

Kalkaska Memorial Health Center

Balance Sheet

Assets	July 31, 2023	June 30, 2023
Current Assets		
Cash and Cash Equivalents	\$ 21,471,544	\$ 20,105,803
Short-Term Investments	6,675,131	6,631,348
Accounts Receivable	11,304,247	12,464,426
Third Party Settlements	129,958	157,318
Due from Affiliates	44,306	29,312
Inventory	368,416	276,948
Other Current Assets	365,083	310,992
Total Current Assets	40,358,685	39,976,147
Investments	9,902,490	9,891,710
Capital Assets (net of Accumulated Depreciation)	34,944,138	35,216,480
Land	1,426,272	1,426,272
Construction In Progress	8,347,404	10,052,749
Other Assets		
Restricted Cash	10,466,299	11,496,448
Other Assets	109,914	109,914
Total Other Assets	10,576,213	11,606,362
Total Assets	\$ 105,555,202	\$ 108,169,720
Liabilities and Net Assets		
Current Liabilities		
Current Maturities - Long-Term Debt	\$ 2,317,359	\$ 2,317,359
Trade Accounts Payable	1,275,020	4,177,864
Accrued Compensation	4,257,513	3,871,492
Third Party Liabilities	3,951,336	4,620,950
Due to Affiliates	4,856,245	3,864,305
Other Current Liabilities	1,834,115	1,728,862
Total Current Liabilities	18,491,588	20,580,832
Long-Term Debt - Less Current Maturities	16,070,136	16,175,333
Other Long-Term Liabilities	20,000	20,000
Deferred Liabilities	18,226	9,392
Total Liabilities	34,599,950	36,785,557
Net Assets		
Invested in Capital Assets, net of Related Debt	31,959,324	33,831,814
Unrestricted	38,995,928	37,552,349
Total Net Assets	70,955,252	71,384,163
Total Liabilities and Net Assets	\$ 105,555,202	\$ 108,169,720

