

# Kalkaska Memorial Health Center

## Balance Sheet

Assets	April 30, 2021	June 30, 2020
<b>Current Assets</b>		
Cash and Cash Equivalents	\$ 9,209,631	\$ 6,102,359
Short-Term Investments	7,919,473	7,883,327
Accounts Receivable	6,092,335	5,629,826
Third Party Settlements	-	1,366,565
Due from Affiliates	11,316	1,651
Inventory	166,829	164,981
Other Current Assets	157,011	150,538
Total Current Assets	23,556,595	21,299,247
<b>Investments</b>	1,109,133	2,495,701
<b>Capital Assets (net of Accumulated Depreciation)</b>	35,478,705	37,520,016
<b>Land</b>	1,364,151	1,364,151
<b>Construction In Progress</b>	1,943,322	937,193
<b>Other Assets</b>		
Restricted Cash	14,379,167	15,754,091
Other Assets	82,290	80,428
Total Other Assets	14,461,457	15,834,519
Total Assets	<b>\$ 77,913,363</b>	<b>\$ 79,450,827</b>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Current Maturities - Long-Term Debt	\$ 1,252,855	\$ 1,252,855
Trade Accounts Payable	973,124	1,212,240
Accrued Compensation	4,014,124	3,988,447
Third Party Liabilities	4,348,222	4,788,180
Due to Affiliates	2,051,199	2,380,460
Other Current Liabilities	7,840,133	9,246,817
Total Current Liabilities	20,479,657	22,868,999
<b>Long-Term Debt - Less Current Maturities</b>	5,695,630	6,904,674
<b>Other Long-Term Liabilities</b>	20,000	20,000
<b>Deferred Liabilities</b>	9,763	8,083
Total Liabilities	26,205,050	29,801,756
<b>Net Assets</b>		
Invested in Capital Assets, net of Related Debt	38,720,012	38,546,150
Unrestricted	12,988,301	11,102,921
Total Net Assets	51,708,313	49,649,071
Total Liabilities and Net Assets	<b>\$ 77,913,363</b>	<b>\$ 79,450,827</b>

