

Kalkaska Memorial Health Center

Balance Sheet

	November 30, 2016	June 30, 2016
Assets		
Current Assets		
Cash and Cash Equivalents	\$ 9,868,062	\$ 9,464,275
Short-Term Investments		
<i>Huntington Bank CD .30% APR 10/27/17</i>	377,343	376,029
Accounts Receivable	4,903,769	4,536,347
Third Party Settlements	1,427,813	1,509,565
Inventory	136,198	148,996
Other Current Assets	232,215	88,209
Total Current Assets	16,945,400	16,123,421
Investments		
<i>Farmers Home Loan-10 yr step bond 1.25%-10% 5/23/23</i>	1,999,980	2,001,180
<i>Fannie Mae-5 yr 1.00% 12/20/18</i>	1,997,640	2,000,100
Investments Held by Others	43,314	43,314
Capital Assets (net of Accumulated Depreciation)	28,777,550	28,843,927
Land	1,164,492	1,164,492
Other Assets	380,930	438,647
Total Assets	\$ 51,309,306	\$ 50,615,081
Liabilities and Net Assets		
Current Liabilities		
Current Maturities - Long-Term Debt	\$ 1,294,413	\$ 1,294,413
Trade Accounts Payable	682,278	1,200,890
Accrued Compensation	1,861,548	2,004,067
Third Party Liabilities	1,402,547	2,121,464
Due to Affiliates	1,649,401	353,399
Other Current Liabilities	153,336	267,198
Total Current Liabilities	7,043,523	7,241,431
Long-Term Debt - Less Current Maturities	1,056,728	1,151,879
Deferred Liabilities	11,638	7,393
Total Liabilities	8,111,889	8,400,703
Net Assets		
Invested in Capital Assets, net of Related Debt	27,590,901	27,562,127
Unrestricted	15,606,516	14,652,251
Total Net Assets	43,197,417	42,214,378
Total Liabilities and Net Assets	\$ 51,309,306	\$ 50,615,081

