

Kalkaska Memorial Health Center

Balance Sheet

Assets	February 28, 2022	June 30, 2021
Current Assets		
Cash and Cash Equivalents	\$ 25,779,558	\$ 8,941,754
Short-Term Investments	7,648,573	7,923,659
Accounts Receivable	8,505,298	6,905,864
Third Party Settlements	936,316	1,828,175
Due from Affiliates	7,191	1,786
Inventory	539,853	192,714
Other Current Assets	132,444	169,722
Total Current Assets	43,549,233	25,963,674
Investments	-	832,328
Capital Assets (net of Accumulated Depreciation)	35,056,780	36,502,459
Land	1,364,151	1,364,151
Construction In Progress	1,863,881	1,435,478
Other Assets		
Restricted Cash	5,991,271	14,568,991
Other Assets	104,609	102,496
Total Other Assets	6,095,880	14,671,487
Total Assets	\$ 87,929,925	\$ 80,769,577
Liabilities and Net Assets		
Current Liabilities		
Current Maturities - Long-Term Debt	\$ 1,219,456	\$ 1,219,456
Trade Accounts Payable	1,514,385	1,562,570
Accrued Compensation	3,469,721	5,011,549
Third Party Liabilities	3,755,293	3,011,634
Due to Affiliates	3,606,919	2,075,767
Other Current Liabilities	3,304,711	7,039,210
Total Current Liabilities	16,870,485	19,920,186
Long-Term Debt - Less Current Maturities	5,515,547	5,684,759
Other Long-Term Liabilities	20,000	550,000
Deferred Liabilities	11,340	8,420
Total Liabilities	22,417,372	26,163,365
Net Assets		
Invested in Capital Assets, net of Related Debt	37,178,814	38,026,878
Unrestricted	28,333,739	16,579,334
Total Net Assets	65,512,553	54,606,212
Total Liabilities and Net Assets	\$ 87,929,925	\$ 80,769,577