**Kalkaska Memorial Health Center**

**Statement of Operations**

	Month of April 2021				Year to Date Ended April 30, 2021			
	Actual	Budget	Variance	Prior Year	Actual	Budget	Variance	Prior Year
<b>Operating Revenue</b>								
Inpatient	\$ 69,064	\$ 72,414	\$ (3,350)	\$ 40,545	\$ 813,778	\$ 728,972	\$ 84,806	\$ 772,306
Outpatient	5,204,359	5,587,733	(383,374)	1,750,385	48,546,212	55,611,708	(7,065,496)	40,526,671
Professional	1,015,598	874,537	141,061	554,248	9,720,771	8,544,410	1,176,361	8,305,788
Long Term Care	964,693	956,592	8,101	954,998	9,111,867	9,651,381	(539,514)	9,516,875
Dialysis Center	675,008	689,589	(14,581)	676,796	7,334,216	6,992,411	341,805	6,839,537
Ambulance	379,255	243,960	135,295	199,698	3,055,797	2,471,081	584,716	2,541,630
Retail Pharmacy	140,244	117,406	22,838	113,284	1,175,587	1,190,038	(14,451)	1,208,997
Assisted Living	87,974	91,341	(3,367)	93,491	954,894	925,661	29,233	951,347
	<u>8,536,195</u>	<u>8,633,572</u>	<u>(97,377)</u>	<u>4,383,445</u>	<u>80,713,122</u>	<u>86,115,662</u>	<u>(5,402,540)</u>	<u>70,663,151</u>
Revenue Deductions:								
Contractual Allowances	4,051,426	3,788,434	(262,992)	1,930,943	36,570,624	37,856,753	1,286,129	31,359,697
Provision Charity Care	10,206	31,324	21,118	63,666	192,985	312,477	119,492	312,869
Provision for Bad Debt	(68,077)	174,665	242,742	136,201	922,157	1,730,653	808,496	1,317,045
	<u>3,993,555</u>	<u>3,994,423</u>	<u>868</u>	<u>2,130,810</u>	<u>37,685,766</u>	<u>39,899,883</u>	<u>2,214,117</u>	<u>32,989,611</u>
Net Patient Revenues	<u>4,542,640</u>	<u>4,639,149</u>	<u>(96,509)</u>	<u>2,252,635</u>	<u>43,027,356</u>	<u>46,215,779</u>	<u>(3,188,423)</u>	<u>37,673,540</u>
Other Operating Revenues	320,170	301,784	18,386	491,308	4,011,462	3,049,120	962,342	3,752,496
Total Operating Revenue	<u>4,862,810</u>	<u>4,940,933</u>	<u>(78,123)</u>	<u>2,743,943</u>	<u>47,038,818</u>	<u>49,264,899</u>	<u>(2,226,081)</u>	<u>41,426,036</u>
<b>Operating Expenses</b>								
Salaries and Wages	2,394,932	2,238,494	(156,438)	1,727,898	23,540,107	22,446,806	(1,093,301)	21,114,391
Fringe Benefits	643,281	611,743	(31,538)	549,096	6,249,278	5,766,503	(482,775)	5,493,400
Contract Labor	47,557	31,292	(16,265)	30,330	304,743	317,098	12,355	320,399
Physician Fees	44,378	95,958	51,580	13,607	622,126	927,508	305,382	853,280
Purchased Services	552,997	485,101	(67,896)	449,520	5,955,823	5,012,837	(942,986)	4,986,565
Pharmaceuticals	362,345	750,026	387,681	258,561	3,622,227	7,379,193	3,756,966	2,799,215
Supplies	254,257	248,754	(5,503)	157,191	2,798,175	2,484,338	(313,837)	2,469,690
Occupancy	98,529	97,014	(1,515)	89,638	897,692	977,765	80,073	882,618
Equipment, Software & Maintenance	65,825	58,171	(7,654)	83,200	619,702	606,839	(12,863)	581,861
Depreciation	251,095	232,404	(18,691)	253,406	2,270,884	2,266,496	(4,388)	2,013,361
Insurance	45,707	36,297	(9,410)	42,931	469,562	362,978	(106,584)	377,921
Other	27,285	36,031	8,746	18,864	319,849	371,618	51,769	265,729
	<u>4,788,188</u>	<u>4,921,285</u>	<u>133,097</u>	<u>3,674,242</u>	<u>47,670,168</u>	<u>48,919,979</u>	<u>1,249,811</u>	<u>42,158,430</u>
Less Shared Services	2,101	-	2,101	-	5,511	-	5,511	4,133
Total Operating Expenses	<u>4,786,087</u>	<u>4,921,285</u>	<u>135,198</u>	<u>3,674,242</u>	<u>47,664,657</u>	<u>48,919,979</u>	<u>1,255,322</u>	<u>42,154,297</u>
<b>Income from Operations before Grant Revenue from COVID-19</b>	76,723	19,648	57,075	(930,299)	(625,839)	344,920	(970,759)	(728,261)
<b>Grant Revenue COVID-19</b>	180,000	-	180,000	-	1,717,598	-	1,717,598	-
<b>Operating Income</b>	<u>256,723</u>	<u>19,648</u>	<u>237,075</u>	<u>(930,299)</u>	<u>1,091,759</u>	<u>344,920</u>	<u>746,839</u>	<u>(728,261)</u>
<b>Non-Operating Income (Expense)</b>								
Reserved for Bond Debt	108,772	112,276	(3,504)	107,767	1,117,738	1,122,760	(5,022)	1,076,905
Interest on Debt Related to Capital Assets	(20,020)	(20,020)	-	(22,942)	(201,929)	(201,927)	(2)	(164,887)
Unrealized Gain/Loss on LT Investments	(3,879)	-	(3,879)	(5,953)	(42,296)	-	(42,296)	43,943
Tax Levy Revenue	674	674	-	653	6,740	6,740	-	6,531
Contributions	-	311	(311)	-	1,862	3,110	(1,248)	3,217
Other Income (Loss)	5,663	9,791	(4,128)	13,376	85,368	97,910	(12,542)	210,257
Total Non-Operating Income (Expense)	<u>91,210</u>	<u>103,032</u>	<u>(11,822)</u>	<u>92,901</u>	<u>967,483</u>	<u>1,028,593</u>	<u>(61,110)</u>	<u>1,175,966</u>
<b>Total Increase (Decrease) in Net Assets</b>	<u>\$ 347,933</u>	<u>\$ 122,680</u>	<u>\$ 225,253</u>	<u>\$ (837,398)</u>	<u>\$ 2,059,242</u>	<u>\$ 1,373,513</u>	<u>\$ 685,729</u>	<u>\$ 447,705</u>

