

Kalkaska Memorial Health Center

Balance Sheet

Assets	February 28, 2023	June 30, 2022
Current Assets		
Cash and Cash Equivalents	\$ 23,687,822	\$ 26,571,541
Short-Term Investments	6,341,133	7,429,259
Accounts Receivable	11,108,890	9,912,908
Third Party Settlements	-	259,269
Due from Affiliates	18,344	10,232
Inventory	374,468	509,269
Other Current Assets	319,119	163,422
Total Current Assets	41,849,776	44,855,900
Investments	9,946,260	-
Capital Assets (net of Accumulated Depreciation)	35,047,202	35,872,717
Land	1,364,151	1,364,151
Construction In Progress	4,780,421	1,022,662
Other Assets		
Restricted Cash	13,822,749	4,565,175
Other Assets	111,432	105,412
Total Other Assets	13,934,181	4,670,587
Total Assets	\$ 106,921,991	\$ 87,786,017
Liabilities and Net Assets		
Current Liabilities		
Current Maturities - Long-Term Debt	\$ 2,213,192	\$ 1,067,359
Trade Accounts Payable	1,582,807	1,562,606
Accrued Compensation	3,710,564	4,251,357
Third Party Liabilities	4,707,956	3,435,719
Due to Affiliates	3,658,783	2,559,273
Other Current Liabilities	1,979,846	2,008,732
Total Current Liabilities	17,853,148	14,885,046
Long-Term Debt - Less Current Maturities	18,352,590	4,638,525
Other Long-Term Liabilities	20,000	20,000
Deferred Liabilities	12,312	8,420
Total Liabilities	36,238,050	19,551,991
Net Assets		
Invested in Capital Assets, net of Related Debt	26,254,997	38,182,651
Unrestricted	44,428,944	30,051,375
Total Net Assets	70,683,941	68,234,026
Total Liabilities and Net Assets	\$ 106,921,991	\$ 87,786,017

