

## Kalkaska Memorial Health Center

### Balance Sheet

Assets	December 31, 2023	June 30, 2023
<b>Current Assets</b>		
Cash and Cash Equivalents	\$ 22,463,277	\$ 20,105,803
Short-Term Investments	8,078,881	6,631,348
Accounts Receivable	10,815,166	12,464,426
Third Party Settlements	-	157,318
Due from Affiliates	55,404	29,312
Inventory	446,900	276,948
Other Current Assets	322,623	310,992
Total Current Assets	42,182,251	39,976,147
<b>Investments</b>	8,991,300	9,891,710
<b>Capital Assets (net of Accumulated Depreciation)</b>	33,724,405	35,216,480
<b>Land</b>	1,426,272	1,426,272
<b>Construction In Progress</b>	15,345,067	10,052,749
<b>Other Assets</b>		
Restricted Cash	6,899,026	11,496,448
Other Assets	187,877	109,914
Total Other Assets	7,086,903	11,606,362
Total Assets	<b>\$ 108,756,198</b>	<b>\$ 108,169,720</b>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Current Maturities - Long-Term Debt	\$ 2,317,359	\$ 2,317,359
Trade Accounts Payable	1,141,991	4,177,864
Accrued Compensation	3,764,658	3,871,492
Third Party Liabilities	3,860,373	4,620,950
Due to Affiliates	7,771,026	3,864,305
Other Current Liabilities	1,488,780	1,728,862
Total Current Liabilities	20,344,187	20,580,832
<b>Long-Term Debt - Less Current Maturities</b>	15,544,153	16,175,333
<b>Other Long-Term Liabilities</b>	20,000	20,000
<b>Deferred Liabilities</b>	14,313	9,392
Total Liabilities	35,922,653	36,785,557
<b>Net Assets</b>		
Invested in Capital Assets, net of Related Debt	38,263,237	33,831,814
Unrestricted	34,570,308	37,552,349
Total Net Assets	72,833,545	71,384,163
Total Liabilities and Net Assets	<b>\$ 108,756,198</b>	<b>\$ 108,169,720</b>

