

# Kalkaska Memorial Health Center

## Balance Sheet

Assets	November 30, 2022	June 30, 2022
<b>Current Assets</b>		
Cash and Cash Equivalents	\$ 24,670,179	\$ 26,571,541
Short-Term Investments	6,230,695	7,429,259
Accounts Receivable	11,186,893	9,912,908
Third Party Settlements	70,620	259,269
Due from Affiliates	26,167	10,232
Inventory	395,317	509,269
Other Current Assets	391,800	163,422
Total Current Assets	42,971,671	44,855,900
<b>Investments</b>	9,961,940	-
<b>Capital Assets (net of Accumulated Depreciation)</b>	35,199,538	35,872,717
<b>Land</b>	1,364,151	1,364,151
<b>Construction In Progress</b>	2,525,004	1,022,662
<b>Other Assets</b>		
Restricted Cash	15,945,239	4,565,175
Other Assets	105,230	105,412
Total Other Assets	16,050,469	4,670,587
Total Assets	<b>\$ 108,072,773</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	1,008,590	1,562,606
Accrued Compensation	4,640,172	4,251,357
Third Party Liabilities	5,359,179	3,435,719
Due to Affiliates	3,554,672	2,559,273
Other Current Liabilities	2,621,445	2,008,732
Total Current Liabilities	19,397,250	14,885,046
<b>Long-Term Debt - Less Current Maturities</b>	18,355,680	4,638,525
<b>Other Long-Term Liabilities</b>	20,000	20,000
<b>Deferred Liabilities</b>	14,502	8,420
Total Liabilities	37,787,432	19,551,991
<b>Net Assets</b>		
Invested in Capital Assets, net of Related Debt	24,148,826	38,182,651
Unrestricted	46,136,515	30,051,375
Total Net Assets	70,285,341	68,234,026
Total Liabilities and Net Assets	<b>\$ 108,072,773</b>	<b>\$ 87,786,017</b>

