

# Kalkaska Memorial Health Center

## Balance Sheet

	December 31, 2016	June 30, 2016
<b>Assets</b>		
<b>Current Assets</b>		
Cash and Cash Equivalents	\$ 11,401,653	\$ 9,464,275
Short-Term Investments		
<i>Huntington Bank CD .30% APR 10/27/17</i>	400,343	376,029
Accounts Receivable	5,418,172	4,536,347
Third Party Settlements	558,989	1,509,565
Due from Affiliates	1,573	-
Inventory	127,416	148,996
Other Current Assets	182,868	88,209
Total Current Assets	18,091,014	16,123,421
<b>Investments</b>		
<i>Farmers Home Loan-10 yr step bond 1.25%-10% 5/23/23</i>	1,970,040	2,001,180
<i>Fannie Mae-5 yr 1.00% 12/20/18</i>	1,990,360	2,000,100
Investments Held by Others	43,314	43,314
<b>Capital Assets (net of Accumulated Depreciation)</b>	28,875,946	28,843,927
<b>Land</b>	1,164,492	1,164,492
<b>Other Assets</b>	369,387	438,647
Total Assets	<b>\$ 52,504,553</b>	<b>\$ 50,615,081</b>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Current Maturities - Long-Term Debt	\$ 1,294,413	\$ 1,294,413
Trade Accounts Payable	757,623	1,200,890
Accrued Compensation	1,946,146	2,004,067
Third Party Liabilities	1,317,995	2,121,464
Due to Affiliates	2,475,023	353,399
Other Current Liabilities	201,472	267,198
Total Current Liabilities	7,992,672	7,241,431
<b>Long-Term Debt - Less Current Maturities</b>	1,037,593	1,151,879
<b>Deferred Liabilities</b>	11,022	7,393
Total Liabilities	9,041,287	8,400,703
<b>Net Assets</b>		
Invested in Capital Assets, net of Related Debt	27,708,432	27,562,127
Unrestricted	15,754,834	14,652,251
Total Net Assets	43,463,266	42,214,378
Total Liabilities and Net Assets	<b>\$ 52,504,553</b>	<b>\$ 50,615,081</b>

