

Kalkaska Memorial Health Center

Balance Sheet

Assets	July 31, 2022	June 30, 2022
Current Assets		
Cash and Cash Equivalents	\$ 25,271,332	\$ 26,571,541
Short-Term Investments	7,439,657	7,429,259
Accounts Receivable	10,977,831	9,912,908
Third Party Settlements	936,316	1,049,585
Due from Affiliates	21,558	10,232
Inventory	445,900	536,118
Other Current Assets	183,259	163,422
Total Current Assets	45,275,853	45,673,065
Investments	-	-
Capital Assets (net of Accumulated Depreciation)	35,761,283	35,872,717
Land	1,364,151	1,364,151
Construction In Progress	895,831	1,022,662
Other Assets		
Restricted Cash	19,545,520	4,565,175
Other Assets	105,412	105,412
Total Other Assets	19,650,932	4,670,587
Total Assets	\$ 102,948,050	\$ 88,603,182
Liabilities and Net Assets		
Current Liabilities		
Current Maturities - Long-Term Debt	\$ 2,213,192	\$ 1,067,359
Trade Accounts Payable	1,373,818	1,653,844
Accrued Compensation	3,971,867	3,662,623
Third Party Liabilities	3,329,774	3,435,719
Due to Affiliates	2,527,564	2,559,273
Other Current Liabilities	1,464,499	2,033,073
Total Current Liabilities	14,880,714	14,411,891
Long-Term Debt - Less Current Maturities	18,491,662	4,638,525
Other Long-Term Liabilities	20,000	20,000
Deferred Liabilities	17,029	8,420
Total Liabilities	33,409,405	19,078,836
Net Assets		
Invested in Capital Assets, net of Related Debt	21,747,085	36,984,320
Unrestricted	47,791,560	32,540,026
Total Net Assets	69,538,645	69,524,346
Total Liabilities and Net Assets	\$ 102,948,050	\$ 88,603,182

