

Kalkaska Memorial Health Center

Balance Sheet

Assets	June 30, 2023	June 30, 2022
Current Assets		
Cash and Cash Equivalents	\$ 20,105,803	\$ 26,571,541
Short-Term Investments	6,631,348	7,429,259
Accounts Receivable	12,464,426	9,912,908
Third Party Settlements	157,318	259,269
Due from Affiliates	29,312	10,232
Inventory	276,948	509,269
Other Current Assets	310,992	163,422
Total Current Assets	39,976,147	44,855,900
Investments	9,891,710	-
Capital Assets (net of Accumulated Depreciation)	35,216,480	35,872,717
Land	1,426,272	1,364,151
Construction In Progress	10,052,749	1,022,662
Other Assets		
Restricted Cash	11,496,448	4,565,175
Other Assets	109,914	105,412
Total Other Assets	11,606,362	4,670,587
Total Assets	\$ 108,169,720	\$ 87,786,017
Liabilities and Net Assets		
Current Liabilities		
Current Maturities - Long-Term Debt	\$ 2,317,359	\$ 1,067,359
Trade Accounts Payable	4,177,864	1,562,606
Accrued Compensation	3,871,492	4,251,357
Third Party Liabilities	4,620,950	3,435,719
Due to Affiliates	3,864,305	2,559,273
Other Current Liabilities	1,728,862	2,008,732
Total Current Liabilities	20,580,832	14,885,046
Long-Term Debt - Less Current Maturities	16,175,333	4,638,525
Other Long-Term Liabilities	20,000	20,000
Deferred Liabilities	9,392	8,420
Total Liabilities	36,785,557	19,551,991
Net Assets		
Invested in Capital Assets, net of Related Debt	33,831,814	38,182,651
Unrestricted	37,552,349	30,051,375
Total Net Assets	71,384,163	68,234,026
Total Liabilities and Net Assets	\$ 108,169,720	\$ 87,786,017