**Kalkaska Memorial Health Center**

**Statement of Operations**

	Month of December 2016				Year to Date Period Ending December 31, 2016			
	Actual	Budget	Variance	Prior Year	Actual	Budget	Variance	Prior Year
<b>Operating Revenue</b>								
Inpatient	\$ 43,335	\$ 22,700	\$ 20,635	\$ 8,513	\$ 193,510	\$ 134,730	\$ 58,780	\$ 125,156
Outpatient	3,684,262	3,357,717	326,545	3,449,819	22,045,651	19,924,806	2,120,845	19,459,818
Professional	749,891	793,181	(43,290)	728,418	4,494,776	4,708,062	(213,286)	4,332,919
Long Term Care	916,284	795,152	121,132	725,021	5,442,103	4,719,628	722,475	4,363,644
Dialysis Center	547,430	460,754	86,676	397,269	3,452,904	2,734,798	718,106	2,617,340
Ambulance	209,472	198,793	10,679	194,938	1,253,066	1,179,932	73,134	1,226,283
Retail Pharmacy	88,545	66,379	22,166	71,463	472,864	393,990	78,874	352,867
Assisted Living	91,802	86,551	5,251	86,410	508,107	513,722	(5,615)	518,562
	<u>6,331,021</u>	<u>5,781,227</u>	<u>549,794</u>	<u>5,661,851</u>	<u>37,862,981</u>	<u>34,309,668</u>	<u>3,553,313</u>	<u>32,996,589</u>
Revenue Deductions:								
Contractual Allowances	2,604,510	2,281,555	(322,955)	2,159,030	16,090,223	13,542,134	(2,548,089)	12,722,484
Provision Charity Care	14,453	13,726	(727)	16,088	54,508	81,470	26,962	81,393
Provision for Bad Debt	191,332	116,671	(74,661)	96,633	896,777	692,502	(204,275)	696,508
	<u>2,810,295</u>	<u>2,411,952</u>	<u>(398,343)</u>	<u>2,271,751</u>	<u>17,041,508</u>	<u>14,316,106</u>	<u>(2,725,402)</u>	<u>13,500,385</u>
Net Patient Revenues	3,520,726	3,369,275	151,451	3,390,100	20,821,473	19,993,562	827,911	19,496,204
Other Operating Revenues	166,788	140,315	26,473	193,401	883,939	845,090	38,849	930,050
Total Operating Revenue	<u>3,687,514</u>	<u>3,509,590</u>	<u>177,924</u>	<u>3,583,501</u>	<u>21,705,412</u>	<u>20,838,652</u>	<u>866,760</u>	<u>20,426,254</u>
<b>Operating Expenses</b>								
Salaries and Wages	1,589,251	1,574,042	(15,209)	1,517,962	9,464,217	9,052,614	(411,603)	8,273,342
Fringe Benefits	456,758	439,703	(17,055)	422,383	2,936,135	2,476,549	(459,586)	2,280,349
Contract Labor	9,715	10,916	1,201	21,913	75,672	65,392	(10,280)	82,432
Physician Fees	112,192	117,062	4,870	130,253	594,101	660,268	66,167	495,125
Purchased Services	426,599	482,851	56,252	473,332	2,785,298	2,979,856	194,558	2,543,561
Supplies	522,269	450,664	(71,605)	369,552	2,853,062	2,680,766	(172,296)	2,281,363
Occupancy	79,927	70,762	(9,165)	62,820	553,628	512,653	(40,975)	506,208
Equipment, Software & Maintenance	46,573	35,038	(11,535)	21,045	287,362	324,162	36,800	296,707
Depreciation	178,575	181,944	3,369	162,589	1,052,836	1,070,056	17,220	984,410
Insurance	41,442	29,090	(12,352)	35,603	192,729	174,540	(18,189)	175,495
Other	42,320	69,637	27,317	28,430	198,105	473,899	275,794	184,959
Total Operating Expenses	<u>3,505,621</u>	<u>3,461,709</u>	<u>(43,912)</u>	<u>3,245,882</u>	<u>20,993,145</u>	<u>20,470,755</u>	<u>(522,390)</u>	<u>18,103,951</u>
<b>Income from Operations</b>	181,893	47,881	134,012	337,619	712,267	367,897	344,370	2,322,303
<b>Non-Operating Income (Expense)</b>								
Reserved for Bond Debt	104,652	98,548	6,104	98,548	592,569	591,288	1,281	591,286
Interest on Debt Related to Capital Assets	(7,094)	(7,128)	34	(12,090)	(43,085)	(43,292)	207	(73,052)
Unrealized Gain/Loss on LT Investments	(37,220)	7,794	(45,014)	(1,560)	(40,880)	46,764	(87,644)	47,020
Tax Levy Revenue	616	598	18	1,197	3,696	3,588	108	3,590
Other Income (Loss)	23,002	3,991	19,011	41	24,321	23,946	375	24,075
Total Non-Operating Income (Expense)	<u>83,956</u>	<u>103,803</u>	<u>(19,847)</u>	<u>86,136</u>	<u>536,621</u>	<u>622,294</u>	<u>(85,673)</u>	<u>592,919</u>
<b>Total Increase (Decrease) in Net Assets</b>	<u>\$ 265,849</u>	<u>\$ 151,684</u>	<u>\$ 114,165</u>	<u>\$ 423,755</u>	<u>\$ 1,248,888</u>	<u>\$ 990,191</u>	<u>\$ 258,697</u>	<u>\$ 2,915,222</u>

# Kalkaska Memorial Health Center

## Statement of Cash Flows

	YTD Ended December 31, 2016
<b>Cash flow from operating activities</b>	
Received from patients and third-party payors	\$ 20,085,182
Payments to employees	(12,458,273)
Payments to suppliers for services and goods	(5,996,776)
Other receipts from operations	887,635
Net cash provided by operating activities	<u>2,517,768</u>
<b>Cash flow from capital and related financing activities</b>	
Acquisition and construction of capital assets	(1,015,595)
Proceeds from county bond tax levy	592,569
Interest paid on long-term debt	(43,085)
Principal payments on bonds and notes payable	(114,286)
Net cash used in capital and related financing activities	<u>(580,397)</u>
<b>Cash flow from investing activities</b>	
Investment income	(16,559)
Purchase of short-term investments	(24,314)
Net purchase of investments internally designated for capital acquisitions	40,880
Net cash provided by investing activities	<u>7</u>
Net increase (decrease) in cash and cash equivalents	1,937,378
Cash and cash equivalents at beginning of year	9,464,275
Cash and cash equivalents at end of year	<u>\$ 11,401,653</u>
<b>Reconciliation of operating income to net cash flows from operating activities</b>	
Operating income	\$ 712,267
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	983,576
Provision for uncollectible accounts	896,777
Amortization	69,260
Operating tax levy	3,696
(Increase) decrease in assets:	
Patient accounts receivable	(1,780,175)
Third-party settlements	950,576
Inventory	21,580
Other current assets	(94,659)
Increase (decrease) in liabilities:	
Trade accounts payable	1,678,357
Accrued Compensation	(57,921)
Third Party Settlements	(803,469)
Other accrued liabilities	(62,097)
Net cash provided by operating activities	<u>\$ 2,517,768</u>