Kalkaska Memorial Health Center

Statement of Operations

	Month of July 2022				Year to Date Ended July 31, 2022			
	Actual	Budget	Variance	Prior Year	Actual	Budget	Variance	Prior Year
Operating Revenue								
Inpatient	\$ 125,542	\$ 132,371	\$ (6,829)	\$ 50,506	\$ 125,542	\$ 132,371	\$ (6,829)	\$ 50,506
Outpatient	6,647,839	6,594,130	53,709	5,582,733	6,647,839	6,594,130	53,709	5,582,733
Professional	1,104,100	1,239,924	(135,824)	1,027,275	1,104,100	1,239,924	(135,824)	1,027,275
Long Term Care	1,026,017	1,007,902	18,115	1,059,761	1,026,017	1,007,902	18,115	1,059,761
Dialysis Center	647,171	736,707	(89,536)	727,087	647,171	736,707	(89,536)	727,087
Ambulance	298,225	342,558	(44,333)	271,158	298,225	342,558	(44,333)	271,158
Retail Pharmacy	126,044	126,597	(553)	137,607	126,044	126,597	(553)	137,607
Assisted Living	96,314	95,893	421	94,125	96,314	95,893	421	94,125
	10,071,252	10,276,082	(204,830)	8,950,252	10,071,252	10,276,082	(204,830)	8,950,252
Revenue Deductions:								
Contractual Allowances	4,480,529	4,601,820	121,291	3,969,225	4,480,529	4,601,820	121,291	3,969,225
Provision Charity Care	29,695	26,479	(3,216)	42,958	29,695	26,479	(3,216)	42,958
Provision for Bad Debt	50,957	204,070	153,113	49,139	50,957	204,070	153,113	49,139
	4,561,181	4,832,369	271,188	4,061,322	4,561,181	4,832,369	271,188	4,061,322
Net Patient Revenues	5,510,071	5,443,713	66,358	4,888,930	5,510,071	5,443,713	66,358	4,888,930
Other Operating Revenues	802,707	300,068	502,639	381,372	802,707	300,068	502,639	381,372
Total Operating Revenue	6,312,778	5,743,781	568,997	5,270,302	6,312,778	5,743,781	568,997	5,270,302
Operating Expenses								
Salaries and Wages	3,420,887	2,687,228	(733,659)	2,555,894	3,420,887	2,687,228	(733,659)	2,555,894
Fringe Benefits	770,640	719,935	(50,705)	685,987	770,640	719,935	(50,705)	685,987
Contract Labor	27,288	34,275	6,987	30,799	27,288	34,275	6,987	30,799
Physician Fees	65,343	75,074	9,731	67,956	65,343	75,074	9,731	67,956
Purchased Services	584,857	583,212	(1,645)	539,389	584,857	583,212	(1,645)	539,389
Pharmaceuticals	680,052	536,322	(143,730)	436,089	680,052	536,322	(143,730)	436,089
Supplies	873,240	342,813	(530,427)	261,316	873,240	342,813	(530,427)	261,316
Occupancy	102,070	119,908	17,838	78,586	102,070	119,908	17,838	78,586
Equipment, Software & Maintenance	65,472	77,158	11,686	62,237	65,472	77,158	11,686	62,237
Depreciation	251,273	262,251	10,978	245,158	251,273	262,251	10,978	245,158
Insurance	52,858	63,290	10,432	45,341	52,858	63,290	10,432	45,341
Other	40,052	39,136	(916)	44,269	40,052	39,136	(916)	44,269
	6,934,032	5,540,602	(1,393,430)	5,053,021	6,934,032	5,540,602	(1,393,430)	5,053,021
Less Shared Services	-	280	(280)	143	-	280	(280)	143
Total Operating Expenses	6,934,032	5,540,322	(1,393,710)	5,052,878	6,934,032	5,540,322	(1,393,710)	5,052,878
Income from Operations before Grant Revenue from COVID-19	(621,254)	203,459	(824,713)	217,424	(621,254)	203,459	(824,713)	217,424
Grant Revenue COVID-19	588,734	-	588,734	-	588,734	-	588,734	-
Paycheck Protection Program Loan Forgiveness	-	-	-	-	-	-	-	-
Operating Income	(32,520)	203,459	(235,979)	217,424	(32,520)	203,459	(235,979)	217,424
Non-Operating Income (Expense)								
Reserved for Bond Debt	125,230	117,428	7,802	116,805	125,230	117,428	7,802	116,805
Interest on Debt Related to Capital Assets	(14,438)	(17,068)	2,630	(17,363)	(14,438)	(17,068)	2,630	(17,363)
Unrealized Gain/Loss on LT Investments	8,963	-	8,963	(2,380)	8,963	-	8,963	(2,380)
Tax Levy Revenue	783	734	49	730	783	734	49	730
Bond Issuance Cost	(75,500)	-	(75,500)	-	(75,500)	-	(75,500)	-
Contributions	-	100	(100)	-	-	100	(100)	-
Other Income (Loss)	1,781	3,200	(1,419)	4,716	1,781	3,200	(1,419)	4,716
Total Non-Operating Income (Expense)	46,819	104,394	(57,575)	102,508	46,819	104,394	(57,575)	102,508
Total Increase (Decrease) in Net Assets	\$ 14,299	\$ 307,853	\$ (293,554)	\$ 319,932	\$ 14,299	\$ 307,853	\$ (293,554)	\$ 319,932