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**Statement of Cash Flows**Ten Months Ending  
April 30, 2021**Cash flow from operating activities**

Received from patients and third-party payors	\$	43,481,789
Payments to employees		(29,763,708)
Payments to suppliers for services and goods		(17,586,090)
Other receipts from operations		5,724,647
Net cash provided by operating activities		<u>1,856,638</u>

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

Acquisition and construction of capital assets		(1,235,702)
Proceeds from sale of capital assets		11,153
Proceeds from county bond tax levy		1,117,738
Interest paid on long-term debt		(201,929)
Principal payments on bonds and notes payable		(1,209,044)
Net cash used in capital and related financing activities		<u>(1,517,784)</u>

**Cash flow from investing activities**

Investment income		43,072
Purchase of short-term investments		(36,146)
Net activity of investments internally designated for capital acquisitions		1,386,568
Net cash provided by investing activities		<u>1,393,494</u>

Net increase in cash and cash equivalents		1,732,348
Cash and cash equivalents at beginning of year		21,856,450
Cash and cash equivalents at end of period	\$	<u><u>23,588,798</u></u>

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

Operating income	\$	1,091,759
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation		2,270,884
Provision for uncollectible accounts		922,157
Operating tax levy		6,740
Net gains and losses on sale of PPE		(11,153)
(Increase) decrease in assets:		
Patient accounts receivable		(1,394,331)
Third-party settlements		1,366,565
Inventory		(1,848)
Other current assets		(6,473)
Increase (decrease) in liabilities:		
Trade accounts payable		(568,377)
Accrued Compensation		25,677
Third Party Settlements		(439,958)
Other accrued liabilities		(1,405,004)
Net cash provided by operating activities	\$	<u><u>1,856,638</u></u>

**Kalkaska Memorial Health Center****Statement of Changes in Net Assets  
Ten Months Ending April 30, 2021**

	<b>Invested in Capital Assets, net of Related Debt</b>	<b>Unrestricted</b>	<b>Total Net Assets</b>
<b>Net Assets at June 30, 2019</b>	\$ 29,332,964	\$ 18,435,360	\$ 47,768,324
Acquisition and construction of capital assets	3,665,276		3,665,276
Depreciation	(2,605,609)		(2,605,609)
Sale of Capital Assets	53,341		53,341
Net Change in Debt	1,217,859		1,217,859
Increase (Decrease) in Net Assets Net of Amounts Invested in Capital Assets		(450,120)	(450,120)
Increase (Decrease) in Net Assets	2,330,867	(450,120)	1,880,747
<b>Net Assets at June 30, 2020</b>	<b>31,663,831</b>	<b>17,985,240</b>	<b>49,649,071</b>
Acquisition and construction of capital assets	1,224,549		1,224,549
Depreciation	(2,270,884)		(2,270,884)
Sale of Capital Assets	11,153		11,153
Net Change in Debt	1,209,044		1,209,044
Increase (Decrease) in Net Assets Net of Amounts Invested in Capital Assets		1,885,380	1,885,380
Increase (Decrease) in Net Assets	173,862	1,885,380	2,059,242
<b>Net Assets at April 30, 2021</b>	<b>\$ 31,837,693</b>	<b>\$ 19,870,620</b>	<b>\$ 51,708,313</b>