**Kalkaska Memorial Health Center**

**Statement of Operations**

	Month of December 2023				Year to Date Ended December 31, 2023			
	Actual	Budget	Variance	Prior Year	Actual	Budget	Variance	Prior Year
<b>Operating Revenue</b>								
Inpatient	\$ 135,720	\$ 147,999	\$ (12,279)	\$ 188,161	\$ 748,637	\$ 880,466	\$ (131,829)	\$ 718,608
Outpatient	6,730,578	7,824,541	(1,093,963)	6,712,672	47,359,609	46,827,483	532,126	44,073,589
Professional	1,402,683	1,479,749	(77,066)	1,233,816	9,049,670	8,784,818	264,852	7,747,979
Long Term Care	1,007,751	1,015,471	(7,720)	1,055,388	6,116,034	6,025,704	90,330	5,917,600
Dialysis Center	443,460	613,049	(169,589)	549,923	3,121,185	3,639,042	(517,857)	3,661,207
Ambulance	357,228	356,187	1,041	392,353	2,350,754	2,114,352	236,402	1,964,043
Retail Pharmacy	211,945	142,620	69,325	159,757	1,214,038	846,702	367,336	788,454
Assisted Living	91,095	96,691	(5,596)	86,490	555,645	573,862	(18,217)	552,987
	10,380,460	11,676,307	(1,295,847)	10,378,560	70,515,572	69,692,429	823,143	65,424,467
Revenue Deductions:								
Contractual Allowances	4,393,422	5,342,176	948,754	4,216,710	32,881,952	31,709,968	(1,171,984)	28,934,372
Provision Charity Care	16,463	42,665	26,202	17,945	191,303	253,260	61,957	191,918
Provision for Bad Debt	289,032	223,895	(65,137)	133,900	1,134,695	1,329,056	194,361	1,139,797
	4,698,917	5,608,736	909,819	4,368,555	34,207,950	33,292,284	(915,666)	30,266,087
Net Patient Revenues	5,681,543	6,067,571	(386,028)	6,010,005	36,307,622	36,400,145	(92,523)	35,158,380
Other Operating Revenues	410,912	242,486	168,426	280,684	2,161,379	1,321,915	839,464	2,081,622
Total Operating Revenue	6,092,455	6,310,057	(217,602)	6,290,689	38,469,001	37,722,060	746,941	37,240,002
<b>Operating Expenses</b>								
Salaries and Wages	3,223,827	2,964,580	(259,247)	4,568,298	19,844,746	18,347,279	(1,497,467)	18,578,373
Fringe Benefits	913,500	751,601	(161,899)	798,640	5,058,287	4,509,606	(548,681)	4,225,007
Contract Labor	32,638	35,766	3,128	48,177	165,902	214,296	48,394	196,043
Physician Fees	67,270	58,392	(8,878)	63,121	432,543	346,654	(85,889)	375,597
Purchased Services	599,708	636,281	36,573	579,820	3,654,070	3,877,219	223,149	3,451,789
Pharmaceuticals	559,971	651,360	91,389	451,845	4,128,534	3,975,974	(152,560)	3,861,924
Supplies	336,064	376,060	39,996	423,102	1,979,233	2,240,682	261,449	2,707,716
Occupancy	88,479	114,947	26,468	123,553	561,933	688,089	126,156	644,121
Equipment, Software & Maintenance	63,360	93,523	30,163	65,196	542,667	613,843	71,176	523,812
Depreciation	268,508	262,984	(5,524)	261,978	1,605,854	1,577,746	(28,108)	1,555,896
Insurance	63,548	73,796	10,248	58,135	461,427	442,776	(18,651)	378,471
Other	49,590	44,160	(5,430)	52,847	325,111	228,293	(96,818)	218,614
	6,266,463	6,063,450	(203,013)	7,494,712	38,760,307	37,062,457	(1,697,850)	36,717,363
Less Shared Services	-	-	-	-	-	-	-	-
Total Operating Expenses	6,266,463	6,063,450	(203,013)	7,494,712	38,760,307	37,062,457	(1,697,850)	36,717,363
<b>Income from Operations before Grant Revenue from COVID-19</b>	(174,008)	246,607	(420,615)	(1,204,023)	(291,306)	659,603	(950,909)	522,639
<b>Grant Revenue COVID-19</b>	-	-	-	986,610	750,000	-	750,000	986,610
<b>Operating Income</b>	(174,008)	246,607	(420,615)	(217,413)	458,694	659,603	(200,909)	1,509,249
<b>Non-Operating Income (Expense)</b>								
Reserved for Bond Debt	128,223	125,001	3,222	125,230	768,708	750,006	18,702	757,337
Interest on Debt Related to Capital Assets	(55,174)	(55,174)	-	(61,955)	(336,136)	(336,138)	2	(327,606)
Unrealized Gain/Loss on LT Investments	57,344	-	57,344	78,000	167,208	-	167,208	74,725
Tax Levy Revenue	783	747	36	730	4,696	4,482	214	4,040
Bond Issuance Cost	-	-	-	-	-	-	-	(75,500)
Contributions	2,252	100	2,152	6,202	2,963	600	2,363	6,019
Other Income (Loss)	66,399	7,500	58,899	12,202	383,249	45,000	338,249	46,044
Total Non-Operating Income (Expense)	199,827	78,174	121,653	160,409	990,688	463,950	526,738	485,059
<b>Total Increase (Decrease) in Net Assets</b>	<b>\$ 25,819</b>	<b>\$ 324,781</b>	<b>\$ (298,962)</b>	<b>\$ (57,004)</b>	<b>\$ 1,449,382</b>	<b>\$ 1,123,553</b>	<b>\$ 325,829</b>	<b>\$ 1,994,308</b>

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**Statement of Cash Flows**Six Months Ending  
December 31, 2023**Cash flow from operating activities**

Received from patients and third-party payors	\$	37,327,531
Payments to employees		(25,009,867)
Payments to suppliers for services and goods		(11,797,316)
Other receipts from operations		2,916,075
Net cash provided by operating activities		<u>3,436,423</u>

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

Acquisition and construction of capital assets		(5,406,097)
Proceeds from sale of capital assets		-
Proceeds from county bond tax levy		768,708
Interest paid on long-term debt		(336,136)
Retirement of long-term debt		-
Issuance costs paid on long-term debt		-
Principal payments on bonds and notes payable		(631,180)
Net cash used in capital and related financing activities		<u>(5,604,705)</u>

**Cash flow from investing activities**

Investment income		550,457
Purchase of short-term investments		(1,447,533)
Net activity of investments internally designated for capital acquisitions		900,410
Purchase of Intangibles		(75,000)
Net cash used by investing activities		<u>(71,666)</u>