Kalkaska Memorial Health Center

Statement of Operations

	Month of February 2023				Year to Date Ended February 28, 2023			
	Actual	Budget	Variance	Prior Year	Actual	Budget	Variance	Prior Year
Operating Revenue								
Inpatient	\$ 70,700	\$ 118,633	\$ (47,933)	\$ 102,553	\$ 941,438	\$ 1,034,904	\$ (93,466)	\$ 935,492
Outpatient	6,913,225	5,954,783	958,442	5,124,631	59,282,644	51,674,749	7,607,895	49,521,521
Professional	1,189,566	1,119,356	70,210	967,965	10,360,665	9,716,694	643,971	9,139,675
Long Term Care	892,098	910,093	(17,995)	917,475	7,776,165	7,901,057	(124,892)	7,605,830
Dialysis Center	490,401	665,154	(174,753)	588,819	4,699,789	5,772,869	(1,073,080)	5,509,217
Ambulance	317,638	309,173	8,465	274,269	2,615,640	2,683,853	(68,213)	2,545,913
Retail Pharmacy	152,594	114,343	38,251	114,681	1,086,809	992,408	94,401	964,365
Assisted Living	99,203	86,632	12,571	91,434	744,242	751,709	(7,467)	738,799
	10,125,425	9,278,167	847,258	8,181,827	87,507,392	80,528,243	6,979,149	76,960,812
Revenue Deductions:								
Contractual Allowances	4,790,618	4,154,095	(636,523)	3,544,076	39,427,196	36,065,154	(3,362,042)	33,756,241
Provision Charity Care	85,675	23,949	(61,726)	11,746	299,678	207,612	(92,066)	181,955
Provision for Bad Debt	102,562	184,278	81,716	164,573	1,394,201	1,599,378	205,177	1,174,608
	4,978,855	4,362,322	(616,533)	3,720,395	41,121,075	37,872,144	(3,248,931)	35,112,804
Net Patient Revenues	5,146,570	4,915,845	230,725	4,461,432	46,386,317	42,656,099	3,730,218	41,848,008
Other Operating Revenues	300,053	364,666	(64,613)	526,937	2,694,122	2,794,984	(100,862)	3,330,609
Total Operating Revenue	5,446,623	5,280,511	166,112	4,988,369	49,080,439	45,451,083	3,629,356	45,178,617
Operating Expenses								
Salaries and Wages	2,754,114	2,683,493	(70,621)	2,322,409	24,394,007	22,547,504	(1,846,503)	21,016,987
Fringe Benefits	717,418	719,935	2,517	652,632	5,657,470	5,759,480	102,010	5,208,941
Contract Labor	24,215	33,817	9,602	25,777	254,676	273,426	18,750	244,811
Physician Fees	41,784	67,893	26,109	70,904	444,261	588,449	144,188	554,881
Purchased Services	586,452	551,896	(34,556)	527,850	4,635,013	4,639,324	4,311	4,439,284
Pharmaceuticals	554,527	484,658	(69,869)	506,588	5,048,735	4,205,124	(843,611)	3,928,975
Supplies	298,858	311,288	12,430	305,082	3,386,673	2,689,139	(697,534)	2,592,840
Occupancy	78,796	113,415	34,619	104,696	933,420	913,246	(20,174)	871,550
Equipment, Software & Maintenance	78,073	58,630	(19,443)	75,836	588,527	518,541	(69,986)	462,942
Depreciation	262,585	262,057	(528)	240,928	2,079,372	2,097,684	18,312	1,924,022
Insurance	51,349	63,297	11,948	52,262	540,130	506,348	(33,782)	423,406
Other	22,814	40,391	17,577	25,499	275,364	315,183	39,819	316,665
	5,470,985	5,390,770	(80,215)	4,910,463	48,237,648	45,053,448	(3,184,200)	41,985,304
Less Shared Services	-	280	(280)	12,378	-	2,240	(2,240)	26,261
Total Operating Expenses	5,470,985	5,390,490	(80,495)	4,898,085	48,237,648	45,051,208	(3,186,440)	41,959,043
Income from Operations before Grant Revenue from COVID-19	(24,362)	(109,979)	85,617	90,284	842,791	399,875	442,916	3,219,574
Grant Revenue COVID-19	-	-	-	-	986,610	-	986,610	711,984
Paycheck Protection Program Loan Forgiveness	-	-	-	-	-	-	-	6,164,700
Operating Income	(24,362)	(109,979)	85,617	90,284	1,829,401	399,875	1,429,526	10,096,258
Non-Operating Income (Expense)								
Reserved for Bond Debt	125,230	117,428	7,802	116,805	1,007,770	939,424	68,346	935,674
Interest on Debt Related to Capital Assets	(61,276)	(61,876)	600	(17,090)	(450,497)	(465,307)	14,810	(137,817)
Unrealized Gain/Loss on LT Investments	(46,772)	-	(46,772)	(5,466)	24,000	-	24,000	(22,783)
Tax Levy Revenue	730	734	(4)	730	5,500	5,872	(372)	5,840
Bond Issuance Cost	-	-	-	-	(75,500)	-	(75,500)	-
Contributions	-	100	(100)	-	6,020	800	5,220	2,113
Other Income (Loss)	25,652	3,200	22,452	2,101	103,221	25,600	77,621	27,056
Total Non-Operating Income (Expense)	43,564	59,586	(16,022)	97,080	620,514	506,389	114,125	810,083
Total Increase (Decrease) in Net Assets	\$ 19,202	\$ (50,393)	\$ 69,595	\$ 187,364	\$ 2,449,915	\$ 906,264	\$ 1,543,651	\$ 10,906,341

Statement of Cash FlowsEight Months Ending
February 28, 2023**Cash flow from operating activities**

Received from patients and third-party payors	\$	46,713,729
Payments to employees		(30,592,270)
Payments to suppliers for services and goods		(15,032,978)
Other receipts from operations		3,679,953
Net cash provided by operating activities		<u>4,768,434</u>

Cash flow from capital and related financing activities

Acquisition and construction of capital assets		(5,017,337)
Proceeds from sale of capital assets		12,000
Proceeds from county bond tax levy		1,007,770
Interest paid on long-term debt		(450,497)
Issuance of long-term debt		15,000,000
Issuance costs paid on long-term debt		(75,500)
Principal payments on bonds and notes payable		(140,102)
Net cash provided by capital and related financing activity		<u>10,336,334</u>

Cash flow from investing activities

Investment income		127,221
Sale of short-term investments		1,088,126
Net activity of investments internally designated for capital acquisitions		(9,946,260)
Net cash used by investing activities		<u>(8,730,913)</u>

Net increase in cash and cash equivalents		6,373,855
Cash and cash equivalents at beginning of year		31,136,716
Cash and cash equivalents at end of period	\$	<u><u>37,510,571</u></u>