Kalkaska Memorial Health Center

Statement of Operations

	Month of February 2022				Year to Date Ended February 28, 2022			
	Actual	Budget	Variance	Prior Year	Actual	Budget	Variance	Prior Year
Operating Revenue								
Inpatient	\$ 102,553	\$ 82,458	\$ 20,095	\$ 53,345	\$ 935,492	\$ 760,093	\$ 175,399	\$ 635,284
Outpatient	5,124,631	4,665,798	458,833	4,222,277	49,521,521	40,629,927	8,891,594	38,174,835
Professional	967,965	947,014	20,951	863,203	9,139,675	8,222,699	916,976	7,628,101
Long Term Care	917,475	879,842	37,633	834,378	7,605,830	7,647,204	(41,374)	7,187,103
Dialysis Center	588,819	700,614	(111,795)	638,715	5,509,217	6,021,709	(512,492)	5,947,414
Ambulance	274,269	244,301	29,968	253,839	2,545,913	2,656,771	(110,858)	2,353,545
Retail Pharmacy	114,681	110,632	4,049	110,839	964,365	951,420	12,945	906,133
Assisted Living	91,434	88,644	2,790	88,932	738,799	769,194	(30,395)	774,586
	<u>8,181,827</u>	<u>7,719,303</u>	<u>462,524</u>	<u>7,065,528</u>	<u>76,960,812</u>	<u>67,659,017</u>	<u>9,301,795</u>	<u>63,607,001</u>
Revenue Deductions:								
Contractual Allowances	3,544,076	3,396,724	(147,352)	3,212,277	33,756,241	29,438,210	(4,318,031)	28,433,523
Provision Charity Care	11,746	24,244	12,498	23,578	181,955	210,355	28,400	174,139
Provision for Bad Debt	164,573	144,028	(20,545)	81,066	1,174,608	1,273,669	99,061	873,141
	<u>3,720,395</u>	<u>3,564,996</u>	<u>(155,399)</u>	<u>3,316,921</u>	<u>35,112,804</u>	<u>30,922,234</u>	<u>(4,190,570)</u>	<u>29,480,803</u>
Net Patient Revenues	4,461,432	4,154,307	307,125	3,748,607	41,848,008	36,736,783	5,111,225	34,126,198
Other Operating Revenues	526,937	252,305	274,632	424,249	3,330,609	2,152,369	1,178,240	3,255,999
Total Operating Revenue	<u>4,988,369</u>	<u>4,406,612</u>	<u>581,757</u>	<u>4,172,856</u>	<u>45,178,617</u>	<u>38,889,152</u>	<u>6,289,465</u>	<u>37,382,197</u>
Operating Expenses								
Salaries and Wages	2,322,409	2,260,573	(61,836)	2,263,834	21,016,987	19,034,369	(1,982,618)	18,688,698
Fringe Benefits	652,632	584,080	(68,552)	527,851	5,208,941	5,020,048	(188,893)	5,000,466
Contract Labor	25,777	30,031	4,254	27,513	244,811	257,348	12,537	226,545
Physician Fees	70,904	95,378	24,474	55,691	554,881	783,774	228,893	497,570
Purchased Services	527,850	521,787	(6,063)	486,439	4,439,284	4,332,374	(106,910)	4,803,336
Pharmaceuticals	506,588	317,388	(189,200)	212,008	3,928,975	2,720,484	(1,208,491)	2,874,803
Supplies	305,082	261,313	(43,769)	247,553	2,592,840	2,257,471	(335,369)	2,236,073
Occupancy	104,696	105,741	1,045	113,762	871,550	770,651	(100,899)	706,579
Equipment, Software & Maintenance	75,836	62,952	(12,884)	57,110	462,942	514,975	52,033	489,043
Depreciation	240,928	231,407	(9,521)	230,207	1,924,022	1,851,256	(72,766)	1,791,778
Insurance	52,262	50,679	(1,583)	47,175	423,406	405,432	(17,974)	381,587
Other	25,499	43,297	17,798	40,127	316,665	339,992	23,327	257,746
	<u>4,910,463</u>	<u>4,564,626</u>	<u>(345,837)</u>	<u>4,309,270</u>	<u>41,985,304</u>	<u>38,288,174</u>	<u>(3,697,130)</u>	<u>37,954,224</u>
Less Shared Services	12,378	-	12,378	1,742	26,261	2,400	23,861	1,742
Total Operating Expenses	<u>4,898,085</u>	<u>4,564,626</u>	<u>(333,459)</u>	<u>4,307,528</u>	<u>41,959,043</u>	<u>38,285,774</u>	<u>(3,673,269)</u>	<u>37,952,482</u>
Income from Operations before Grant Revenue from COVID-19	90,284	(158,014)	248,298	(134,672)	3,219,574	603,378	2,616,196	(570,285)
Grant Revenue COVID-19	-	-	-	-	711,984	-	711,984	1,287,598
Paycheck Protection Program Loan Forgiveness	-	-	-	-	6,164,700	-	6,164,700	-
Operating Income	90,284	(158,014)	248,298	(134,672)	10,096,258	603,378	9,492,880	717,313
Non-Operating Income (Expense)								
Reserved for Bond Debt	116,805	106,064	10,741	112,251	935,674	920,484	15,190	896,690
Interest on Debt Related to Capital Assets	(17,090)	(17,544)	454	(20,097)	(137,817)	(141,729)	3,912	(161,850)
Unrealized Gain/Loss on LT Investments	(5,466)	-	(5,466)	(3,700)	(22,783)	-	(22,783)	(35,312)
Tax Levy Revenue	730	684	46	674	5,840	5,472	368	5,392
Contributions	-	150	(150)	-	2,113	1,200	913	1,095
Other Income (Loss)	2,101	6,750	(4,649)	5,413	27,056	54,000	(26,944)	72,377
Total Non-Operating Income (Expense)	<u>97,080</u>	<u>96,104</u>	<u>976</u>	<u>94,541</u>	<u>810,083</u>	<u>839,427</u>	<u>(29,344)</u>	<u>778,392</u>
Total Increase (Decrease) in Net Assets	<u>\$ 187,364</u>	<u>\$ (61,910)</u>	<u>\$ 249,274</u>	<u>\$ (40,131)</u>	<u>\$ 10,906,341</u>	<u>\$ 1,442,805</u>	<u>\$ 9,463,536</u>	<u>\$ 1,495,705</u>

Statement of Cash FlowsEight Months Ending
February 28, 2022**Cash flow from operating activities**

Received from patients and third-party payors	\$	41,878,687
Payments to employees		(27,767,756)
Payments to suppliers for services and goods		(16,897,566)
Other receipts from operations		10,213,133
Net cash provided by operating activities		<u>7,426,498</u>

Cash flow from capital and related financing activities

Acquisition and construction of capital assets		(906,746)
Proceeds from sale of capital assets		-
Proceeds from county bond tax levy		935,674
Interest paid on long-term debt		(137,817)
Principal payments on bonds and notes payable		(169,212)
Net cash used in capital and related financing activities		<u>(278,101)</u>