Net decrease in cash and cash equivalents		(2,239,948)
Cash and cash equivalents at beginning of year		31,602,251
Cash and cash equivalents at end of period	\$	<u><u>29,362,303</u></u>

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

Operating income	\$	458,694
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation		1,605,854
Provision for uncollectible accounts		1,134,695
Operating tax levy		4,696
Net gains and losses on sale of PPE		-
(Increase) decrease in assets:		
Patient accounts receivable		488,473
Third-party settlements		157,318
Inventory		(169,952)
Other current assets		(11,631)
Increase (decrease) in liabilities:		
Trade accounts payable		870,848
Accrued Compensation		(106,834)
Third Party Settlements		(760,577)
Other accrued liabilities		(235,161)
Net cash provided by operating activities	\$	<u><u>3,436,423</u></u>

## Kalkaska Memorial Health Center

### Statement of Changes in Net Assets Six Months Ending December 31, 2023

	Invested in Capital Assets, net of Related Debt	Unrestricted	Total Net Assets
<b>Net Assets at June 30, 2022</b>	\$ 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
<b>Net Assets at June 30, 2023</b>	<b>28,202,809</b>	<b>43,181,354</b>	<b>71,384,163</b>
Acquisition and construction of capital assets	5,406,097		5,406,097
Depreciation	(1,605,854)		(1,605,854)
Sale of Capital Assets	-		-
Capital Grants	-		-
Net Change in Debt	631,180		631,180
Increase (Decrease) in Net Assets Net of Amounts Invested in Capital Assets		(2,982,041)	(2,982,041)
Increase (Decrease) in Net Assets	4,431,423	(2,982,041)	1,449,382
<b>Net Assets at December 31, 2023</b>	<b>\$ 32,634,232</b>	<b>\$ 40,199,313</b>	<b>\$ 72,833,545</b>

# Kalkaska Memorial Health Center

## Statistical Report

	Month of December 2023				Year to Date Ended December 31, 2023			
	Actual	Budget	Variance	Prior Year	Actual	Budget	Variance	Prior Year
<b>ADMISSIONS:</b>								
Acute Care	12	22	(10)	20	82	132	(50)	92
Long Term Care	16	12	4	11	107	70	37	64
Observation	13	16	(3)	11	91	96	(5)	70
<b>PATIENT DAYS:</b>								
Acute Care	52	77	(25)	70	299	458	(159)	322
Long Term Care-Skilled	187	163	24	120	1,228	968	260	724
Long Term Care-Basic	2,189	2,309	(120)	2,242	12,995	13,702	(707)	13,616
Observation	24	16	8	15	245	96	149	114
<b>AVERAGE LENGTH OF STAY:</b>								
Acute Care	4.3	3.5	(0.8)	3.5	3.6	3.5	(0.2)	3.5
<b>DAILY AVERAGE CENSUS:</b>								
Acute Care	1.7	2.5	(0.9)	2.3	1.6	2.5	(0.9)	1.8
Long Term Care	76.6	79.7	(3.1)	76.2	77.3	79.7	(2.4)	77.9
<b>PERCENT OF OCCUPANCY:</b>								
Acute Care	21.0%	31.0%	-10.1%	28.2%	20.3%	31.1%	-10.8%	21.9%
Long Term Care	73.7%	76.7%	-3.0%	73.3%	74.3%	76.7%	-2.3%	74.9%
<b>ANCILLARY DEPARTMENT VOLUME:</b>								
Emergency Room	1,307	1,383	(76)	1,384	8,415	8,208	207	8,402
Urgent Care	0	0	0	0	0	0	0	1
Walk-in Clinic	476	439	37	485	2,350	2,606	(256)	2,649
Primary Care Physician RVU's	6,520	7,057	(537)	6,846	41,519	41,886	(367)	39,805
Primary Care Physician Encounters	3,858	4,028	(170)	3,710	24,475	23,908	567	22,259
Specialty Clinics	373	365	8	260	2,468	2,168	300	2,054
KMA Clinic RVU's	7,654	7,749	(95)	7,298	48,270	45,994	2,276	43,310
Total Outpatient Visits	6,790	7,575	(785)	7,199	43,921	44,962	(1,041)	44,387
Surgical Procedures	141	151	(10)	162	891	896	(5)	874
Radiology	3,037	2,849	188	2,619	19,674	16,910	2,764	16,247
Laboratory	19,011	19,235	(224)	18,211	119,534	114,170	5,364	115,051
Physical Therapy	3,851	3,916	(65)	3,802	26,004	23,242	2,762	21,614
Chemo Therapy	333	582	(249)	454	2,639	3,454	(815)	3,443
Dialysis Treatments	395	524	(129)	479	2,785	3,110	(325)	3,175
Ambulance Transports	218	219	(1)	235	1,433	1,300	133	1,282
Assisted Living Days	882	923	(41)	841	5,348	5,478	(130)	5,350
<b>Cost per adjusted IP and LTC day:</b>	259.22	220.75	38.47	344.83	237.65	226.68	10.98	233.93
<b>TOTAL FTE'S:</b>	491	443	(47)	452	488	462	(27)	454

