

# Kalkaska Memorial Health Center

## Balance Sheet

Assets	June 30, 2021	June 30, 2020
<b>Current Assets</b>		
Cash and Cash Equivalents	\$ 8,941,754	\$ 6,102,359
Short-Term Investments	7,923,659	7,883,327
Accounts Receivable	6,905,864	5,629,826
Third Party Settlements	1,575,675	1,366,565
Due from Affiliates	1,786	1,651
Inventory	192,714	164,981
Other Current Assets	169,722	150,538
Total Current Assets	25,711,174	21,299,247
<b>Investments</b>	832,328	2,495,701
<b>Capital Assets (net of Accumulated Depreciation)</b>	36,502,459	37,520,016
<b>Land</b>	1,364,151	1,364,151
<b>Construction In Progress</b>	1,435,478	937,193
<b>Other Assets</b>		
Restricted Cash	14,568,991	15,754,091
Other Assets	102,496	80,428
Total Other Assets	14,671,487	15,834,519
Total Assets	<b>\$ 80,517,077</b>	<b>\$ 79,450,827</b>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Current Maturities - Long-Term Debt	\$ 1,219,456	\$ 1,252,855
Trade Accounts Payable	1,562,570	1,212,240
Accrued Compensation	5,011,549	3,988,447
Third Party Liabilities	3,011,634	4,788,180
Due to Affiliates	2,075,767	2,380,460
Other Current Liabilities	7,039,210	9,246,817
Total Current Liabilities	19,920,186	22,868,999
<b>Long-Term Debt - Less Current Maturities</b>	5,684,759	6,904,674
<b>Other Long-Term Liabilities</b>	550,000	20,000
<b>Deferred Liabilities</b>	8,420	8,083
Total Liabilities	26,163,365	29,801,756
<b>Net Assets</b>		
Invested in Capital Assets, net of Related Debt	39,280,192	38,546,150
Unrestricted	15,073,520	11,102,921
Total Net Assets	54,353,712	49,649,071
Total Liabilities and Net Assets	<b>\$ 80,517,077</b>	<b>\$ 79,450,827</b>