# Kalkaska Memorial Health Center

## Statistical Report

	Month of April 2021				Year to Date Ended April 30, 2021			
	Actual	Budget	Variance	Prior Year	Actual	Budget	Variance	Prior Year
<b>ADMISSIONS:</b>								
Acute Care	8	13	(5)	7	126	135	(9)	152
Respite Care	0	0	0	0	0	0	0	0
Long Term Care	18	14	4	18	158	139	19	185
Extended Stays	7	5	2	2	104	50	54	63
<b>PATIENT DAYS:</b>								
Acute Care	30	34	(4)	20	331	343	(12)	365
Respite Care	0	0	0	0	0	0	0	0
Long Term Care-Skilled	189	188	1	248	1,636	1,903	(267)	2,241
Long Term Care-Basic	2,495	2,662	(167)	2,396	24,722	26,977	(2,255)	25,148
Extended Stays	6	13	(7)	7	76	129	(53)	141
<b>AVERAGE LENGTH OF STAY:</b>								
Acute Care	3.8	2.6	1.1	2.9	2.6	2.5	0.1	2.4
<b>DAILY AVERAGE CENSUS:</b>								
Acute Care	1.0	1.1	(0.2)	0.7	1.1	1.1	(0.0)	1.2
Long Term Care	89.5	95.0	(5.5)	88.1	86.7	95.0	(8.3)	89.8
<b>PERCENT OF OCCUPANCY:</b>								
Acute Care	12.5%	14.2%	-1.7%	8.3%	13.6%	14.1%	-0.5%	15.0%
Long Term Care	86.0%	91.3%	-5.3%	84.7%	83.4%	91.3%	-8.0%	86.3%
<b>ANCILLARY DEPARTMENT VOLUME:</b>								
Emergency Room	756	682	74	333	7,294	6,913	381	7,523
Urgent Care	249	334	(85)	84	2,277	3,384	(1,107)	3,764
Specialty Clinics	449	355	94	20	3,810	3,438	372	3,092
KMA Clinic RVU's	6,644	4,721	1,923	3,572	51,920	45,701	6,219	44,579
Total Outpatient Visits	6,994	5,045	1,949	5,375	68,772	51,122	17,650	62,115
Surgical Procedures	112	90	22	0	971	872	99	903
Radiology	2,118	1,942	176	663	20,786	19,686	1,100	18,750
Laboratory	19,134	14,175	4,959	9,535	173,039	143,650	29,389	152,501
Physical Therapy	3,266	3,253	13	1,495	30,599	31,493	(894)	31,127
Sleep Studies	8	13	(5)	0	45	122	(77)	97
Dialysis Treatments	623	643	(20)	637	6,698	6,520	178	6,391
Ambulance Transports	254	186	68	144	2,096	1,884	212	1,934
Assisted Living Days	891	984	(93)	940	9,782	9,972	(190)	10,496
<b>Cost per adjusted IP and LTC day:</b>	194.61	186.39	8.22	200.46	198.69	185.04	13.65	170.57
<b>TOTAL FTE'S:</b>	438	412	(25)	328	421	412	(9)	397