**Kalkaska Memorial Health Center**

**Statement of Operations**

	Month of November 2022				Year to Date Ended November 30, 2022			
	Actual	Budget	Variance	Prior Year	Actual	Budget	Variance	Prior Year
<b>Operating Revenue</b>								
Inpatient	\$ 67,986	\$ 127,208	\$ (59,222)	\$ 117,721	\$ 530,447	\$ 651,529	\$ (121,082)	\$ 607,340
Outpatient	7,722,104	6,374,658	1,347,446	5,899,995	37,360,917	32,531,706	4,829,211	31,254,176
Professional	1,454,559	1,198,859	255,700	1,053,195	6,514,163	6,117,490	396,673	5,765,983
Long Term Care	807,148	975,727	(168,579)	877,638	4,862,212	4,975,160	(112,948)	4,700,692
Dialysis Center	568,965	712,090	(143,125)	719,278	3,111,284	3,634,301	(523,017)	3,581,521
Ambulance	264,104	330,945	(66,841)	341,602	1,571,689	1,689,564	(117,875)	1,573,319
Retail Pharmacy	122,653	122,540	113	119,241	628,697	624,871	3,826	612,743
Assisted Living	89,064	92,806	(3,742)	94,074	466,498	473,291	(6,793)	459,335
	11,096,583	9,934,833	1,161,750	9,222,744	55,045,907	50,697,912	4,347,995	48,555,109
Revenue Deductions:								
Contractual Allowances	5,041,196	4,450,986	(590,210)	3,964,967	24,717,661	22,707,430	(2,010,231)	21,517,047
Provision Charity Care	23,750	25,634	1,884	23,749	173,972	130,705	(43,267)	138,426
Provision for Bad Debt	227,419	197,375	(30,044)	258,433	1,005,897	1,006,960	1,063	698,068
	5,292,365	4,673,995	(618,370)	4,247,149	25,897,530	23,845,095	(2,052,435)	22,353,541
Net Patient Revenues	5,804,218	5,260,838	543,380	4,975,595	29,148,377	26,852,817	2,295,560	26,201,568
Other Operating Revenues	258,435	363,320	(104,885)	393,201	1,800,938	1,694,621	106,317	1,969,479
Total Operating Revenue	6,062,653	5,624,158	438,495	5,368,796	30,949,315	28,547,438	2,401,877	28,171,047
<b>Operating Expenses</b>								
Salaries and Wages	2,996,254	2,809,095	(187,159)	2,225,478	14,010,075	13,923,453	(86,622)	12,125,510
Fringe Benefits	676,165	719,935	43,770	569,170	3,426,367	3,599,675	173,308	3,121,703
Contract Labor	26,487	34,117	7,630	36,108	147,866	171,059	23,193	156,874
Physician Fees	44,997	72,593	27,596	62,388	312,476	370,408	57,932	330,087
Purchased Services	636,407	575,830	(60,577)	499,092	2,871,969	2,936,035	64,066	2,804,586
Pharmaceuticals	549,876	519,428	(30,448)	518,078	3,410,079	2,647,822	(762,257)	2,384,875
Supplies	330,254	331,854	1,600	390,805	2,284,614	1,691,926	(592,688)	1,571,599
Occupancy	131,137	112,728	(18,409)	100,410	621,515	572,453	(49,062)	553,374
Equipment, Software & Maintenance	65,423	57,313	(8,110)	51,726	357,669	337,765	(19,904)	271,202
Depreciation	268,063	262,186	(5,877)	238,416	1,293,918	1,311,125	17,207	1,184,867
Insurance	72,329	63,294	(9,035)	82,957	320,336	316,460	(3,876)	271,909
Other	31,843	39,556	7,713	24,520	165,767	196,520	30,753	188,166
	5,829,235	5,597,929	(231,306)	4,799,148	29,222,651	28,074,701	(1,147,950)	24,964,752
Less Shared Services	-	280	(280)	-	-	1,400	(1,400)	10,305
Total Operating Expenses	5,829,235	5,597,649	(231,586)	4,799,148	29,222,651	28,073,301	(1,149,350)	24,954,447
<b>Income from Operations before Grant Revenue from COVID-19</b>	233,418	26,509	206,909	569,648	1,726,664	474,137	1,252,527	3,216,600
<b>Grant Revenue COVID-19</b>	-	-	-	-	-	-	-	-
<b>Paycheck Protection Program Loan Forgiveness</b>	-	-	-	-	-	-	-	6,164,700
<b>Operating Income</b>	233,418	26,509	206,909	569,648	1,726,664	474,137	1,252,527	9,381,300
<b>Non-Operating Income (Expense)</b>								
Reserved for Bond Debt	125,230	117,428	7,802	116,805	632,107	587,140	44,967	585,340
Interest on Debt Related to Capital Assets	(62,294)	(62,907)	613	(17,208)	(265,651)	(278,649)	12,998	(86,429)
Unrealized Gain/Loss on LT Investments	(22,888)	-	(22,888)	(1,862)	(3,275)	-	(3,275)	(8,564)
Tax Levy Revenue	730	734	(4)	730	3,310	3,670	(360)	3,650
Bond Issuance Cost	-	-	-	-	(75,500)	-	(75,500)	-
Contributions	-	100	(100)	-	(182)	500	(682)	2,113
Other Income (Loss)	12,130	3,200	8,930	1,907	33,842	16,000	17,842	17,730
Total Non-Operating Income (Expense)	52,908	58,555	(5,647)	100,372	324,651	328,661	(4,010)	513,840
<b>Total Increase (Decrease) in Net Assets</b>	\$ 286,326	\$ 85,064	\$ 201,262	\$ 670,020	\$ 2,051,315	\$ 802,798	\$ 1,248,517	\$ 9,895,140

---

**Statement of Cash Flows**Five Months Ending  
November 30, 2022**Cash flow from operating activities**

Received from patients and third-party payors	\$	29,970,566
Payments to employees		(17,047,627)
Payments to suppliers for services and goods		(9,546,539)
Other receipts from operations		1,804,248
Net cash provided by operating activities		<u>5,180,648</u>

**Cash flow from capital and related financing activities**

Acquisition and construction of capital assets		(2,123,081)
Proceeds from sale of capital assets		-
Proceeds from county bond tax levy		632,107
Interest paid on long-term debt		(265,651)
Issuance of long-term debt		15,000,000
Issuance costs paid on long-term debt		(75,500)
Principal payments on bonds and notes payable		(137,012)
Net cash provided by capital and related financing activity		<u>13,030,863</u>