Kalkaska Memorial Health Center

Statement of Operations

	Month of November 2016				Year to Date Period Ending November 30, 2016			
	Actual	Budget	Variance	Prior Year	Actual	Budget	Variance	Prior Year
Operating Revenue								
Inpatient	\$ 21,719	\$ 21,965	\$ (246)	\$ 54,790	\$ 150,175	\$ 112,030	\$ 38,145	\$ 116,643
Outpatient	3,361,603	3,246,969	114,634	3,249,087	18,361,389	16,567,089	1,794,300	16,009,999
Professional	750,712	767,669	(16,957)	736,201	3,744,885	3,914,881	(169,996)	3,604,501
Long Term Care	917,616	769,510	148,106	722,707	4,525,819	3,924,476	601,343	3,638,623
Dialysis Center	554,376	445,891	108,485	387,192	2,905,474	2,274,044	631,430	2,220,071
Ambulance	177,970	192,380	(14,410)	225,838	1,043,594	981,139	62,455	1,031,345
Retail Pharmacy	71,030	64,237	6,793	64,699	384,319	327,611	56,708	281,404
Assisted Living	86,000	83,759	2,241	85,792	416,305	427,171	(10,866)	432,152
	<u>5,941,026</u>	<u>5,592,380</u>	<u>348,646</u>	<u>5,526,306</u>	<u>31,531,960</u>	<u>28,528,441</u>	<u>3,003,519</u>	<u>27,334,738</u>
Revenue Deductions:								
Contractual Allowances	2,508,292	2,207,957	(300,335)	2,104,921	13,485,713	11,260,579	(2,225,134)	10,563,453
Provision Charity Care	2,843	13,283	10,440	17,248	40,055	67,744	27,689	65,305
Provision for Bad Debt	135,353	112,909	(22,444)	141,084	705,444	575,831	(129,613)	599,874
	<u>2,646,488</u>	<u>2,334,149</u>	<u>(312,339)</u>	<u>2,263,253</u>	<u>14,231,212</u>	<u>11,904,154</u>	<u>(2,327,058)</u>	<u>11,228,632</u>
Net Patient Revenues	3,294,538	3,258,231	36,307	3,263,053	17,300,748	16,624,287	676,461	16,106,106
Other Operating Revenues	135,105	138,415	(3,310)	112,311	717,151	704,775	12,376	736,649
Total Operating Revenue	<u>3,429,643</u>	<u>3,396,646</u>	<u>32,997</u>	<u>3,375,364</u>	<u>18,017,899</u>	<u>17,329,062</u>	<u>688,837</u>	<u>16,842,755</u>
Operating Expenses								
Salaries and Wages	1,588,958	1,487,265	(101,693)	1,275,513	7,874,966	7,478,572	(396,394)	6,755,380
Fringe Benefits	505,520	405,067	(100,453)	398,812	2,479,377	2,036,846	(442,531)	1,857,967
Contract Labor	6,806	10,864	4,058	12,436	65,957	54,476	(11,481)	60,519
Physician Fees	111,035	100,494	(10,541)	68,172	481,909	543,206	61,297	364,872
Purchased Services	476,670	477,589	919	436,470	2,358,698	2,497,005	138,307	2,070,229
Supplies	455,899	437,452	(18,447)	351,259	2,330,793	2,230,102	(100,691)	1,911,811
Occupancy	87,592	76,293	(11,299)	69,131	473,701	441,891	(31,810)	443,388
Equipment, Software & Maintenance	21,631	34,690	13,059	19,781	240,789	289,124	48,335	275,662
Depreciation	175,743	182,133	6,390	162,678	874,262	888,112	13,850	821,821
Insurance	37,052	29,090	(7,962)	29,534	151,287	145,450	(5,837)	139,891
Other	28,564	95,801	67,237	29,691	155,785	404,262	248,477	156,533
Total Operating Expenses	<u>3,495,470</u>	<u>3,336,738</u>	<u>(158,732)</u>	<u>2,853,477</u>	<u>17,487,524</u>	<u>17,009,046</u>	<u>(478,478)</u>	<u>14,858,073</u>
Income from Operations	(65,827)	59,908	(125,735)	521,887	530,375	320,016	210,359	1,984,682
Non-Operating Income (Expense)								
Reserved for Bond Debt	97,656	98,548	(892)	98,548	487,917	492,740	(4,823)	492,739
Interest on Debt Related to Capital Assets	(7,129)	(7,163)	34	(12,124)	(35,992)	(36,164)	172	(60,962)
Unrealized Gain/Loss on LT Investments	-	7,794	(7,794)	-	(3,660)	38,970	(42,630)	48,580
Tax Levy Revenue	616	598	18	-	3,080	2,990	90	2,394
Other Income (Loss)	1,316	3,991	(2,675)	23,846	1,319	19,955	(18,636)	24,034
Total Non-Operating Income (Expense)	<u>92,459</u>	<u>103,768</u>	<u>(11,309)</u>	<u>110,270</u>	<u>452,664</u>	<u>518,491</u>	<u>(65,827)</u>	<u>506,785</u>
Total Increase (Decrease) in Net Assets	<u>\$ 26,632</u>	<u>\$ 163,676</u>	<u>\$ (137,044)</u>	<u>\$ 632,157</u>	<u>\$ 983,039</u>	<u>\$ 838,507</u>	<u>\$ 144,532</u>	<u>\$ 2,491,467</u>

Kalkaska Memorial Health Center

Statement of Cash Flows

	YTD Ended November 30, 2016
Cash flow from operating activities	
Received from patients and third-party payors	\$ 16,296,161
Payments to employees	(10,496,862)
Payments to suppliers for services and goods	(5,722,354)
Other receipts from operations	720,231
Net cash provided by operating activities	<u>797,176</u>
Cash flow from capital and related financing activities	
Acquisition and construction of capital assets	(750,168)
Proceeds from county bond tax levy	487,917
Interest paid on long-term debt	(35,992)
Principal payments on bonds and notes payable	(95,151)
Net cash used in capital and related financing activities	<u>(393,394)</u>
Cash flow from investing activities	
Investment income	(2,341)
Purchase of short-term investments	(1,314)
Net purchase of investments internally designated for capital acquisitions	3,660
Net cash provided by investing activities	<u>5</u>
Net increase (decrease) in cash and cash equivalents	403,787
Cash and cash equivalents at beginning of year	9,464,275
Cash and cash equivalents at end of year	<u>\$ 9,868,062</u>
Reconciliation of operating income to net cash flows from operating activities	
Operating income	\$ 530,375
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	816,545
Provision for uncollectible accounts	705,444
Amortization	57,717
Operating tax levy	3,080
(Increase) decrease in assets:	
Patient accounts receivable	(1,072,866)
Third-party settlements	81,752
Inventory	12,798
Other current assets	(144,006)
Increase (decrease) in liabilities:	
Trade accounts payable	777,390
Accrued Compensation	(142,519)
Third Party Settlements	(718,917)
Other accrued liabilities	(109,617)
Net cash provided by operating activities	<u>\$ 797,176</u>