Cash flow from investing activities

Investment income		4,273
Sale of short-term investments		275,086
Net activity of investments internally designated for capital acquisitions		832,328
Net cash provided by investing activities		<u>1,111,687</u>

Net increase in cash and cash equivalents		8,260,084
Cash and cash equivalents at beginning of year		23,510,745
Cash and cash equivalents at end of period	\$	<u><u>31,770,829</u></u>

Reconciliation of operating income to net cash flows from operating activities

Operating income	\$	10,096,258
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation		1,924,022
Provision for uncollectible accounts		1,174,608
Operating tax levy		5,840
Net gains and losses on sale of PPE		-
(Increase) decrease in assets:		
Patient accounts receivable		(2,779,447)
Third-party settlements		891,859
Inventory		(347,139)
Other current assets		37,278
Increase (decrease) in liabilities:		
Trade accounts payable		1,482,967
Accrued Compensation		(1,541,828)
Third Party Settlements		743,659
Other accrued liabilities		(4,261,579)
Net cash provided by operating activities	\$	<u><u>7,426,498</u></u>

Kalkaska Memorial Health Center

**Statement of Changes in Net Assets
Eight Months Ending February 28, 2022**

	Invested in Capital Assets, net of Related Debt	Unrestricted	Total Net Assets
Net Assets at June 30, 2020	\$ 31,663,831	\$ 17,985,240	\$ 49,649,071
Acquisition and construction of capital assets	2,263,093		3,665,276
Depreciation	(2,794,817)		(2,605,609)
Sale of Capital Assets	12,452		53,341
Net Change in Debt	1,253,314		1,217,859
Increase (Decrease) in Net Assets Net of Amounts Invested in Capital Assets		4,223,099	(450,120)
Increase (Decrease) in Net Assets	734,042	4,223,099	1,880,747
Net Assets at June 30, 2021	32,397,873	22,208,339	54,606,212
Acquisition and construction of capital assets	906,746		906,746
Depreciation	(1,924,022)		(1,924,022)
Net Change in Debt	169,212		169,212
Increase (Decrease) in Net Assets Net of Amounts Invested in Capital Assets		11,754,405	11,754,405
Increase (Decrease) in Net Assets	(848,064)	11,754,405	10,906,341
Net Assets at February 28, 2022	\$ 31,549,809	\$ 33,962,744	\$ 65,512,553

Kalkaska Memorial Health Center

Statistical Report

	Month of February 2022				Year to Date Ended February 28, 2022			
	Actual	Budget	Variance	Prior Year	Actual	Budget	Variance	Prior Year
ADMISSIONS:								
Acute Care	17	16	1	7	122	140	(18)	99
Long Term Care	19	13	6	12	117	114	3	124
Extended Stays	8	12	(4)	9	103	103	0	86
PATIENT DAYS:								
Acute Care	59	39	20	19	448	337	111	248
Long Term Care-Skilled	258	228	30	121	1,803	1,988	(185)	1,288
Long Term Care-Basic	2,054	2,240	(186)	2,269	18,782	19,440	(658)	19,652
Extended Stays	6	5	1	9	57	40	17	60
AVERAGE LENGTH OF STAY:								
Acute Care	3.5	2.4	1.0	2.7	3.7	2.4	1.3	2.5
DAILY AVERAGE CENSUS:								
Acute Care	2.1	1.4	0.7	0.7	1.8	1.4	0.5	1.0
Long Term Care	82.6	88.1	(5.6)	85.4	84.7	88.2	(3.5)	86.2
PERCENT OF OCCUPANCY:								
Acute Care	26.3%	17.4%	8.9%	8.5%	23.0%	17.3%	5.7%	12.8%
Long Term Care	79.4%	84.8%	-5.4%	82.1%	81.5%	84.8%	-3.3%	82.9%
ANCILLARY DEPARTMENT VOLUME:								
Emergency Room	1,001	856	145	617	9,370	7,926	1,444	5,772
Urgent Care	0	0	0	188	420	0	420	1,791
Walk-in Clinic	349	238	111	0	3,355	2,048	1,307	0
Primary Care Physician RVU's	5,645	4,626	1,019	4,751	48,451	39,780	8,671	35,535
Primary Care Physician Encounters	3,143	3,348	(205)	4,779	29,064	28,789	275	26,212
Specialty Clinics	288	351	(63)	465	2,902	3,010	(108)	2,876
KMA Clinic RVU's	6,331	5,500	831	5,395	52,398	47,300	5,098	38,704
Total Outpatient Visits	6,359	6,311	48	6,149	56,382	54,775	1,607	54,410
Surgical Procedures	129	98	31	80	892	844	48	752
Radiology	2,295	1,927	368	1,941	19,561	16,720	2,841	16,325
Laboratory	17,040	15,449	1,591	14,553	149,402	135,158	14,244	130,983
Physical Therapy	3,018	2,996	22	2,640	26,172	25,772	400	23,967
Chemo Therapy	310	292	18	287	3,157	2,512	645	2,170
Dialysis Treatments	516	627	(111)	607	4,783	5,389	(606)	5,405
Ambulance Transports	239	168	71	174	1,816	1,827	(11)	1,622
Assisted Living Days	847	908	(61)	848	7,409	7,879	(470)	7,899
Cost per adjusted IP and LTC day:	229.48	208.24	21.25	199.86	201.94	201.23	1	199.10
TOTAL FTE'S:	433	433	(0)	432	441	429	(12)	417