**Cash flow from investing activities**

Investment income		30,567
Sale of short-term investments		1,198,564
Net activity of investments internally designated for capital acquisitions		(9,961,940)
Net cash used by investing activities		<u>(8,732,809)</u>

Net increase in cash and cash equivalents		9,478,702
Cash and cash equivalents at beginning of year		31,136,716
Cash and cash equivalents at end of period	\$	<u><u>40,615,418</u></u>

**Reconciliation of operating income to net cash flows from operating activities**

Operating income	\$	1,726,664
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation		1,293,918
Provision for uncollectible accounts		1,005,897
Operating tax levy		3,310
Net gains and losses on sale of PPE		-
(Increase) decrease in assets:		
Patient accounts receivable		(2,295,817)
Third-party settlements		188,649
Inventory		113,952
Other current assets		(228,378)
Increase (decrease) in liabilities:		
Trade accounts payable		441,383
Accrued Compensation		388,815
Third Party Settlements		1,923,460
Other accrued liabilities		618,795
Net cash provided by operating activities	\$	<u><u>5,180,648</u></u>

**Kalkaska Memorial Health Center**

**Statement of Changes in Net Assets  
Five Months Ending November 30, 2022**

	<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	2,123,081		2,123,081
Depreciation	(1,293,918)		(1,293,918)
Capital Grants	-		-
Net Change in Debt	(14,862,988)		(14,862,988)
Increase (Decrease) in Net Assets Net of Amounts Invested in Capital Assets		16,085,140	16,085,140
Increase (Decrease) in Net Assets	(14,033,825)	16,085,140	2,051,315
<b>Net Assets at November 30, 2022</b>	<b>\$ 18,519,821</b>	<b>\$ 51,765,520</b>	<b>\$ 70,285,341</b>

# Kalkaska Memorial Health Center

## Statistical Report

	Month of November 2022				Year to Date Ended November 30, 2022			
	Actual	Budget	Variance	Prior Year	Actual	Budget	Variance	Prior Year
<b>ADMISSIONS:</b>								
Acute Care	9	15	(6)	12	72	78	(6)	70
Long Term Care	11	15	(4)	19	53	75	(22)	59
Extended Stays	8	7	1	23	59	38	21	138
<b>PATIENT DAYS:</b>								
Acute Care	34	57	(23)	50	252	291	(39)	270
Long Term Care-Skilled	104	274	(170)	231	604	1,397	(793)	976
Long Term Care-Basic	2,195	2,347	(152)	2,181	11,374	11,969	(595)	12,173
Extended Stays	8	20	(12)	23	59	106	(47)	70
<b>AVERAGE LENGTH OF STAY:</b>								
Acute Care	3.8	3.8	0.0	4.2	3.5	3.7	0.2	3.9
<b>DAILY AVERAGE CENSUS:</b>								
Acute Care	1.1	1.9	(0.9)	1.7	1.6	1.9	(0.3)	1.8
Long Term Care	76.6	87.4	(10.7)	80.4	78.3	87.4	(9.1)	85.9
<b>PERCENT OF OCCUPANCY:</b>								
Acute Care	14.2%	23.8%	-9.6%	20.8%	20.6%	23.8%	-3.2%	22.1%
Long Term Care	73.7%	84.0%	-10.3%	77.3%	75.3%	84.0%	-8.7%	82.6%
<b>ANCILLARY DEPARTMENT VOLUME:</b>								
Emergency Room	1,306	1,152	154	1,271	6,965	5,877	1,088	6,628
Urgent Care	0	0	0	1	1	0	1	419
Walk-in Clinic	484	393	91	475	2,164	2,004	160	2,140
Primary Care Physician RVU's	6,725	6,272	453	4,902	32,959	31,987	972	29,086
Primary Care Physician Encounters	3,943	3,834	109	2,943	18,549	19,554	(1,005)	17,101
Specialty Clinics	319	368	(49)	299	1,793	1,879	(86)	2,027
KMA Clinic RVU's	7,418	6,912	506	6,367	36,012	35,253	759	33,071
Total Outpatient Visits	7,253	7,160	93	6,982	37,188	36,514	674	36,331
Surgical Procedures	137	113	24	116	712	577	135	564
Radiology	2,664	2,412	252	2,494	13,628	12,306	1,322	12,511
Laboratory	17,888	19,000	(1,112)	17,968	96,840	96,899	(59)	98,603
Physical Therapy	3,457	3,286	171	3,164	17,812	16,760	1,052	16,749
Chemo Therapy	635	413	222	353	2,989	2,104	885	2,060
Dialysis Treatments	489	607	(118)	616	2,696	3,098	(402)	3,100
Ambulance Transports	172	228	(56)	237	1,047	1,164	(117)	1,078
Assisted Living Days	840	932	(92)	925	4,509	4,753	(244)	4,642
<b>Cost per adjusted IP and LTC day:</b>	183.08	211.80	(28.71)	189.97	215.59	208.83	7	185.13
<b>TOTAL FTE'S:</b>	452	461	10	437	455	448	(8)	437