Kalkaska Memorial Health Center

Statement of Changes in Net Assets

	Invested in Capital Assets, net of Related		Total Net Assets
	Debt	Unrestricted	
Net Assets at June 30, 2015	\$ 23,372,178	\$ 14,294,460	\$ 37,666,638
Acquisition and construction of capital assets	4,850,341		4,850,341
Depreciation	(1,907,418)		(1,907,418)
Sale of Capital Assets	7,600		7,600
Net Change in Debt	1,239,426		1,239,426
Increase (Decrease) in Net Assets Net of Amounts Invested in Capital Assets		357,791	357,791
Increase (Decrease) in Net Assets	4,189,949	357,791	4,547,740
Net Assets at June 30, 2016	27,562,127	14,652,251	42,214,378
Acquisition and construction of capital assets	750,168		750,168
Depreciation	(816,545)		(816,545)
Net Change in Debt	95,151		95,151
Increase (Decrease) in Net Assets Net of Amounts Invested in Capital Assets		954,265	954,265
Increase (Decrease) in Net Assets	28,774	954,265	983,039
Net Assets at November 30, 2016	\$ 27,590,901	\$ 15,606,516	\$ 43,197,417

Kalkaska Memorial Health Center

Statistical Report

	Month of November 2016				Year to Date Period Ending November 30, 2016			
	Actual	Budget	Variance	Prior Year	Actual	Budget	Variance	Prior Year
ADMISSIONS:								
Acute Care	4	4	0	9	35	23	12	21
Respite Care	0	0	0	0	0	0	0	0
Long Term Care	17	15	2	14	93	75	18	72
Extended Stays	0	4	(4)	3	10	20	(10)	13
PATIENT DAYS:								
Acute Care	10	12	(2)	26	80	60	20	61
Respite Care	0	0	0	0	0	0	0	0
Long Term Care	2,928	2,550	378	2,362	14,276	13,008	1,268	12,192
Extended Stays	0	3	(3)	5	18	15	3	16
AVERAGE LENGTH OF STAY:								
Acute Care	2.5	3.0	0.5	2.9	2.3	2.6	0.3	2.9
DAILY AVERAGE CENSUS:								
Acute Care	0.3	0.4	(0.1)	0.9	0.5	0.4	0.1	0.4
Long Term Care	97.6	85.0	12.6	78.7	93.3	85.0	8.3	33.4
PERCENT OF OCCUPANCY:								
Acute Care	4.2%	5.0%	-0.8%	10.8%	6.5%	4.9%	1.6%	5.0%
Long Term Care	93.8%	81.7%	12.1%	93.7%	89.7%	81.7%	8.0%	94.9%
ANCILLARY DEPARTMENT VOLUME:								
Emergency Room	731	698	33	732	3,823	3,559	264	3,295
Urgent Care	422	385	37	446	2,042	1,961	81	2,007
Specialty Clinics	399	616	(217)	484	2,484	3,140	(656)	2,642
KMA Clinic RVU's	3,214	3,247	(33)	3,061	16,874	16,559	315	15,689
Total Outpatient Visits	6,073	5,487	586	5,930	32,105	27,984	4,121	31,099
Surgical Procedures	137	97	40	97	637	494	143	494
Radiology	2,083	1,928	155	1,879	10,866	9,832	1,034	9,409
Laboratory	14,140	12,791	1,349	10,669	72,454	65,236	7,218	56,211
Physical Therapy	2,659	2,515	144	2,584	13,971	12,830	1,141	13,295
Sleep Studies	5	12	(7)	15	61	63	(2)	65
Dialysis Treatments	536	543	(7)	473	2,808	2,769	39	2,781
Ambulance Transports	141	151	(10)	176	827	770	57	836
Assisted Living Days	840	849	(9)	852	4,233	4,329	(96)	4,358
ADJUSTED DISCHARGES:	1,135	985	150	874	7,111	5,024	2,087	4,948
TOTAL FTE'S:	353.30	351.35	(1.95)	322.99	356.40	350.49	(5.91)	326.59