**Kalkaska Memorial Health Center**

**Statement of Operations**

	Month of June 2021				Year to Date Ended June 30, 2021			
	Actual	Budget	Variance	Prior Year	Actual	Budget	Variance	Prior Year
<b>Operating Revenue</b>								
Inpatient	\$ 60,331	\$ 68,109	\$ (7,778)	\$ 46,820	\$ 930,729	\$ 870,698	\$ 60,031	\$ 891,602
Outpatient	6,424,734	5,605,986	818,748	4,291,870	59,986,887	66,700,492	(6,713,605)	47,834,091
Professional	1,299,981	874,454	425,527	907,464	12,035,224	10,235,734	1,799,490	9,879,738
Long Term Care	973,325	954,175	19,150	979,880	11,003,181	11,582,468	(579,287)	11,540,361
Dialysis Center	714,351	690,663	23,688	727,782	8,759,938	8,396,257	363,681	8,267,277
Ambulance	390,900	247,896	143,004	226,193	3,789,326	2,970,807	818,519	3,038,233
Retail Pharmacy	142,569	117,323	25,246	124,595	1,434,141	1,428,741	5,400	1,438,210
Assisted Living	90,991	91,062	(71)	107,661	1,137,362	1,111,127	26,235	1,146,714
	10,097,182	8,649,668	1,447,514	7,412,265	99,076,788	103,296,324	(4,219,536)	84,036,226
Revenue Deductions:								
Contractual Allowances	4,396,162	3,797,047	(599,115)	3,089,220	44,269,030	45,415,237	1,146,207	37,244,845
Provision Charity Care	(649)	31,398	32,047	10,051	205,314	374,823	169,509	399,041
Provision for Bad Debt	82,796	175,028	92,232	324,007	1,113,594	2,075,098	961,504	1,791,950
	4,478,309	4,003,473	(474,836)	3,423,278	45,587,938	47,865,158	2,277,220	39,435,836
Net Patient Revenues	5,618,873	4,646,195	972,678	3,988,987	53,488,850	55,431,166	(1,942,316)	44,600,390
Other Operating Revenues	386,592	301,790	84,802	531,497	4,673,688	3,657,914	1,015,774	7,337,560
Total Operating Revenue	6,005,465	4,947,985	1,057,480	4,520,484	58,162,538	59,089,080	(926,542)	51,937,950
<b>Operating Expenses</b>								
Salaries and Wages	2,639,788	2,239,476	(400,312)	2,531,869	28,763,130	27,024,569	(1,738,561)	25,957,563
Fringe Benefits	560,173	621,909	61,736	581,493	7,241,445	6,945,381	(296,064)	6,603,518
Contract Labor	31,141	31,290	149	33,391	364,818	380,724	15,906	379,298
Physician Fees	56,177	95,600	39,423	46,096	735,859	1,110,111	374,252	947,815
Purchased Services	560,108	484,929	(75,179)	534,521	7,073,439	5,978,793	(1,094,646)	6,057,695
Pharmaceuticals	287,320	750,023	462,703	392,497	4,200,865	8,843,560	4,642,695	3,482,983
Supplies	332,942	248,379	(84,563)	232,913	3,412,837	2,980,155	(432,682)	2,889,065
Occupancy	96,888	117,104	20,216	81,509	1,091,048	1,192,723	101,675	1,050,423
Equipment, Software & Maintenance	41,803	51,459	9,656	43,314	717,917	709,861	(8,056)	648,984
Depreciation	291,051	230,801	(60,250)	311,610	2,794,817	2,729,136	(65,681)	2,628,696
Insurance	51,710	36,296	(15,414)	44,308	564,952	435,571	(129,381)	461,494
Other	36,522	33,166	(3,356)	61,897	383,890	438,781	54,891	343,009
	4,985,623	4,940,432	(45,191)	4,895,418	57,345,017	58,769,365	1,424,348	51,450,543
Less Shared Services	3,179	-	3,179	-	14,625	-	14,625	4,133
Total Operating Expenses	4,982,444	4,940,432	(42,012)	4,895,418	57,330,392	58,769,365	1,438,973	51,446,410
<b>Income from Operations before Grant Revenue from COVID-19</b>	1,023,021	7,553	1,015,468	(374,934)	832,146	319,715	512,431	491,540
<b>Grant Revenue COVID-19</b>	692,898	-	692,898	-	2,660,496	-	2,660,496	-
<b>Operating Income</b>	1,715,919	7,553	1,708,366	(374,934)	3,492,642	319,715	3,172,927	491,540
<b>Non-Operating Income (Expense)</b>								
Reserved for Bond Debt	140,619	112,275	28,344	123,308	1,370,633	1,347,311	23,322	1,307,980
Interest on Debt Related to Capital Assets	(17,402)	(17,405)	3	(20,402)	(236,772)	(236,772)	-	(205,768)
Unrealized Gain/Loss on LT Investments	(2,268)	-	(2,268)	(9,092)	(45,627)	-	(45,627)	26,257
Tax Levy Revenue	669	669	-	1,060	8,083	8,083	-	8,244
Contributions	20,206	311	19,895	948	22,068	3,732	18,336	4,165
Other Income (Loss)	6,120	9,790	(3,670)	30,400	93,614	117,491	(23,877)	248,329
Total Non-Operating Income (Expense)	147,944	105,640	42,304	126,222	1,211,999	1,239,845	(27,846)	1,389,207
<b>Total Increase (Decrease) in Net Assets</b>	<b>\$ 1,863,863</b>	<b>\$ 113,193</b>	<b>\$ 1,750,670</b>	<b>\$ (248,712)</b>	<b>\$ 4,704,641</b>	<b>\$ 1,559,560</b>	<b>\$ 3,145,081</b>	<b>\$ 1,880,747</b>