## Kalkaska Memorial Health Center

### Statement of Changes in Net Assets

	Invested in Capital Assets, net of Related Debt	Unrestricted	Total Net Assets
<b>Net Assets at June 30, 2015</b>	\$ 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
<b>Net Assets at June 30, 2016</b>	<b>27,562,127</b>	<b>14,652,251</b>	<b>42,214,378</b>
Acquisition and construction of capital assets	1,015,595		1,015,595
Depreciation	(983,576)		(983,576)
Net Change in Debt	114,286		114,286
Increase (Decrease) in Net Assets Net of Amounts Invested in Capital Assets		1,102,583	1,102,583
Increase (Decrease) in Net Assets	146,305	1,102,583	1,248,888
<b>Net Assets at December 31, 2016</b>	<b>\$ 27,708,432</b>	<b>\$ 15,754,834</b>	<b>\$ 43,463,266</b>

# Kalkaska Memorial Health Center

## Statistical Report

	Month of December 2016				Year to Date Period Ending December 31, 2016			
	Actual	Budget	Variance	Prior Year	Actual	Budget	Variance	Prior Year
<b>ADMISSIONS:</b>								
Acute Care	12	5	7	1	47	28	19	22
Respite Care	0	0	0	0	0	0	0	0
Long Term Care	15	15	0	12	108	90	18	84
Extended Stays	3	4	(1)	7	13	24	(11)	20
<b>PATIENT DAYS:</b>								
Acute Care	23	12	11	4	103	72	31	65
Respite Care	0	0	0	0	0	0	0	0
Long Term Care	3,015	2,636	379	2,445	17,291	15,644	1,647	14,637
Extended Stays	0	3	(3)	8	18	18	0	24
<b>AVERAGE LENGTH OF STAY:</b>								
Acute Care	1.9	2.4	0.5	4.0	2.2	2.6	0.4	3.0
<b>DAILY AVERAGE CENSUS:</b>								
Acute Care	0.7	0.4	0.4	0.1	0.6	0.4	0.2	0.4
Long Term Care	97.3	85.0	12.2	78.9	94.0	85.0	9.0	40.1
<b>PERCENT OF OCCUPANCY:</b>								
Acute Care	9.3%	4.8%	4.4%	1.6%	7.0%	4.9%	2.1%	4.4%
Long Term Care	93.5%	81.8%	11.8%	93.9%	90.4%	81.8%	8.6%	94.7%
<b>ANCILLARY DEPARTMENT VOLUME:</b>								
Emergency Room	716	721	(5)	858	4,539	4,280	259	4,153
Urgent Care	423	397	26	384	2,465	2,358	107	2,391
Specialty Clinics	344	636	(292)	503	2,828	3,776	(948)	3,145
KMA Clinic RVU's	3,507	3,355	152	2,974	20,506	19,914	592	18,664
Total Outpatient Visits	5,510	5,670	(160)	6,175	37,615	33,654	3,961	37,274
Surgical Procedures	138	100	38	105	775	594	181	599
Radiology	2,101	1,992	109	2,067	12,967	11,824	1,143	11,476
Laboratory	14,021	13,218	803	10,971	86,475	78,454	8,021	67,182
Physical Therapy	2,345	2,600	(255)	2,530	16,316	15,430	886	15,825
Sleep Studies	9	13	(4)	8	70	76	(6)	73
Dialysis Treatments	532	561	(29)	502	3,340	3,330	10	3,283
Ambulance Transports	163	156	7	158	990	926	64	994
Assisted Living Days	916	877	39	899	5,149	5,206	(57)	5,257
<b>ADJUSTED DISCHARGES:</b>	1,609	1,018	591	672	8,720	6,042	2,678	5,620
<b>TOTAL FTE'S:</b>	363.27	351.17	(12.10)	333.25	357.53	350.63	(6.90)	327.77

## Kalkaska Memorial Health Center

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### Additional Financial Information

December 31, 2016

MTD % increase in net revenue vs. prior year		3.85%
MTD % increase in expense vs. prior year		8.00%
		<hr/>
		-4.15%
YTD % increase in net revenue vs. prior year		6.80%
YTD % increase in expense vs. prior year		15.96%
		<hr/>
		-9.16%
LTC Expense per Critical Unit - MTD	\$	123.55
LTC Expense per Critical Unit - YTD	\$	124.58
Ambulance Days in AR YTD		61.13
Dialysis number of patients - MTD		46
Dialysis net income - MTD	\$	(49)
Dialysis net income - YTD	\$	54,297
Assisted Living net income - MTD	\$	4,241
Assisted Living net income - YTD	\$	(53,144)
Average Age of Plant (as of 12/31/16)		12.49
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	34.78%	9.91%	3.17%	19.12%	17.96%	5.71%	6.84%	2.51%	100.00%
LTC	20.52%	2.39%	65.65%	0.00%	0.08%	1.22%	0.00%	10.14%	100.00%
ER	25.53%	7.28%	3.86%	25.91%	17.16%	7.18%	6.16%	6.92%	100.00%
OR	36.21%	12.14%	2.52%	18.06%	16.26%	4.31%	8.04%	2.46%	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%