## Kalkaska Memorial Health Center

### Additional Financial Information

	November 30, 2022
MTD % increase in net revenue vs. prior year	16.65%
MTD % increase in expense vs. prior year	21.46%
	-4.81%
YTD % increase in net revenue vs. prior year	11.25%
YTD % increase in expense vs. prior year	17.10%
	-5.86%
LTC Expense per Critical Unit - MTD	\$ 263.87
LTC Expense per Critical Unit - YTD	\$ 307.94
Ambulance Days in AR YTD	113.02
Dialysis number of patients - MTD	57
Dialysis net income - MTD	\$ (22,392)
Dialysis net income - YTD	\$ (160,290)
Assisted Living net income - MTD	\$ (57,558)
Assisted Living net income - YTD	(229,562)
Average Age of Plant (as of 11/30/22)	11.72
Debt to Capitalization Ratio	0.23

### Net Revenue Analysis

	Month of November 2022		
	Actual	Budget	Variance
Service Line Revenue % of Total			
Inpatient	0.6%	1.3%	-0.7%
Outpatient	69.6%	64.2%	5.4%
Professional	13.1%	12.1%	1.0%
Long-Term Care	7.3%	9.8%	-2.5%
Dialysis Center	5.1%	7.2%	-2.0%
Ambulance	2.4%	3.3%	-1.0%
Retail Pharmacy	1.1%	1.2%	-0.1%
Assisted Living	0.8%	0.9%	-0.1%
	100.0%	100.0%	0.0%

Revenue Deductions as % of Gross Revenue			
Contractual Allowances	45.4%	44.8%	-0.6%
Charity Care	0.2%	0.3%	0.0%
Bad Debt	2.0%	2.0%	-0.1%
Total Revenue Deductions	47.7%	47.0%	-0.6%

	Year to Date Ended November 30, 2022		
	Actual	Budget	Variance
Service Line Revenue % of Total			
Inpatient	1.0%	1.3%	-0.3%
Outpatient	67.9%	64.2%	3.7%
Professional	11.8%	12.1%	-0.2%
Long-Term Care	8.8%	9.8%	-1.0%
Dialysis Center	5.7%	7.2%	-1.5%
Ambulance	2.9%	3.3%	-0.5%
Retail Pharmacy	1.1%	1.2%	-0.1%
Assisted Living	0.8%	0.9%	-0.1%
	100.0%	100.0%	0.0%

Revenue Deductions as % of Gross Revenue			
Contractual Allowances	44.9%	44.8%	-0.1%
Charity Care	0.3%	0.3%	-0.1%
Bad Debt	1.8%	2.0%	0.2%
Total Revenue Deductions	47.0%	47.0%	0.0%

# Kalkaska Memorial Health Center

## Payor Mix Schedule

YTD 2023

Revenue %

	MCare	MCareHMO	Medicaid	Medicaid Adv	BC	Comm	Priority	Private	Total
Acute including EMS	25.04%	23.75%	0.29%	20.35%	13.54%	6.43%	8.60%	2.00%	100.00%
LTC	6.68%	7.44%	60.98%	0.00%	0.18%	9.54%	0.00%	15.19%	100.00%
ER	17.77%	17.00%	0.00%	32.52%	15.53%	6.08%	7.52%	3.58%	100.00%
OR	25.58%	21.58%	0.00%	13.32%	22.31%	6.31%	9.79%	1.10%	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%