

Kalkaska Memorial Health Center

Balance Sheet

Assets	May 31, 2023	June 30, 2022
Current Assets		
Cash and Cash Equivalents	\$ 20,710,857	\$ 26,571,541
Short-Term Investments	6,565,408	7,429,259
Accounts Receivable	11,611,072	9,912,908
Third Party Settlements	-	259,269
Due from Affiliates	18,021	10,232
Inventory	420,476	509,269
Other Current Assets	362,545	163,422
Total Current Assets	39,688,379	44,855,900
Investments	9,915,360	-
Capital Assets (net of Accumulated Depreciation)	34,516,748	35,872,717
Land	1,426,272	1,364,151
Construction In Progress	7,549,799	1,022,662
Other Assets		
Restricted Cash	11,865,525	4,565,175
Other Assets	111,059	105,412
Total Other Assets	11,976,584	4,670,587
Total Assets	\$ 105,073,142	\$ 87,786,017
Liabilities and Net Assets		
Current Liabilities		
Current Maturities - Long-Term Debt	\$ 2,213,192	\$ 1,067,359
Trade Accounts Payable	859,610	1,562,606
Accrued Compensation	4,736,979	4,251,357
Third Party Liabilities	5,152,016	3,435,719
Due to Affiliates	2,687,604	2,559,273
Other Current Liabilities	1,795,861	2,008,732
Total Current Liabilities	17,445,262	14,885,046
Long-Term Debt - Less Current Maturities	16,384,696	4,638,525
Other Long-Term Liabilities	20,000	20,000
Deferred Liabilities	10,122	8,420
Total Liabilities	33,860,080	19,551,991
Net Assets		
Invested in Capital Assets, net of Related Debt	30,523,936	38,182,651
Unrestricted	40,689,126	30,051,375
Total Net Assets	71,213,062	68,234,026
Total Liabilities and Net Assets	\$ 105,073,142	\$ 87,786,017

