	15.66%
MTD % increase in expense vs. prior year	18.02%
	-2.35%
YTD % increase in net revenue vs. prior year	22.05%
YTD % increase in expense vs. prior year	11.79%
	10.26%
LTC Expense per Critical Unit - MTD	\$ 244.28
LTC Expense per Critical Unit - YTD	\$ 242.99
Ambulance Days in AR YTD	64.97
Dialysis number of patients - MTD	57
Dialysis net income - MTD	\$ (3,561)
Dialysis net income - YTD	\$ (116,728)
Assisted Living net income - MTD	\$ (7,977)
Assisted Living net income - YTD	(303,068)
Average Age of Plant (as of 4/30/22)	11.72
Debt to Capitalization Ratio	0.08

Net Revenue Analysis

	Month of April 2022		
	Actual	Budget	Variance
Service Line Revenue % of Total			
Inpatient	0.9%	1.2%	-0.3%
Outpatient	65.4%	60.1%	5.3%
Professional	12.1%	11.9%	0.2%
Long-Term Care	9.6%	11.5%	-1.8%
Dialysis Center	6.8%	9.0%	-2.3%
Ambulance	3.0%	3.8%	-0.7%
Retail Pharmacy	1.2%	1.4%	-0.2%
Assisted Living	0.9%	1.2%	-0.3%
	100.0%	100.0%	0.0%
Revenue Deductions as % of Gross Revenue			
Contractual Allowances	44.7%	44.6%	-0.1%
Charity Care	0.6%	0.3%	-0.3%
Bad Debt	0.4%	1.9%	1.5%
Total Revenue Deductions	45.7%	46.8%	1.1%
	Year to Date Ended April 30, 2022		
	Actual	Budget	Variance
Service Line Revenue % of Total			
Inpatient	1.2%	1.1%	0.0%
Outpatient	64.7%	60.1%	4.6%
Professional	11.9%	12.1%	-0.2%
Long-Term Care	9.8%	11.3%	-1.5%
Dialysis Center	7.0%	9.0%	-2.0%
Ambulance	3.3%	3.8%	-0.6%
Retail Pharmacy	1.2%	1.4%	-0.2%
Assisted Living	0.9%	1.1%	-0.2%
	100.0%	100.0%	0.0%
Revenue Deductions as % of Gross Revenue			
Contractual Allowances	44.1%	43.6%	-0.5%
Charity Care	0.3%	0.3%	0.0%
Bad Debt	1.4%	1.9%	0.5%
Total Revenue Deductions	45.8%	45.8%	0.0%

Kalkaska Memorial Health Center

Payor Mix Schedule

YTD 2022

Revenue %

	MCare	MCareHMO	Medicaid	Medicaid Adv	BC	Comm	Priority	Private	Total
Acute including EMS	26.10%	22.32%	0.29%	19.93%	13.59%	6.84%	8.80%	2.14%	100.00%
LTC	13.20%	14.41%	55.85%	0.00%	0.00%	4.55%	0.00%	11.98%	100.00%
ER	18.80%	16.21%	0.00%	31.35%	15.03%	6.70%	8.36%	3.56%	100.00%
OR	21.35%	29.23%	0.00%	13.67%	17.80%	7.25%	9.88%	0.82%	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%