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**Statement of Cash Flows**

	Year Ended June 30, 2021
<b>Cash flow from operating activities</b>	
Received from patients and third-party payors	\$ 50,227,021
Payments to employees	(34,981,473)
Payments to suppliers for services and goods	(20,209,550)
Other receipts from operations	7,329,815
Net cash provided by operating activities	<u>2,365,813</u>
<b>Cash flow from capital and related financing activities</b>	
Acquisition and construction of capital assets	(2,275,545)
Proceeds from sale of capital assets	12,452
Proceeds from county bond tax levy	1,370,633
Interest paid on long-term debt	(236,772)
Principal payments on bonds and notes payable	(1,253,314)
Net cash used in capital and related financing activities	<u>(2,382,546)</u>
<b>Cash flow from investing activities</b>	
Investment income	47,987
Purchase of short-term investments	(40,332)
Net activity of investments internally designated for capital acquisitions	1,663,373
Net cash provided by investing activities	<u>1,671,028</u>
Net increase in cash and cash equivalents	1,654,295
Cash and cash equivalents at beginning of year	21,856,450
Cash and cash equivalents at end of period	<u>\$ 23,510,745</u>
<b>Reconciliation of operating income to net cash flows from operating activities</b>	
Operating income	\$ 3,492,642
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	2,794,817
Provision for uncollectible accounts	1,113,594
Operating tax levy	8,083
Net gains and losses on sale of PPE	(12,452)
(Increase) decrease in assets:	
Patient accounts receivable	(2,389,767)
Third-party settlements	(209,110)
Inventory	(27,733)
Other current assets	(19,184)
Increase (decrease) in liabilities:	
Trade accounts payable	45,637
Accrued Compensation	1,023,102
Third Party Settlements	(1,776,546)
Other accrued liabilities	(1,677,270)
Net cash provided by operating activities	<u>\$ 2,365,813</u>

**Kalkaska Memorial Health Center****Statement of Changes in Net Assets  
Year Ended June 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	2,263,093		2,263,093
Depreciation	(2,794,817)		(2,794,817)
Sale of Capital Assets	12,452		12,452
Net Change in Debt	1,253,314		1,253,314
Increase (Decrease) in Net Assets Net of Amounts Invested in Capital Assets		3,970,599	3,970,599
Increase (Decrease) in Net Assets	734,042	3,970,599	4,704,641
<b>Net Assets at June 30, 2021</b>	<b>\$ 32,397,873</b>	<b>\$ 21,955,839</b>	<b>\$ 54,353,712</b>

# Kalkaska Memorial Health Center

## Statistical Report

	Month of June 2021				Year to Date Ended June 30, 2021			
	Actual	Budget	Variance	Prior Year	Actual	Budget	Variance	Prior Year
<b>ADMISSIONS:</b>								
Acute Care	12	11	1	10	148	160	(12)	176
Respite Care	0	0	0	0	0	0	0	0
Long Term Care	21	17	4	20	192	170	22	225
Extended Stays	8	4	4	9	122	59	63	79
<b>PATIENT DAYS:</b>								
Acute Care	30	32	(2)	16	391	410	(19)	416
Respite Care	0	0	0	0	0	0	0	0
Long Term Care-Skilled	247	190	57	261	2,059	2,287	(228)	2,860
Long Term Care-Basic	2,426	2,656	(230)	2,421	29,712	32,384	(2,672)	30,065
Extended Stays	4	16	(12)	17	88	158	(70)	174
<b>AVERAGE LENGTH OF STAY:</b>								
Acute Care	2.5	2.9	(0.4)	1.6	2.6	2.6	0.1	2.4
<b>DAILY AVERAGE CENSUS:</b>								
Acute Care	1.0	1.1	(0.2)	0.5	1.1	1.1	(0.1)	1.1
Long Term Care	89.1	94.9	(5.8)	89.4	87.0	95.0	(7.9)	90.0
<b>PERCENT OF OCCUPANCY:</b>								
Acute Care	12.5%	13.3%	-0.8%	6.7%	13.4%	14.0%	-0.7%	14.2%
Long Term Care	85.7%	91.2%	-5.5%	86.0%	83.7%	91.3%	-7.6%	86.5%
<b>ANCILLARY DEPARTMENT VOLUME:</b>								
Emergency Room	1,227	684	543	760	9,147	8,302	845	8,880
Urgent Care	320	334	(14)	232	2,788	4,063	(1,275)	4,112
Walkin Clinic	263	0	719	0	764	0	764	0
Specialty Clinics	408	357	51	233	4,623	4,118	505	3,478
KMA Clinic RVU's	6,872	4,720	2,152	5,118	65,088	54,713	10,375	53,590
Total Outpatient Visits	7,070	5,047	2,023	6,141	82,373	61,383	20,990	72,995
Surgical Procedures	102	89	13	90	1,179	1,043	136	1,023
Radiology	2,481	1,937	544	1,919	25,514	23,631	1,883	22,146
Laboratory	18,919	14,178	4,741	16,512	210,211	172,478	37,733	183,574
Physical Therapy	3,958	3,254	704	3,542	37,739	37,704	35	37,171
Chemo Therapy	383	11	372	0	3,681	136	3,545	0
Dialysis Treatments	644	644	0	659	7,997	7,829	168	7,699
Ambulance Transports	274	189	85	165	2,608	2,265	343	2,300
Assisted Living Days	922	981	(59)	985	11,659	11,970	(311)	12,322
<b>Cost per adjusted IP and LTC day:</b>	170.87	185.85	(14.98)	223.51	194.51	185.16	9.35	204.81
<b>TOTAL FTE'S:</b>	441	412	(28)	401	424	412	(12)	399