Kalkaska Memorial Health Center

Statement of Operations

	Month of May 2023				Year to Date Ended May 31, 2023			
	Actual	Budget	Variance	Prior Year	Actual	Budget	Variance	Prior Year
Operating Revenue								
Inpatient	\$ 145,451	\$ 132,371	\$ 13,080	\$ 88,564	\$ 1,354,769	\$ 1,426,854	\$ (72,085)	\$ 1,223,762
Outpatient	7,590,257	6,594,130	996,127	6,599,762	81,547,533	71,237,667	10,309,866	69,290,934
Professional	1,418,682	1,239,924	178,758	1,201,279	14,551,603	13,395,401	1,156,202	12,777,043
Long Term Care	986,725	1,007,902	(21,177)	962,777	10,604,781	10,892,588	(287,807)	10,466,101
Dialysis Center	581,566	736,707	(155,141)	706,326	6,317,368	7,958,373	(1,641,005)	7,469,223
Ambulance	370,887	342,558	28,329	384,299	3,557,955	3,699,914	(141,959)	3,548,866
Retail Pharmacy	179,706	126,597	53,109	107,799	1,598,060	1,368,142	229,918	1,309,433
Assisted Living	94,848	95,893	(1,045)	92,671	1,039,118	1,036,301	2,817	1,007,505
	11,368,122	10,276,082	1,092,040	10,143,477	120,571,187	111,015,240	9,555,947	107,092,867
Revenue Deductions:								
Contractual Allowances	5,620,141	4,601,810	(1,018,331)	4,799,833	54,792,366	49,719,757	(5,072,609)	47,595,908
Provision Charity Care	15,650	26,479	10,829	36,936	361,684	286,204	(75,480)	304,359
Provision for Bad Debt	205,167	204,070	(1,097)	98,352	1,951,233	2,204,893	253,660	1,468,293
	5,840,958	4,832,359	(1,008,599)	4,935,121	57,105,283	52,210,854	(4,894,429)	49,368,560
Net Patient Revenues	5,527,164	5,443,723	83,441	5,208,356	63,465,904	58,804,386	4,661,518	57,724,307
Other Operating Revenues	432,424	367,853	64,571	169,848	4,066,140	3,964,013	102,127	4,270,623
Total Operating Revenue	5,959,588	5,811,576	148,012	5,378,204	67,532,044	62,768,399	4,763,645	61,994,930
Operating Expenses								
Salaries and Wages	3,061,637	3,067,259	5,622	2,744,212	33,648,897	31,365,817	(2,283,080)	29,213,934
Fringe Benefits	601,544	719,935	118,391	677,415	7,895,442	7,919,285	23,843	7,381,067
Contract Labor	32,238	34,275	2,037	36,664	352,521	376,093	23,572	334,632
Physician Fees	17,258	75,074	57,816	69,475	578,101	811,190	233,089	764,565
Purchased Services	687,300	572,720	(114,580)	531,441	6,551,634	6,353,583	(198,051)	6,144,220
Pharmaceuticals	653,483	536,322	(117,161)	546,727	7,094,992	5,797,196	(1,297,796)	5,744,479
Supplies	316,870	342,600	25,730	261,923	4,329,268	3,706,410	(622,858)	3,453,281
Occupancy	91,965	113,207	21,242	91,860	1,241,437	1,253,363	11,926	1,172,401
Equipment, Software & Maintenance	57,574	57,448	(126)	15,735	845,476	705,853	(139,623)	725,098
Depreciation	262,641	262,251	(390)	255,280	2,882,967	2,884,372	1,405	2,703,407
Insurance	54,787	63,300	8,513	61,431	743,401	696,245	(47,156)	579,566
Other	28,515	39,136	10,621	21,047	390,257	433,011	42,754	407,814
	5,865,812	5,883,527	17,715	5,313,210	66,554,393	62,302,418	(4,251,975)	58,624,464
Less Shared Services	-	280	(280)	151	-	3,080	(3,080)	26,745
Total Operating Expenses	5,865,812	5,883,247	17,435	5,313,059	66,554,393	62,299,338	(4,255,055)	58,597,719
Income from Operations before Grant Revenue from COVID-19	93,776	(71,671)	165,447	65,145	977,651	469,061	508,590	3,397,211
Grant Revenue COVID-19	-	-	-	-	986,610	-	986,610	758,409
Paycheck Protection Program Loan Forgiveness	-	-	-	-	-	-	-	6,164,700
Operating Income	93,776	(71,671)	165,447	65,145	1,964,261	469,061	1,495,200	10,320,320
Non-Operating Income (Expense)								
Reserved for Bond Debt	125,230	117,428	7,802	115,692	1,383,460	1,291,708	91,752	1,284,976
Interest on Debt Related to Capital Assets	(57,550)	(60,844)	3,294	(14,438)	(629,581)	(648,871)	19,290	(186,391)
Unrealized Gain/Loss on LT Investments	(38,415)	-	(38,415)	5,450	7,525	-	7,525	(21,131)
Tax Levy Revenue	730	734	(4)	730	7,690	8,074	(384)	8,030
Bond Issuance Cost	-	-	-	-	(75,500)	-	(75,500)	-
Contributions	-	100	(100)	-	5,647	1,100	4,547	3,983
Other Income (Loss)	128,060	3,200	124,860	1,891	315,534	35,200	280,334	31,382
Total Non-Operating Income (Expense)	158,055	60,618	97,437	109,325	1,014,775	687,211	327,564	1,120,849
Total Increase (Decrease) in Net Assets	\$ 251,831	\$ (11,053)	\$ 262,884	\$ 174,470	\$ 2,979,036	\$ 1,156,272	\$ 1,822,764	\$ 11,441,169

Statement of Cash FlowsEleven Months Ending
May 31, 2023**Cash flow from operating activities**

Received from patients and third-party payors	\$	63,735,517
Payments to employees		(41,058,717)
Payments to suppliers for services and goods		(23,023,251)
Other receipts from operations		5,054,161
Net cash provided by operating activities		<u>4,707,710</u>

Cash flow from capital and related financing activities

Acquisition and construction of capital assets		(8,121,977)
Proceeds from sale of capital assets		12,000
Proceeds from county bond tax levy		1,383,460
Interest paid on long-term debt		(629,581)
Issuance of long-term debt		15,000,000
Issuance costs paid on long-term debt		(75,500)
Principal payments on bonds and notes payable		(2,107,996)
Net cash provided by capital and related financing activity		<u>5,460,406</u>