## Kalkaska Memorial Health Center

### Additional Financial Information

	December 31, 2023
MTD % increase in net revenue vs. prior year	-5.47%
MTD % increase in expense vs. prior year	-16.39%
	<u>10.92%</u>
YTD % increase in net revenue vs. prior year	3.27%
YTD % increase in expense vs. prior year	5.56%
	<u>-2.30%</u>
LTC Expense per Critical Unit - MTD	\$ 290.66
LTC Expense per Critical Unit - YTD	\$ 291.21
Ambulance Days in AR YTD	67.07
Dialysis number of patients - MTD	57
Dialysis net income - MTD	\$ 27,267
Dialysis net income - YTD	\$ (106,312)
Assisted Living net income - MTD	\$ (49,060)
Assisted Living net income - YTD	(335,771)
Average Age of Plant (as of 12/31/23)	12.20
Debt to Capitalization Ratio	0.20

### Net Revenue Analysis

	Month of December 2023		
	Actual	Budget	Variance
Service Line Revenue % of Total			
Inpatient	1.3%	1.3%	0.0%
Outpatient	64.8%	67.0%	-2.2%
Professional	13.5%	12.7%	0.8%
Long-Term Care	9.7%	8.7%	1.0%
Dialysis Center	4.3%	5.3%	-1.0%
Ambulance	3.4%	3.1%	0.4%
Retail Pharmacy	2.0%	1.2%	0.8%
Assisted Living	0.9%	0.8%	0.0%
	<u>100.0%</u>	<u>100.0%</u>	<u>0.0%</u>

Revenue Deductions as % of Gross Revenue			
Contractual Allowances	42.3%	45.8%	3.4%
Charity Care	0.2%	0.4%	0.2%
Bad Debt	2.8%	1.9%	-0.9%
Total Revenue Deductions	<u>45.3%</u>	<u>48.0%</u>	<u>2.8%</u>

	Year to Date Ended December 31, 2023		
	Actual	Budget	Variance
Service Line Revenue % of Total			
Inpatient	1.1%	1.3%	-0.2%
Outpatient	67.2%	67.2%	0.0%
Professional	12.8%	12.6%	0.2%
Long-Term Care	8.7%	8.6%	0.0%
Dialysis Center	4.4%	5.2%	-0.8%
Ambulance	3.3%	3.0%	0.3%
Retail Pharmacy	1.7%	1.2%	0.5%
Assisted Living	0.8%	0.8%	0.0%
	<u>100.0%</u>	<u>100.0%</u>	<u>0.0%</u>

Revenue Deductions as % of Gross Revenue			
Contractual Allowances	46.6%	45.5%	-1.1%
Charity Care	0.3%	0.4%	0.1%
Bad Debt	1.6%	1.9%	0.3%
Total Revenue Deductions	<u>48.5%</u>	<u>47.8%</u>	<u>-0.7%</u>

# Kalkaska Memorial Health Center

## Payor Mix Schedule

YTD 2024

Revenue %	MCare	MCareHMO	Medicaid	Medicaid Adv	BC	Comm	Priority	Private	Total
Acute including EMS	24.00%	25.55%	0.07%	20.14%	14.82%	7.56%	6.06%	1.80%	100.00%
LTC	11.57%	12.80%	53.27%	0.00%	0.04%	8.21%	0.00%	14.11%	100.00%
ER	16.04%	17.66%	0.00%	33.95%	15.05%	6.99%	6.47%	3.85%	100.00%
OR	21.16%	27.75%	0.00%	17.13%	20.16%	5.88%	7.10%	0.83%	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%