Kalkaska Memorial Health Center

Additional Financial Information

	February 28, 2022
MTD % increase in net revenue vs. prior year	19.02%
MTD % increase in expense vs. prior year	13.71%
	5.31%
YTD % increase in net revenue vs. prior year	22.63%
YTD % increase in expense vs. prior year	10.56%
	12.07%
LTC Expense per Critical Unit - MTD	\$ 264.57
LTC Expense per Critical Unit - YTD	\$ 239.38
Ambulance Days in AR YTD	64.55
Dialysis number of patients - MTD	57
Dialysis net income - MTD	\$ (3,561)
Dialysis net income - YTD	\$ (75,679)
Assisted Living net income - MTD	\$ (7,977)
Assisted Living net income - YTD	(241,106)
Average Age of Plant (as of 2/28/22)	12.30
Debt to Capitalization Ratio	0.09

Net Revenue Analysis

	Month of February 2022		
	Actual	Budget	Variance
Service Line Revenue % of Total			
Inpatient	1.3%	1.1%	0.2%
Outpatient	62.6%	60.4%	2.2%
Professional	11.8%	12.3%	-0.4%
Long-Term Care	11.2%	11.4%	-0.2%
Dialysis Center	7.2%	9.1%	-1.9%
Ambulance	3.4%	3.2%	0.2%
Retail Pharmacy	1.4%	1.4%	0.0%
Assisted Living	1.1%	1.1%	0.0%
	100.0%	100.0%	0.0%
Revenue Deductions as % of Gross Revenue			
Contractual Allowances	43.3%	44.0%	0.7%
Charity Care	0.1%	0.3%	0.2%
Bad Debt	2.0%	1.9%	-0.1%
Total Revenue Deductions	45.5%	46.2%	0.7%
	Year to Date Ended February 28, 2022		
	Actual	Budget	Variance
Service Line Revenue % of Total			
Inpatient	1.2%	1.1%	0.1%
Outpatient	64.3%	60.1%	4.3%
Professional	11.9%	12.2%	-0.3%
Long-Term Care	9.9%	11.3%	-1.4%
Dialysis Center	7.2%	8.9%	-1.7%
Ambulance	3.3%	3.9%	-0.6%
Retail Pharmacy	1.3%	1.4%	-0.2%
Assisted Living	1.0%	1.1%	-0.2%
	100.0%	100.0%	0.0%
Revenue Deductions as % of Gross Revenue			
Contractual Allowances	43.9%	43.5%	-0.4%
Charity Care	0.2%	0.3%	0.1%
Bad Debt	1.5%	1.9%	0.4%
Total Revenue Deductions	45.6%	45.7%	0.1%

Kalkaska Memorial Health Center

Payor Mix Schedule

YTD 2022

Revenue %	MCare	MCareHMO	Medicaid	Medicaid Adv	BC	Comm	Priority	Private	Total
Acute including EMS	26.73%	22.49%	0.12%	18.66%	14.02%	6.89%	9.00%	2.09%	100.00%
LTC	13.28%	13.83%	57.61%	0.00%	0.00%	4.02%	0.00%	11.26%	100.00%
ER	18.91%	16.21%	0.00%	30.82%	15.32%	6.95%	8.27%	3.51%	100.00%
OR	23.85%	31.67%	0.00%	13.00%	16.22%	7.00%	7.98%	0.28%	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%

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%