Kalkaska Memorial Health Center

Statement of Operations

	Month of July 2023				Year to Date Ended July 31, 2023			
	Actual	Budget	Variance	Prior Year	Actual	Budget	Variance	Prior Year
Operating Revenue								
Inpatient	\$ 105,313	\$ 147,999	\$ (42,686)	\$ 125,542	\$ 105,313	\$ 147,999	\$ (42,686)	\$ 125,542
Outpatient	6,969,314	7,824,541	(855,227)	6,647,839	6,969,314	7,824,541	(855,227)	6,647,839
Professional	1,214,064	1,479,749	(265,685)	1,104,100	1,214,064	1,479,749	(265,685)	1,104,100
Long Term Care	1,020,876	1,015,471	5,405	1,026,017	1,020,876	1,015,471	5,405	1,026,017
Dialysis Center	559,551	613,049	(53,498)	647,171	559,551	613,049	(53,498)	647,171
Ambulance	500,722	356,187	144,535	298,225	500,722	356,187	144,535	298,225
Retail Pharmacy	166,551	142,620	23,931	126,044	166,551	142,620	23,931	126,044
Assisted Living	97,198	96,691	507	96,314	97,198	96,691	507	96,314
	<u>10,633,589</u>	<u>11,676,307</u>	<u>(1,042,718)</u>	<u>10,071,252</u>	<u>10,633,589</u>	<u>11,676,307</u>	<u>(1,042,718)</u>	<u>10,071,252</u>
Revenue Deductions:								
Contractual Allowances	4,911,679	5,342,176	430,497	4,480,529	4,911,679	5,342,176	430,497	4,480,529
Provision Charity Care	71,191	42,665	(28,526)	29,695	71,191	42,665	(28,526)	29,695
Provision for Bad Debt	170,779	223,895	53,116	50,957	170,779	223,895	53,116	50,957
	<u>5,153,649</u>	<u>5,608,736</u>	<u>455,087</u>	<u>4,561,181</u>	<u>5,153,649</u>	<u>5,608,736</u>	<u>455,087</u>	<u>4,561,181</u>
Net Patient Revenues	5,479,940	6,067,571	(587,631)	5,510,071	5,479,940	6,067,571	(587,631)	5,510,071
Other Operating Revenues	259,380	177,876	81,504	802,707	259,380	177,876	81,504	802,707
Total Operating Revenue	<u>5,739,320</u>	<u>6,245,447</u>	<u>(506,127)</u>	<u>6,312,778</u>	<u>5,739,320</u>	<u>6,245,447</u>	<u>(506,127)</u>	<u>6,312,778</u>
Operating Expenses								
Salaries and Wages	3,331,895	2,974,560	(357,335)	2,832,153	3,331,895	2,974,560	(357,335)	2,832,153
Fringe Benefits	789,903	751,601	(38,302)	770,640	789,903	751,601	(38,302)	770,640
Contract Labor	36,484	35,766	(718)	27,288	36,484	35,766	(718)	27,288
Physician Fees	134,838	58,392	(76,446)	65,343	134,838	58,392	(76,446)	65,343
Purchased Services	605,912	647,831	41,919	584,857	605,912	647,831	41,919	584,857
Pharmaceuticals	508,870	651,360	142,490	680,052	508,870	651,360	142,490	680,052
Supplies	292,467	377,310	84,843	873,240	292,467	377,310	84,843	873,240
Occupancy	125,644	135,769	10,125	102,070	125,644	135,769	10,125	102,070
Equipment, Software & Maintenance	67,190	99,121	31,931	65,472	67,190	99,121	31,931	65,472
Depreciation	272,342	262,984	(9,358)	251,273	272,342	262,984	(9,358)	251,273
Insurance	77,384	73,796	(3,588)	52,858	77,384	73,796	(3,588)	52,858
Other	52,297	36,635	(15,662)	40,052	52,297	36,635	(15,662)	40,052
	<u>6,295,226</u>	<u>6,105,125</u>	<u>(190,101)</u>	<u>6,345,298</u>	<u>6,295,226</u>	<u>6,105,125</u>	<u>(190,101)</u>	<u>6,345,298</u>
Less Shared Services	-	-	-	-	-	-	-	-
Total Operating Expenses	<u>6,295,226</u>	<u>6,105,125</u>	<u>(190,101)</u>	<u>6,345,298</u>	<u>6,295,226</u>	<u>6,105,125</u>	<u>(190,101)</u>	<u>6,345,298</u>
Income from Operations before Grant Revenue from COVID-19	(555,906)	140,322	(696,228)	(32,520)	(555,906)	140,322	(696,228)	(32,520)
Grant Revenue COVID-19	-	-	-	-	-	-	-	-
Paycheck Protection Program Loan Forgiveness	-	-	-	-	-	-	-	-
Operating Income	(555,906)	140,322	(696,228)	(32,520)	(555,906)	140,322	(696,228)	(32,520)
Non-Operating Income (Expense)								
Reserved for Bond Debt	127,874	125,001	2,873	125,230	127,874	125,001	2,873	125,230
Interest on Debt Related to Capital Assets	(56,871)	(56,872)	1	(14,438)	(56,871)	(56,872)	1	(14,438)
Unrealized Gain/Loss on LT Investments	41,737	-	41,737	8,963	41,737	-	41,737	8,963
Tax Levy Revenue	783	747	36	783	783	747	36	783
Bond Issuance Cost	-	-	-	(75,500)	-	-	-	(75,500)
Contributions	-	100	(100)	-	-	100	(100)	-
Other Income (Loss)	13,472	7,500	5,972	1,781	13,472	7,500	5,972	1,781
Total Non-Operating Income (Expense)	<u>126,995</u>	<u>76,476</u>	<u>50,519</u>	<u>46,819</u>	<u>126,995</u>	<u>76,476</u>	<u>50,519</u>	<u>46,819</u>
Total Increase (Decrease) in Net Assets	<u>\$ (428,911)</u>	<u>\$ 216,798</u>	<u>\$ (645,709)</u>	<u>\$ 14,299</u>	<u>\$ (428,911)</u>	<u>\$ 216,798</u>	<u>\$ (645,709)</u>	<u>\$ 14,299</u>