Kalkaska Memorial Health Center

Statement of Operations

	Month of June 2023				Year to Date Ended June 30, 2023			
	Actual	Budget	Variance	Prior Year	Actual	Budget	Variance	Prior Year
Operating Revenue								
Inpatient	\$ 88,219	\$ 127,208	\$ (38,989)	\$ 55,876	\$ 1,442,987	\$ 1,554,062	\$ (111,075)	\$ 1,279,638
Outpatient	7,603,067	6,374,658	1,228,409	8,515,076	89,150,600	77,612,325	11,538,275	77,806,010
Professional	1,599,651	1,198,859	400,792	1,483,174	16,151,255	14,594,260	1,556,995	14,260,217
Long Term Care	898,765	975,727	(76,962)	909,418	11,503,545	11,868,315	(364,770)	11,375,518
Dialysis Center	569,892	712,090	(142,198)	639,048	6,887,260	8,670,463	(1,783,203)	8,108,271
Ambulance	367,505	330,945	36,560	243,537	3,925,460	4,030,859	(105,399)	3,792,403
Retail Pharmacy	203,620	122,540	81,080	135,169	1,801,680	1,490,682	310,998	1,444,602
Assisted Living	93,898	92,806	1,092	94,179	1,133,016	1,129,107	3,909	1,101,684
	11,424,617	9,934,833	1,489,784	12,075,477	131,995,803	120,950,073	11,045,730	119,168,343
Revenue Deductions:								
Contractual Allowances	5,729,713	4,450,979	(1,278,734)	4,901,833	60,522,078	54,170,736	(6,351,342)	52,497,740
Provision Charity Care	10,347	25,634	15,287	38,242	372,031	311,838	(60,193)	342,601
Provision for Bad Debt	48,649	197,375	148,726	23,675	1,999,881	2,402,268	402,387	1,491,968
	5,788,709	4,673,988	(1,114,721)	4,963,750	62,893,990	56,884,842	(6,009,148)	54,332,309
Net Patient Revenues	5,635,908	5,260,845	375,063	7,111,727	69,101,813	64,065,231	5,036,582	64,836,034
Other Operating Revenues	522,425	315,552	206,873	228,783	4,588,565	4,279,565	309,000	4,499,406
Total Operating Revenue	6,158,333	5,576,397	581,936	7,340,510	73,690,378	68,344,796	5,345,582	69,335,440
Operating Expenses								
Salaries and Wages	3,119,785	2,939,574	(180,211)	3,185,756	36,768,682	34,305,391	(2,463,291)	32,399,690
Fringe Benefits	766,210	719,935	(46,275)	596,107	8,661,651	8,639,220	(22,431)	7,977,174
Contract Labor	28,079	34,117	6,038	25,320	380,600	410,210	29,610	359,952
Physician Fees	57,110	72,593	15,483	70,259	635,211	883,783	248,572	834,824
Purchased Services	556,020	562,846	6,826	548,666	7,107,654	6,916,429	(191,225)	6,692,887
Pharmaceuticals	753,672	519,428	(234,244)	678,412	7,848,664	6,316,624	(1,532,040)	6,422,891
Supplies	302,441	331,861	29,420	532,880	4,631,709	4,038,271	(593,438)	3,986,161
Occupancy	109,299	112,728	3,429	122,046	1,350,737	1,366,091	15,354	1,294,447
Equipment, Software & Maintenance	67,941	56,215	(11,726)	57,527	913,417	762,068	(151,349)	782,625
Depreciation	322,969	262,186	(60,783)	288,102	3,205,936	3,146,558	(59,378)	2,991,509
Insurance	66,085	63,301	(2,784)	52,943	809,486	759,546	(49,940)	632,509
Other	35,010	39,556	4,546	55,318	425,268	472,567	47,299	463,131
	6,184,621	5,714,340	(470,281)	6,213,336	72,739,015	68,016,758	(4,722,257)	64,837,800
Less Shared Services	-	280	(280)	-	-	3,360	(3,360)	26,745
Total Operating Expenses	6,184,621	5,714,060	(470,561)	6,213,336	72,739,015	68,013,398	(4,725,617)	64,811,055
Income from Operations before Grant Revenue from COVID-19	(26,288)	(137,663)	111,375	1,127,174	951,363	331,398	619,965	4,524,385
Grant Revenue COVID-19	-	-	-	1,641,480	986,610	-	986,610	2,399,889
Paycheck Protection Program Loan Forgiveness	-	-	-	-	-	-	-	6,164,700
Operating Income	(26,288)	(137,663)	111,375	2,768,654	1,937,973	331,398	1,606,575	13,088,974
Non-Operating Income (Expense)								
Reserved for Bond Debt	212,013	117,428	94,585	133,298	1,595,473	1,409,136	186,337	1,418,274
Interest on Debt Related to Capital Assets	(57,211)	(60,501)	3,290	(14,438)	(686,792)	(709,372)	22,580	(200,829)
Unrealized Gain/Loss on LT Investments	(58,952)	-	(58,952)	393	(51,427)	-	(51,427)	(20,738)
Tax Levy Revenue	730	734	(4)	730	8,420	8,808	(388)	8,760
Bond Issuance Cost	-	-	-	-	(75,500)	-	(75,500)	-
Contributions	(1,145)	100	(1,245)	(1,067)	4,502	1,200	3,302	2,916
Other Income (Loss)	101,954	3,200	98,754	658	417,488	38,400	379,088	62,041
Total Non-Operating Income (Expense)	197,389	60,961	136,428	119,574	1,212,164	748,172	463,992	1,270,424
Total Increase (Decrease) in Net Assets	\$ 171,101	\$ (76,702)	\$ 247,803	\$ 2,888,228	\$ 3,150,137	\$ 1,079,570	\$ 2,070,567	\$ 14,359,398