## Kalkaska Memorial Health Center

### Additional Financial Information

	April 30, 2021
MTD % increase in net revenue vs. prior year	101.66%
MTD % increase in expense vs. prior year	<u>30.26%</u>
	71.40%
YTD % increase in net revenue vs. prior year	14.21%
YTD % increase in expense vs. prior year	<u>13.07%</u>
	1.14%
LTC Expense per Critical Unit - MTD	\$ 208.46
LTC Expense per Critical Unit - YTD	\$ 208.92
Ambulance Days in AR YTD	48.48
Dialysis number of patients - MTD	55
Dialysis net income - MTD	\$ (12,727)
Dialysis net income - YTD	\$ 44,627
Assisted Living net income - MTD	\$ (24,939)
Assisted Living net income - YTD	(130,894)
Average Age of Plant (as of 4/30/21)	11.03
Debt to Capitalization Ratio	0.12

### Net Revenue Analysis

	Month of April 2021		
	Actual	Budget	Variance
Service Line Revenue % of Total			
Inpatient	0.8%	0.8%	0.0%
Outpatient	61.0%	64.7%	-3.8%
Professional	11.9%	10.1%	1.8%
Long-Term Care	11.3%	11.1%	0.2%
Dialysis Center	7.9%	8.0%	-0.1%
Ambulance	4.4%	2.8%	1.6%
Retail Pharmacy	1.6%	1.4%	0.3%
Assisted Living	1.0%	1.1%	0.0%
	<u>100.0%</u>	<u>100.0%</u>	<u>0.0%</u>
Revenue Deductions as % of Gross Revenue			
Contractual Allowances	47.5%	43.9%	-3.6%
Charity Care	0.1%	0.4%	0.2%
Bad Debt	-0.8%	2.0%	2.8%
Total Revenue Deductions	<u>46.8%</u>	<u>46.3%</u>	<u>-0.5%</u>
	Year to Date Ended April 30, 2021		
	Actual	Budget	Variance
Service Line Revenue % of Total			
Inpatient	1.0%	0.8%	0.2%
Outpatient	60.1%	64.6%	-4.4%
Professional	12.0%	9.9%	2.1%
Long-Term Care	11.3%	11.2%	0.1%
Dialysis Center	9.1%	8.1%	1.0%
Ambulance	3.8%	2.9%	0.9%
Retail Pharmacy	1.5%	1.4%	0.1%
Assisted Living	1.2%	1.1%	0.1%
	<u>100.0%</u>	<u>100.0%</u>	<u>0.0%</u>
Revenue Deductions as % of Gross Revenue			
Contractual Allowances	45.3%	44.0%	-1.3%
Charity Care	0.2%	0.4%	0.1%
Bad Debt	1.1%	2.0%	0.9%
Total Revenue Deductions	<u>46.7%</u>	<u>46.3%</u>	<u>-0.4%</u>

# Kalkaska Memorial Health Center

## Payor Mix Schedule

YTD 2021  
Revenue %

	MCare	MCareHMO	Medicaid	Medicaid Adv	BC	Comm	Priority	Private	Total
Acute including EMS	30.13%	22.16%	0.32%	16.73%	13.18%	6.38%	7.91%	3.18%	100.00%
LTC	11.28%	10.19%	58.84%	0.00%	0.00%	4.47%	0.00%	15.22%	100.00%
ER	20.61%	15.68%	0.00%	29.80%	14.65%	7.29%	7.89%	4.08%	100.00%
OR	23.76%	21.87%	0.00%	19.83%	15.15%	7.16%	11.94%	0.29%	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%

YTD 2017  
Revenue %

	MCare	MCareHMO	Medicaid	Medicaid Adv	BC	Comm	Priority	Private	Total
Acute including EMS	37.45%	10.90%	1.34%	19.37%	16.36%	5.63%	7.19%	1.76%	100.00%
LTC	16.22%	3.91%	66.72%	0.00%	0.43%	1.87%	0.00%	10.85%	100.00%
ER	26.95%	7.71%	0.00%	30.03%	15.62%	6.83%	6.96%	5.90%	100.00%
OR	21.56%	10.03%	0.00%	34.14%	20.10%	4.39%	9.36%	0.42%	100.00%
KMA (not updated for FY	32.44%	10.02%	2.72%	16.38%	21.95%	3.32%	9.18%	3.99%	100.00%