Statement of Cash FlowsOne Month Ending
July 31, 2023

Cash flow from operating activities	
Received from patients and third-party payors	\$ 5,982,871
Payments to employees	(3,735,777)
Payments to suppliers for services and goods	(3,843,462)
Other receipts from operations	260,163
Net cash used by operating activities	(1,336,205)
Cash flow from capital and related financing activities	
Acquisition and construction of capital assets	1,705,345
Proceeds from sale of capital assets	-
Proceeds from county bond tax levy	127,874
Interest paid on long-term debt	(56,871)
Issuance of long-term debt	15,000,000
Issuance costs paid on long-term debt	-
Principal payments on bonds and notes payable	(15,105,197)
Net cash provided by capital and related financing activity	1,671,151
Cash flow from investing activities	
Investment income	55,209
Purchase of short-term investments	(43,783)
Net activity of investments internally designated for capital acquisitions	(10,780)
Net cash provided by investing activities	646
Net increase in cash and cash equivalents	335,592
Cash and cash equivalents at beginning of year	31,602,251
Cash and cash equivalents at end of period	<u>\$ 31,937,843</u>
Reconciliation of operating income to net cash flows from operating activities	
Operating loss	\$ (555,906)
Adjustments to reconcile operating income to net cash used by operating activities:	
Depreciation	272,342
Provision for uncollectible accounts	170,779
Operating tax levy	783
Net gains and losses on sale of PPE	-
(Increase) decrease in assets:	
Patient accounts receivable	974,406
Third-party settlements	27,360
Inventory	(91,468)
Other current assets	(54,091)
Increase (decrease) in liabilities:	
Trade accounts payable	(1,910,904)
Accrued Compensation	386,021
Third Party Settlements	(669,614)
Other accrued liabilities	114,087
Net cash used by operating activities	<u>\$ (1,336,205)</u>

Kalkaska Memorial Health Center

**Statement of Changes in Net Assets
One Month Ending July 31, 2023**

	Invested in Capital Assets, net of Related Debt	Unrestricted	Total Net Assets
Net Assets at June 30, 2022	\$ 32,553,646	\$ 35,680,380	\$ 54,606,212
Acquisition and construction of capital assets	11,635,628		1,987,421
Depreciation	(3,205,936)		(2,991,509)
Sale of Capital Assets	6,279		(38,470)
Net Change in Debt	(12,786,808)		1,198,331
Increase (Decrease) in Net Assets Net of Amounts Invested in Capital Assets		7,500,974	14,762,361
Increase (Decrease) in Net Assets	(4,350,837)	7,500,974	14,918,134
Net Assets at June 30, 2023	28,202,809	43,181,354	71,384,163
Acquisition and construction of capital assets	(1,705,345)		(1,705,345)
Depreciation	(272,342)		(272,342)
Sale of Capital Assets	-		-
Capital Grants	-		-
Net Change in Debt	105,197		105,197
Increase (Decrease) in Net Assets Net of Amounts Invested in Capital Assets		1,443,579	1,443,579
Increase (Decrease) in Net Assets	(1,872,490)	1,443,579	(428,911)
Net Assets at July 31, 2023	\$ 26,330,319	\$ 44,624,933	\$ 70,955,252

Kalkaska Memorial Health Center

Statistical Report

	Month of July 2023				Year to Date Ended July 31, 2023			
	Actual	Budget	Variance	Prior Year	Actual	Budget	Variance	Prior Year
ADMISSIONS:								
Acute Care	13	22	(9)	20	13	22	(9)	20
Long Term Care	14	12	2	16	14	12	2	16
Extended Stays	17	16	1	12	17	16	1	12
PATIENT DAYS:								
Acute Care	49	77	(28)	55	49	77	(28)	55
Long Term Care-Skilled	181	163	18	175	181	163	18	175
Long Term Care-Basic	2,184	2,309	(125)	2,304	2,184	2,309	(125)	2,304
Extended Stays	17	16	1	12	17	16	1	12
AVERAGE LENGTH OF STAY:								
Acute Care	3.8	3.5	(0.3)	2.8	3.8	3.5	(0.3)	2.8
DAILY AVERAGE CENSUS:								
Acute Care	1.6	2.5	(0.9)	1.8	1.6	2.5	(0.9)	1.8
Long Term Care	76.3	79.7	(3.5)	80.0	76.3	79.7	(3.5)	80.0
PERCENT OF OCCUPANCY:								
Acute Care	19.8%	31.0%	-11.3%	22.2%	19.8%	31.0%	-11.3%	22.2%
Long Term Care	73.4%	76.7%	-3.3%	76.9%	73.4%	76.7%	-3.3%	76.9%
ANCILLARY DEPARTMENT VOLUME:								
Emergency Room	1,706	1,383	323	1,555	1,706	1,383	323	1,555
Urgent Care	0	0	0	0	0	0	0	0
Walk-in Clinic	369	439	(70)	475	369	439	(70)	475
Primary Care Physician RVU's	6,266	7,057	(791)	5,825	6,266	7,057	(791)	5,825
Primary Care Physician Encounters	3,742	4,028	(286)	3,251	3,742	4,028	(286)	3,251
Specialty Clinics	363	365	(2)	323	363	365	(2)	323
KMA Clinic RVU's	7,156	7,749	(593)	6,331	7,156	7,749	(593)	6,331
Total Outpatient Visits	7,474	7,575	(101)	7,254	7,474	7,575	(101)	7,254
Surgical Procedures	146	151	(5)	123	146	151	(5)	123
Radiology	2,988	2,849	139	2,719	2,988	2,849	139	2,719
Laboratory	19,991	19,235	756	20,020	19,991	19,235	756	20,020
Physical Therapy	3,763	3,916	(153)	3,419	3,763	3,916	(153)	3,419
Chemo Therapy	271	582	(311)	583	271	582	(311)	583
Dialysis Treatments	505	524	(19)	574	505	524	(19)	574
Ambulance Transports	303	219	84	203	303	219	84	203
Assisted Living Days	930	923	7	961	930	923	7	961
Cost per adjusted IP and LTC day:	256.14	223.55	32.60	253.48	256.14	223.55	32.60	253.48
TOTAL FTE'S:	478	443	(35)	456	478	443	(35)	456