Reconciliation of operating income to net cash flows from operating activities

Operating income	\$	1,829,401
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation		2,079,372
Provision for uncollectible accounts		1,394,201
Operating tax levy		5,500
Net gains and losses on sale of PPE		(6,279)
(Increase) decrease in assets:		
Patient accounts receivable		(2,598,295)
Third-party settlements		259,269
Inventory		134,801
Other current assets		(155,697)
Increase (decrease) in liabilities:		
Trade accounts payable		1,119,711
Accrued Compensation		(540,793)
Third Party Settlements		1,272,237
Other accrued liabilities		(24,994)
Net cash provided by operating activities	\$	<u><u>4,768,434</u></u>

Kalkaska Memorial Health Center

**Statement of Changes in Net Assets
Eight Months Ending February 28, 2023**

	Invested in Capital Assets, net of Related Debt	Unrestricted	Total Net Assets
Net Assets at June 30, 2021	\$ 32,397,873	\$ 22,208,339	\$ 54,606,212
Acquisition and construction of capital assets	1,987,421		1,987,421
Depreciation	(2,991,509)		(2,991,509)
Sale of Capital Assets	(38,470)		(38,470)
Net Change in Debt	1,198,331		1,198,331
Increase (Decrease) in Net Assets Net of Amounts Invested in Capital Assets		13,472,041	14,762,361
Increase (Decrease) in Net Assets	155,773	13,472,041	14,918,134
Net Assets at June 30, 2022	32,553,646	35,680,380	68,234,026
Acquisition and construction of capital assets	5,005,337		5,005,337
Depreciation	(2,079,372)		(2,079,372)
Sale of Capital Assets	6,279		6,279
Capital Grants	-		-
Net Change in Debt	(14,859,898)		(14,859,898)
Increase (Decrease) in Net Assets Net of Amounts Invested in Capital Assets		14,377,569	14,377,569
Increase (Decrease) in Net Assets	(11,927,654)	14,377,569	2,449,915
Net Assets at February 28, 2023	\$ 20,625,992	\$ 50,057,949	\$ 70,683,941

Kalkaska Memorial Health Center

Statistical Report

	Month of February 2023				Year to Date Ended February 28, 2023			
	Actual	Budget	Variance	Prior Year	Actual	Budget	Variance	Prior Year
ADMISSIONS:								
Acute Care	14	14	0	17	120	124	(4)	119
Long Term Care	13	14	(1)	19	89	119	(30)	117
Extended Stays	8	19	(11)	17	87	169	(82)	211
PATIENT DAYS:								
Acute Care	39	53	(14)	59	415	462	(47)	435
Long Term Care-Skilled	157	255	(98)	258	1,058	2,218	(1,160)	1,803
Long Term Care-Basic	1,948	2,190	(242)	2,054	17,764	19,009	(1,245)	18,782
Extended Stays	8	7	1	9	87	61	26	108
AVERAGE LENGTH OF STAY:								
Acute Care	2.8	3.8	1.0	3.5	3.5	3.7	0.3	3.7
DAILY AVERAGE CENSUS:								
Acute Care	1.4	1.9	(0.6)	2.1	1.7	1.9	(0.2)	1.8
Long Term Care	75.2	87.3	(12.1)	82.6	77.5	87.4	(9.9)	84.7
PERCENT OF OCCUPANCY:								
Acute Care	17.4%	23.7%	-6.3%	26.3%	21.3%	23.8%	-2.4%	22.4%
Long Term Care	72.3%	84.0%	-11.7%	79.4%	74.5%	84.0%	-9.5%	81.5%
ANCILLARY DEPARTMENT VOLUME:								
Emergency Room	1,099	1,075	24	1,096	10,639	9,334	1,305	10,190
Urgent Care	0	0	0	0	1	0	1	420
Walk-in Clinic	393	367	26	349	3,513	3,183	330	3,355
Primary Care Physician RVU's	5,603	5,854	(251)	5,645	52,748	50,803	1,945	48,451
Primary Care Physician Encounters	3,937	3,578	359	3,143	30,111	31,056	(945)	29,064
Specialty Clinics	400	344	56	288	2,773	2,985	(212)	2,902
KMA Clinic RVU's	6,678	6,451	227	6,331	57,926	55,990	1,936	52,398
Total Outpatient Visits	6,517	6,682	(165)	6,359	58,293	57,992	301	56,382
Surgical Procedures	122	106	16	129	1,152	917	235	892
Radiology	2,569	2,252	317	2,295	21,709	19,546	2,163	19,561
Laboratory	17,158	17,734	(576)	17,635	150,986	153,899	(2,913)	154,039
Physical Therapy	3,608	3,068	540	3,018	29,364	26,620	2,744	26,172
Chemo Therapy	505	385	120	310	4,579	3,341	1,238	3,157
Dialysis Treatments	426	567	(141)	516	4,072	4,921	(849)	4,783
Ambulance Transports	198	213	(15)	239	1,684	1,849	(165)	1,816
Assisted Living Days	859	870	(11)	847	7,103	7,549	(446)	7,409
Cost per adjusted IP and LTC day:	223.51	218.41	5.10	229.19	230.85	211.79	19	201.58
TOTAL FTE'S:	444	449	5	435	452	451	(3)	437