Kalkaska Memorial Health Center

Additional Financial Information

November 30, 2016

MTD % increase in net revenue vs. prior year		0.96%
MTD % increase in expense vs. prior year		22.50%
		<hr/>
		-21.53%
YTD % increase in net revenue vs. prior year		7.42%
YTD % increase in expense vs. prior year		17.70%
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		-10.28%
LTC Expense per Critical Unit - MTD	\$	121.09
LTC Expense per Critical Unit - YTD	\$	124.79
Ambulance Days in AR YTD		55.84
Dialysis number of patients - MTD		48
Dialysis net income - MTD	\$	(1,695)
Dialysis net income - YTD	\$	54,347
Assisted Living net income - MTD	\$	(11,575)
Assisted Living net income - YTD	\$	(57,385)
Average Age of Plant (as of 11/30/16)		12.45
Debt to Capitalization Ratio		0.05

Kalkaska Memorial Health Center

Payor Mix Schedule

YTD 2017
Revenue %

	MCare	MCareHMO	Medicaid	Medicaid Adv	BC	Comm	Priority	Private	Total
Acute including EMS	35.30%	9.89%	3.15%	19.16%	17.37%	5.68%	6.89%	2.56%	100.00%
LTC	19.49%	4.77%	62.83%	0.00%	0.12%	0.78%	0.00%	12.01%	100.00%
ER	25.53%	7.66%	3.95%	24.56%	17.74%	7.24%	6.06%	7.26%	100.00%
OR	36.68%	12.37%	2.41%	18.18%	15.92%	4.22%	7.79%	2.43%	100.00%

YTD 2016
Revenue %

	MCare	MCareHMO	Medicaid	Medicaid Adv	BC	Comm	Priority	Private	Total
Acute including EMS	36.06%	8.73%	4.43%	19.70%	16.57%	5.60%	6.65%	2.26%	100.00%
LTC	15.72%	4.35%	66.62%	0.00%	0.79%	2.70%	0.00%	9.82%	100.00%
ER	26.06%	6.50%	5.18%	26.84%	16.67%	6.98%	5.62%	6.15%	100.00%
OR	36.49%	12.03%	3.15%	17.89%	17.01%	4.15%	7.29%	1.99%	100.00%

YTD 2015
Revenue %

	MCare	MCareHMO	Medicaid	Medicaid Adv	BC	Comm	Priority	Private	Total
Acute including EMS	33.22%	10.20%	3.32%	19.71%	18.95%	5.43%	5.59%	3.58%	100.00%
LTC	12.53%	2.67%	74.34%	0.00%	0.00%	4.44%	0.00%	6.02%	100.00%
ER	24.06%	5.12%	5.27%	26.14%	18.43%	7.25%	4.80%	8.93%	100.00%
OR	23.75%	11.93%	2.81%	31.85%	21.25%	2.41%	5.82%	0.18%	100.00%

YTD 2014
Revenue %

	MCare	MCareHMO	Medicaid	Medicaid Adv	BC	Comm	Priority	Private	Total
Acute including EMS	34.99%	8.99%	3.49%	16.75%	18.55%	5.95%	6.09%	5.18%	100.00%
LTC	14.22%	2.00%	75.39%	0.00%	0.04%	2.38%	0.00%	5.98%	100.00%
ER	24.34%	5.37%	4.80%	23.49%	17.29%	7.68%	5.08%	11.96%	100.00%
OR	27.26%	9.80%	3.25%	26.74%	20.78%	3.88%	6.23%	2.06%	100.00%