Cash flow from investing activities

Investment income		323,059
Sale of short-term investments		863,851
Net activity of investments internally designated for capital acquisitions		(9,915,360)
Net cash used by investing activities		<u>(8,728,450)</u>

Net increase in cash and cash equivalents		1,439,666
Cash and cash equivalents at beginning of year		31,136,716
Cash and cash equivalents at end of period	\$	<u><u>32,576,382</u></u>

Reconciliation of operating income to net cash flows from operating activities

Operating income	\$	1,964,261
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation		2,882,967
Provision for uncollectible accounts		1,951,233
Operating tax levy		7,690
Net gains and losses on sale of PPE		(6,279)
(Increase) decrease in assets:		
Patient accounts receivable		(3,657,186)
Third-party settlements		259,269
Inventory		88,793
Other current assets		(199,123)
Increase (decrease) in liabilities:		
Trade accounts payable		(574,665)
Accrued Compensation		485,622
Third Party Settlements		1,716,297
Other accrued liabilities		(211,169)
Net cash provided by operating activities	\$	<u><u>4,707,710</u></u>

Kalkaska Memorial Health Center
**Statement of Changes in Net Assets
Eleven Months Ending May 31, 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	8,109,977		8,109,977
Depreciation	(2,882,967)		(2,882,967)
Sale of Capital Assets	6,279		6,279
Capital Grants	-		-
Net Change in Debt	(12,892,004)		(12,892,004)
Increase (Decrease) in Net Assets Net of Amounts Invested in Capital Assets		10,637,751	10,637,751
Increase (Decrease) in Net Assets	(7,658,715)	10,637,751	2,979,036
Net Assets at May 31, 2023	\$ 24,894,931	\$ 46,318,131	\$ 71,213,062

Kalkaska Memorial Health Center

Statistical Report

	Month of May 2023				Year to Date Ended May 31, 2023			
	Actual	Budget	Variance	Prior Year	Actual	Budget	Variance	Prior Year
ADMISSIONS:								
Acute Care	21	16	5	16	168	171	(3)	162
Long Term Care	11	15	(4)	14	126	164	(38)	178
Extended Stays	11	22	(11)	16	116	233	(117)	279
PATIENT DAYS:								
Acute Care	51	59	(8)	46	565	637	(72)	574
Long Term Care-Skilled	144	283	(139)	255	1,563	3,058	(1,495)	2,568
Long Term Care-Basic	2,148	2,425	(277)	2,270	24,021	26,206	(2,185)	25,632
Extended Stays	11	8	3	16	116	84	32	151
AVERAGE LENGTH OF STAY:								
Acute Care	2.4	3.7	1.3	2.9	3.4	3.7	0.4	3.5
DAILY AVERAGE CENSUS:								
Acute Care	1.6	1.9	(0.4)	1.5	1.7	1.9	(0.2)	1.7
Long Term Care	73.9	87.4	(13.4)	81.5	76.4	87.4	(11.0)	84.2
PERCENT OF OCCUPANCY:								
Acute Care	20.6%	23.8%	-3.2%	18.5%	21.1%	23.8%	-2.7%	21.4%
Long Term Care	71.1%	84.0%	-12.9%	78.3%	73.4%	84.0%	-10.6%	80.9%
ANCILLARY DEPARTMENT VOLUME:								
Emergency Room	1,474	1,191	283	1,448	14,701	12,868	1,833	14,071
Urgent Care	0	0	0	(4)	1	0	1	415
Walk-in Clinic	462	406	56	455	4,865	4,388	477	4,519
Primary Care Physician RVU's	6,796	6,481	315	6,877	73,716	70,037	3,679	68,423
Primary Care Physician Encounters	4,129	3,962	167	3,723	43,226	42,814	412	39,987
Specialty Clinics	296	381	(85)	322	3,829	4,115	(286)	3,893
KMA Clinic RVU's	8,013	7,143	870	7,338	82,448	77,188	5,260	73,882
Total Outpatient Visits	7,773	7,398	375	7,232	80,527	79,948	579	77,414
Surgical Procedures	138	117	21	113	1,571	1,264	307	1,287
Radiology	3,110	2,494	616	2,704	30,446	26,946	3,500	27,267
Laboratory	18,853	19,633	(780)	18,787	207,722	212,165	(4,443)	211,482
Physical Therapy	4,307	3,396	911	3,488	42,075	36,698	5,377	36,109
Chemo Therapy	556	426	130	514	6,379	4,606	1,773	4,690
Dialysis Treatments	508	628	(120)	588	5,513	6,784	(1,271)	6,455
Ambulance Transports	252	236	16	269	2,290	2,549	(259)	2,513
Assisted Living Days	912	963	(51)	948	9,906	10,407	(501)	10,117
Cost per adjusted IP and LTC day:	228.37	217.00	11.37	199.30	232.61	212.31	20	202.84
TOTAL FTE'S:	472	467	(5)	451	455	451	(5)	440