## Kalkaska Memorial Health Center

### Additional Financial Information

	June 30, 2021
MTD % increase in net revenue vs. prior year	40.86%
MTD % increase in expense vs. prior year	<u>1.78%</u>
	39.08%
YTD % increase in net revenue vs. prior year	19.93%
YTD % increase in expense vs. prior year	<u>11.44%</u>
	8.49%
LTC Expense per Critical Unit - MTD	\$ 247.06
LTC Expense per Critical Unit - YTD	\$ 212.64
Ambulance Days in AR YTD	52.60
Dialysis number of patients - MTD	57
Dialysis net income - MTD	\$ (31,240)
Dialysis net income - YTD	\$ 34,423
Assisted Living net income - MTD	\$ (31,778)
Assisted Living net income - YTD	(176,832)
Average Age of Plant (as of 6/30/21)	9.63
Debt to Capitalization Ratio	0.11

### Net Revenue Analysis

	Month of June 2021		
	Actual	Budget	Variance
Service Line Revenue % of Total			
Inpatient	0.6%	0.8%	-0.2%
Outpatient	63.6%	64.8%	-1.2%
Professional	12.9%	10.1%	2.8%
Long-Term Care	9.6%	11.0%	-1.4%
Dialysis Center	7.1%	8.0%	-0.9%
Ambulance	3.9%	2.9%	1.0%
Retail Pharmacy	1.4%	1.4%	0.1%
Assisted Living	0.9%	1.1%	-0.2%
	<u>100.0%</u>	<u>100.0%</u>	<u>0.0%</u>
Revenue Deductions as % of Gross Revenue			
Contractual Allowances	43.5%	43.9%	0.4%
Charity Care	0.0%	0.4%	0.4%
Bad Debt	0.8%	2.0%	1.2%
Total Revenue Deductions	<u>44.4%</u>	<u>46.3%</u>	<u>1.9%</u>
	Year to Date Ended June 30, 2021		
	Actual	Budget	Variance
Service Line Revenue % of Total			
Inpatient	0.9%	0.8%	0.1%
Outpatient	60.5%	64.6%	-4.0%
Professional	12.1%	9.9%	2.2%
Long-Term Care	11.1%	11.2%	-0.1%
Dialysis Center	8.8%	8.1%	0.7%
Ambulance	3.8%	2.9%	0.9%
Retail Pharmacy	1.4%	1.4%	0.1%
Assisted Living	1.1%	1.1%	0.1%
	<u>100.0%</u>	<u>100.0%</u>	<u>0.0%</u>
Revenue Deductions as % of Gross Revenue			
Contractual Allowances	44.7%	44.0%	-0.7%
Charity Care	0.2%	0.4%	0.2%
Bad Debt	1.1%	2.0%	0.9%
Total Revenue Deductions	<u>46.0%</u>	<u>46.3%</u>	<u>0.3%</u>

# Kalkaska Memorial Health Center

## Payor Mix Schedule

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%

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%