Kalkaska Memorial Health Center

Additional Financial Information

	February 28, 2023
MTD % increase in net revenue vs. prior year	15.36%
MTD % increase in expense vs. prior year	11.70%
	3.66%
YTD % increase in net revenue vs. prior year	10.84%
YTD % increase in expense vs. prior year	14.96%
	-4.12%
LTC Expense per Critical Unit - MTD	\$ 283.76
LTC Expense per Critical Unit - YTD	\$ 312.10
Ambulance Days in AR YTD	139.30
Dialysis number of patients - MTD	57
Dialysis net income - MTD	\$ (14,965)
Dialysis net income - YTD	\$ (297,435)
Assisted Living net income - MTD	\$ (47,726)
Assisted Living net income - YTD	(447,496)
Average Age of Plant (as of 2/28/23)	11.73
Debt to Capitalization Ratio	0.23

Net Revenue Analysis

	Month of February 2023		
	Actual	Budget	Variance
Service Line Revenue % of Total			
Inpatient	0.7%	1.3%	-0.6%
Outpatient	68.3%	64.2%	4.1%
Professional	11.7%	12.1%	-0.3%
Long-Term Care	8.8%	9.8%	-1.0%
Dialysis Center	4.8%	7.2%	-2.3%
Ambulance	3.1%	3.3%	-0.2%
Retail Pharmacy	1.5%	1.2%	0.3%
Assisted Living	1.0%	0.9%	0.0%
	100.0%	100.0%	0.0%

Revenue Deductions as % of Gross Revenue			
Contractual Allowances	47.3%	44.8%	-2.5%
Charity Care	0.8%	0.3%	-0.6%
Bad Debt	1.0%	2.0%	1.0%
Total Revenue Deductions	49.2%	47.0%	-2.2%

	Year to Date Ended February 28, 2023		
	Actual	Budget	Variance
Service Line Revenue % of Total			
Inpatient	1.1%	1.3%	-0.2%
Outpatient	67.7%	64.2%	3.6%
Professional	11.8%	12.1%	-0.2%
Long-Term Care	8.9%	9.8%	-0.9%
Dialysis Center	5.4%	7.2%	-1.8%
Ambulance	3.0%	3.3%	-0.3%
Retail Pharmacy	1.2%	1.2%	0.0%
Assisted Living	0.9%	0.9%	-0.1%
	100.0%	100.0%	0.0%

Revenue Deductions as % of Gross Revenue			
Contractual Allowances	45.1%	44.8%	-0.3%
Charity Care	0.3%	0.3%	-0.1%
Bad Debt	1.6%	2.0%	0.4%
Total Revenue Deductions	47.0%	47.0%	0.0%

Kalkaska Memorial Health Center

Payor Mix Schedule

YTD 2023

Revenue %

	MCare	MCareHMO	Medicaid	Medicaid Adv	BC	Comm	Priority	Private	Total
Acute including EMS	25.28%	23.45%	0.17%	20.13%	13.96%	6.10%	9.07%	1.85%	100.00%
LTC	7.39%	9.46%	58.76%	0.00%	0.11%	9.38%	0.00%	14.91%	100.00%
ER	17.69%	16.94%	0.00%	33.31%	14.97%	6.05%	7.68%	3.37%	100.00%
OR	21.46%	23.25%	0.00%	15.35%	21.86%	5.86%	11.66%	0.57%	100.00%

YTD 2022

Revenue %

	MCare	MCareHMO	Medicaid	Medicaid Adv	BC	Comm	Priority	Private	Total
Acute including EMS	26.04%	22.85%	0.10%	20.11%	13.85%	6.29%	8.83%	1.93%	100.00%
LTC	13.03%	14.23%	55.03%	0.00%	0.00%	5.07%	0.00%	12.65%	100.00%
ER	18.60%	16.15%	0.00%	32.30%	14.86%	6.58%	8.22%	3.29%	100.00%
OR	20.68%	28.47%	0.00%	15.15%	17.74%	6.79%	10.48%	0.69%	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%