Kalkaska Memorial Health Center

Additional Financial Information

	May 31, 2023
MTD % increase in net revenue vs. prior year	6.12%
MTD % increase in expense vs. prior year	10.40%
	-4.28%
YTD % increase in net revenue vs. prior year	9.95%
YTD % increase in expense vs. prior year	13.58%
	-3.63%
LTC Expense per Critical Unit - MTD	\$ 285.46
LTC Expense per Critical Unit - YTD	\$ 303.36
Ambulance Days in AR YTD	103.69
Dialysis number of patients - MTD	57
Dialysis net income - MTD	\$ 19,791
Dialysis net income - YTD	\$ (322,435)
Assisted Living net income - MTD	\$ (38,887)
Assisted Living net income - YTD	(547,238)
Average Age of Plant (as of 5/31/23)	11.98
Debt to Capitalization Ratio	0.21

Net Revenue Analysis

	Month of May 2023		
	Actual	Budget	Variance
Service Line Revenue % of Total			
Inpatient	1.3%	1.3%	0.0%
Outpatient	66.8%	64.2%	2.6%
Professional	12.5%	12.1%	0.4%
Long-Term Care	8.7%	9.8%	-1.1%
Dialysis Center	5.1%	7.2%	-2.1%
Ambulance	3.3%	3.3%	-0.1%
Retail Pharmacy	1.6%	1.2%	0.3%
Assisted Living	0.8%	0.9%	-0.1%
	100.0%	100.0%	0.0%
Revenue Deductions as % of Gross Revenue			
Contractual Allowances	49.4%	44.8%	-4.7%
Charity Care	0.1%	0.3%	0.1%
Bad Debt	1.8%	2.0%	0.2%
Total Revenue Deductions	51.4%	47.0%	-4.4%
	Year to Date Ended May 31, 2023		
	Actual	Budget	Variance
Service Line Revenue % of Total			
Inpatient	1.1%	1.3%	-0.2%
Outpatient	67.6%	64.2%	3.5%
Professional	12.1%	12.1%	0.0%
Long-Term Care	8.8%	9.8%	-1.0%
Dialysis Center	5.2%	7.2%	-1.9%
Ambulance	3.0%	3.3%	-0.4%
Retail Pharmacy	1.3%	1.2%	0.1%
Assisted Living	0.9%	0.9%	-0.1%
	100.0%	100.0%	0.0%
Revenue Deductions as % of Gross Revenue			
Contractual Allowances	45.4%	44.8%	-0.7%
Charity Care	0.3%	0.3%	0.0%
Bad Debt	1.6%	2.0%	0.4%
Total Revenue Deductions	47.4%	47.0%	-0.3%

Kalkaska Memorial Health Center

Payor Mix Schedule

YTD 2023

Revenue %

	MCare	MCareHMO	Medicaid	Medicaid Adv	BC	Comm	Priority	Private	Total
Acute including EMS	24.69%	24.13%	0.04%	20.02%	13.89%	6.07%	9.50%	1.66%	100.00%
LTC	7.73%	10.18%	58.83%	0.00%	0.08%	9.37%	0.00%	13.81%	100.00%
ER	17.10%	17.10%	0.00%	34.25%	14.89%	5.91%	7.71%	3.03%	100.00%
OR	21.93%	23.38%	0.00%	15.66%	21.30%	5.72%	11.59%	0.43%	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%