Statement of Cash Flows

	Year Ended June 30, 2023
Cash flow from operating activities	
Received from patients and third-party payors	\$ 67,818,397
Payments to employees	(45,810,198)
Payments to suppliers for services and goods	(20,376,603)
Other receipts from operations	5,577,316
Net cash provided by operating activities	<u>7,208,912</u>
Cash flow from capital and related financing activities	
Acquisition and construction of capital assets	(11,647,628)
Proceeds from sale of capital assets	12,000
Proceeds from county bond tax levy	1,595,473
Interest paid on long-term debt	(686,792)
Issuance of long-term debt	15,000,000
Issuance costs paid on long-term debt	(75,500)
Principal payments on bonds and notes payable	(2,213,192)
Net cash provided by capital and related financing activity	<u>1,984,361</u>
Cash flow from investing activities	
Investment income	366,061
Sale of short-term investments	797,911
Net activity of investments internally designated for capital acquisitions	(9,891,710)
Net cash used by investing activities	<u>(8,727,738)</u>
Net increase in cash and cash equivalents	465,535
Cash and cash equivalents at beginning of year	31,136,716
Cash and cash equivalents at end of period	<u>\$ 31,602,251</u>
Reconciliation of operating income to net cash flows from operating activities	
Operating income	\$ 1,937,973
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	3,205,936
Provision for uncollectible accounts	1,999,881
Operating tax levy	8,420
Net gains and losses on sale of PPE	(6,279)
(Increase) decrease in assets:	
Patient accounts receivable	(4,570,479)
Third-party settlements	101,951
Inventory	232,321
Other current assets	(147,570)
Increase (decrease) in liabilities:	
Trade accounts payable	3,920,290
Accrued Compensation	(379,865)
Third Party Settlements	1,185,231
Other accrued liabilities	(278,898)
Net cash provided by operating activities	<u>\$ 7,208,912</u>

Kalkaska Memorial Health Center

**Statement of Changes in Net Assets
Year Ended June 30, 2023**

	Invested in Capital Assets, net of Related Debt	Unrestricted	Total Net Assets
Net Assets at June 30, 2021	\$ 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
Net Assets at June 30, 2022	32,553,646	35,680,380	68,234,026
Acquisition and construction of capital assets	11,635,628		11,635,628
Depreciation	(3,205,936)		(3,205,936)
Sale of Capital Assets	6,279		6,279
Capital Grants	-		-
Net Change in Debt	(12,786,808)		(12,786,808)
Increase (Decrease) in Net Assets Net of Amounts Invested in Capital Assets		7,500,974	7,500,974
Increase (Decrease) in Net Assets	(4,350,837)	7,500,974	3,150,137
Net Assets at June 30, 2023	\$ 28,202,809	\$ 43,181,354	\$ 71,384,163

Kalkaska Memorial Health Center

Statistical Report

	Month of June 2023				Year to Date Ended June 30, 2023			
	Actual	Budget	Variance	Prior Year	Actual	Budget	Variance	Prior Year
ADMISSIONS:								
Acute Care	13	15	(2)	7	181	186	(5)	169
Long Term Care	23	15	8	16	149	179	(30)	194
Extended Stays	12	20	(8)	13	128	253	(125)	292
PATIENT DAYS:								
Acute Care	51	57	(6)	30	616	694	(78)	604
Long Term Care-Skilled	188	274	(86)	167	1,751	3,332	(1,581)	2,735
Long Term Care-Basic	2,065	2,347	(282)	2,445	26,086	28,553	(2,467)	28,077
Extended Stays	12	7	5	13	128	91	37	164
AVERAGE LENGTH OF STAY:								
Acute Care	3.9	3.8	(0.1)	4.3	3.4	3.7	0.3	3.6
DAILY AVERAGE CENSUS:								
Acute Care	1.7	1.9	(0.3)	1.0	1.7	1.9	(0.2)	1.7
Long Term Care	75.1	87.4	(12.3)	87.1	76.3	87.4	(11.1)	84.4
PERCENT OF OCCUPANCY:								
Acute Care	21.3%	23.8%	-2.5%	12.5%	21.1%	23.8%	-2.7%	20.7%
Long Term Care	72.2%	84.0%	-11.8%	83.7%	73.3%	84.0%	-10.7%	81.2%
ANCILLARY DEPARTMENT VOLUME:								
Emergency Room	1,466	1,152	314	1,423	16,167	14,020	2,147	15,494
Urgent Care	0	0	0	0	1	0	1	415
Walk-in Clinic	324	393	(69)	435	5,189	4,781	408	4,954
Primary Care Physician RVU's	7,351	6,272	1,079	6,673	81,067	76,309	4,758	75,096
Primary Care Physician Encounters	4,345	3,834	511	3,713	47,571	46,648	923	43,700
Specialty Clinics	316	368	(52)	256	4,145	4,483	(338)	4,149
KMA Clinic RVU's	8,260	6,912	1,348	7,425	90,708	84,100	6,608	81,307
Total Outpatient Visits	7,569	7,160	409	7,439	88,096	87,108	988	84,853
Surgical Procedures	153	113	40	153	1,724	1,377	347	1,440
Radiology	3,125	2,412	713	2,747	33,571	29,358	4,213	30,014
Laboratory	19,254	19,000	254	19,571	226,976	231,165	(4,189)	231,053
Physical Therapy	4,629	3,286	1,343	3,947	46,704	39,984	6,720	40,056
Chemo Therapy	496	413	83	640	6,875	5,019	1,856	5,330
Dialysis Treatments	507	607	(100)	567	6,020	7,391	(1,371)	7,022
Ambulance Transports	227	228	(1)	163	2,517	2,777	(260)	2,676
Assisted Living Days	870	932	(62)	909	10,776	11,339	(563)	11,026
Cost per adjusted IP and LTC day:	209.09	218.48	(9.39)	175.08	230.60	212.81	18	200.32
TOTAL FTE'S:	477	461	(15)	454	457	452	(6)	442