Kalkaska Memorial Health Center

Additional Financial Information

July 31, 2023

MTD % increase in net revenue vs. prior year	-0.55%
MTD % increase in expense vs. prior year	-0.79%
	<u>0.24%</u>
YTD % increase in net revenue vs. prior year	-0.55%
YTD % increase in expense vs. prior year	-0.79%
	<u>0.24%</u>
LTC Expense per Critical Unit - MTD	\$ 290.18
LTC Expense per Critical Unit - YTD	\$ 290.18
Ambulance Days in AR YTD	59.77
Dialysis number of patients - MTD	57
Dialysis net income - MTD	\$ 6,129
Dialysis net income - YTD	\$ 6,129
Assisted Living net income - MTD	\$ (39,814)
Assisted Living net income - YTD	(39,814)
Average Age of Plant (as of 7/31/23)	11.62
Debt to Capitalization Ratio	0.21

Net Revenue Analysis

Month of July 2023

Service Line Revenue % of Total	Actual	Budget	Variance
Inpatient	1.0%	1.3%	-0.3%
Outpatient	65.5%	67.0%	-1.5%
Professional	11.4%	12.7%	-1.3%
Long-Term Care	9.6%	8.7%	0.9%
Dialysis Center	5.3%	5.3%	0.0%
Ambulance	4.7%	3.1%	1.7%
Retail Pharmacy	1.6%	1.2%	0.3%
Assisted Living	0.9%	0.8%	0.1%
	<u>100.0%</u>	<u>100.0%</u>	<u>0.0%</u>

Revenue Deductions as % of Gross Revenue

Contractual Allowances	46.2%	45.8%	-0.4%
Charity Care	0.7%	0.4%	-0.3%
Bad Debt	1.6%	1.9%	0.3%
Total Revenue Deductions	<u>48.5%</u>	<u>48.0%</u>	<u>-0.4%</u>

Year to Date Ended July 31, 2023

Service Line Revenue % of Total	Actual	Budget	Variance
Inpatient	1.0%	1.3%	-0.3%
Outpatient	65.5%	67.0%	-1.5%
Professional	11.4%	12.7%	-1.3%
Long-Term Care	9.6%	8.7%	0.9%
Dialysis Center	5.3%	5.3%	0.0%
Ambulance	4.7%	3.1%	1.7%
Retail Pharmacy	1.6%	1.2%	0.3%
Assisted Living	0.9%	0.8%	0.1%
	<u>100.0%</u>	<u>100.0%</u>	<u>0.0%</u>

Revenue Deductions as % of Gross Revenue

Contractual Allowances	46.2%	45.8%	-0.4%
Charity Care	0.7%	0.4%	-0.3%
Bad Debt	1.6%	1.9%	0.3%
Total Revenue Deductions	<u>48.5%</u>	<u>48.0%</u>	<u>-0.4%</u>

Kalkaska Memorial Health Center

Payor Mix Schedule

YTD 2024

Revenue %

	MCare	MCareHMO	Medicaid	Medicaid Adv	BC	Comm	Priority	Private	Total
Acute including EMS	21.63%	24.23%	0.49%	20.85%	13.73%	9.25%	6.61%	3.22%	100.00%
LTC	11.42%	10.35%	52.62%	0.00%	0.00%	9.97%	0.00%	15.63%	100.00%
ER	14.62%	16.39%	0.00%	34.50%	15.50%	10.18%	5.48%	3.32%	100.00%
OR	28.97%	35.17%	0.00%	13.46%	16.57%	2.13%	1.58%	2.12%	100.00%

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%