Kalkaska Memorial Health Center

Additional Financial Information

	June 30, 2023
MTD % increase in net revenue vs. prior year	-20.75%
MTD % increase in expense vs. prior year	-0.46%
	<u>-20.29%</u>
YTD % increase in net revenue vs. prior year	6.58%
YTD % increase in expense vs. prior year	12.23%
	<u>-5.65%</u>
LTC Expense per Critical Unit - MTD	\$ 272.87
LTC Expense per Critical Unit - YTD	\$ 302.14
Ambulance Days in AR YTD	92.87
Dialysis number of patients - MTD	57
Dialysis net income - MTD	\$ 7,120
Dialysis net income - YTD	\$ (315,315)
Assisted Living net income - MTD	\$ (66,931)
Assisted Living net income - YTD	(614,169)
Average Age of Plant (as of 6/30/23)	9.73
Debt to Capitalization Ratio	0.21

Net Revenue Analysis

	Month of June 2023		
	Actual	Budget	Variance
Service Line Revenue % of Total			
Inpatient	0.8%	1.3%	-0.5%
Outpatient	66.5%	64.2%	2.4%
Professional	14.0%	12.1%	1.9%
Long-Term Care	7.9%	9.8%	-2.0%
Dialysis Center	5.0%	7.2%	-2.2%
Ambulance	3.2%	3.3%	-0.1%
Retail Pharmacy	1.8%	1.2%	0.5%
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	50.2%	44.8%	-5.4%
Charity Care	0.1%	0.3%	0.2%
Bad Debt	0.4%	2.0%	1.6%
Total Revenue Deductions	<u>50.7%</u>	<u>47.0%</u>	<u>-3.6%</u>
	Year to Date Ended June 30, 2023		
	Actual	Budget	Variance
Service Line Revenue % of Total			
Inpatient	1.1%	1.3%	-0.2%
Outpatient	67.5%	64.2%	3.4%
Professional	12.2%	12.1%	0.2%
Long-Term Care	8.7%	9.8%	-1.1%
Dialysis Center	5.2%	7.2%	-2.0%
Ambulance	3.0%	3.3%	-0.4%
Retail Pharmacy	1.4%	1.2%	0.1%
Assisted Living	0.9%	0.9%	-0.1%
	<u>100.0%</u>	<u>100.0%</u>	<u>0.0%</u>
Revenue Deductions as % of Gross Revenue			
Contractual Allowances	45.9%	44.8%	-1.1%
Charity Care	0.3%	0.3%	0.0%
Bad Debt	1.5%	2.0%	0.5%
Total Revenue Deductions	<u>47.6%</u>	<u>47.0%</u>	<u>-0.6%</u>

Kalkaska Memorial Health Center

Payor Mix Schedule

YTD 2023

Revenue %

	MCare	MCareHMO	Medicaid	Medicaid Adv	BC	Comm	Priority	Private	Total
Acute including EMS	25.25%	24.14%	0.04%	19.91%	14.01%	6.06%	8.92%	1.68%	100.00%
LTC	7.28%	11.20%	58.48%	0.00%	0.07%	9.15%	0.00%	13.82%	100.00%
ER	17.14%	17.03%	0.00%	34.33%	14.75%	6.07%	7.65%	3.03%	100.00%
OR	21.33%	23.12%	0.00%	16.23%	21.26%	5.71%	11.70%	0.64%	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%