Statement of Cash Flows

	One Month Ending July 31, 2022
Cash flow from operating activities	
Received from patients and third-party payors	\$ 4,441,146
Payments to employees	(3,882,283)
Payments to suppliers for services and goods	(3,292,551)
Other receipts from operations	1,392,224
Net cash used by operating activities	<u>(1,341,464)</u>
Cash flow from capital and related financing activities	
Acquisition and construction of capital assets	(13,008)
Proceeds from sale of capital assets	-
Proceeds from county bond tax levy	125,230
Interest paid on long-term debt	(14,438)
Issuance costs paid on long-term debt	(75,500)
Principal payments on bonds and notes payable	14,998,970
Net cash provided by capital and related financing activity	<u>15,021,254</u>
Cash flow from investing activities	
Investment income	10,744
Purchase of short-term investments	(10,398)
Net activity of investments internally designated for capital acquisitions	-
Net cash provided by investing activities	<u>346</u>
Net increase in cash and cash equivalents	13,680,136
Cash and cash equivalents at beginning of year	31,136,716
Cash and cash equivalents at end of period	<u>\$ 44,816,852</u>
Reconciliation of operating income to net cash flows from operating activities	
Operating loss	\$ (32,520)
Adjustments to reconcile operating income to net cash used by operating activities:	
Depreciation	251,273
Provision for uncollectible accounts	50,957
Operating tax levy	783
Net gains and losses on sale of PPE	-
(Increase) decrease in assets:	
Patient accounts receivable	(1,127,206)
Third-party settlements	113,269
Inventory	90,218
Other current assets	(19,837)
Increase (decrease) in liabilities:	
Trade accounts payable	(311,735)
Accrued Compensation	309,244
Third Party Settlements	(105,945)
Other accrued liabilities	(559,965)
Net cash used by operating activities	<u>\$ (1,341,464)</u>

Kalkaska Memorial Health Center
**Statement of Changes in Net Assets
One Month Ending July 31, 2022**

	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		14,762,361	14,762,361
Increase (Decrease) in Net Assets	155,773	14,762,361	14,918,134
Net Assets at June 30, 2022	32,553,646	36,970,700	69,524,346
Acquisition and construction of capital assets	13,008		13,008
Depreciation	(251,273)		(251,273)
Sale of Capital Assets			-
Net Change in Debt	(14,998,970)		(14,998,970)
Increase (Decrease) in Net Assets Net of Amounts Invested in Capital Assets		15,251,534	15,251,534
Increase (Decrease) in Net Assets	(15,237,235)	15,251,534	14,299
Net Assets at July 31, 2022	\$ 17,316,411	\$ 52,222,234	\$ 69,538,645

Kalkaska Memorial Health Center

Statistical Report

	Month of July 2022				Year to Date Ended July 31, 2022			
	Actual	Budget	Variance	Prior Year	Actual	Budget	Variance	Prior Year
ADMISSIONS:								
Acute Care	20	16	4	8	20	16	4	8
Long Term Care	16	15	1	6	16	15	1	6
Extended Stays	12	8	4	15	12	8	4	30
PATIENT DAYS:								
Acute Care	55	59	(4)	24	55	59	(4)	24
Long Term Care-Skilled	175	283	(108)	232	175	283	(108)	232
Long Term Care-Basic	2,304	2,425	(121)	2,637	2,304	2,425	(121)	2,637
Extended Stays	12	22	(10)	15	12	22	(10)	15
AVERAGE LENGTH OF STAY:								
Acute Care	2.8	3.7	0.9	3.0	2.8	3.7	0.9	3.0
DAILY AVERAGE CENSUS:								
Acute Care	1.8	1.9	(0.2)	0.8	1.8	1.9	(0.1)	0.8
Long Term Care	80.0	87.4	(7.4)	92.5	80.0	87.4	(7.4)	92.5
PERCENT OF OCCUPANCY:								
Acute Care	22.2%	23.8%	-1.6%	9.7%	22.2%	23.8%	-1.6%	9.7%
Long Term Care	76.9%	84.0%	-7.1%	89.0%	76.9%	84.0%	-7.1%	89.0%
ANCILLARY DEPARTMENT VOLUME:								
Emergency Room	1,542	1,191	351	1,094	1,542	1,191	351	1,094
Urgent Care	0	0	0	179	0	0	0	179
Walk-in Clinic	475	406	69	318	475	406	69	318
Primary Care Physician RVU's	5,825	6,481	(656)	6,065	5,825	6,481	(656)	6,065
Primary Care Physician Encounters	3,251	3,962	(711)	3,560	3,251	3,962	(711)	3,560
Specialty Clinics	323	381	(58)	367	323	381	(58)	367
KMA Clinic RVU's	6,331	7,143	(812)	6,690	6,331	7,143	(812)	6,690
Total Outpatient Visits	7,254	7,398	(144)	7,288	7,254	7,398	(144)	7,288
Surgical Procedures	123	117	6	101	123	117	6	101
Radiology	2,719	2,494	225	2,566	2,719	2,494	225	2,566
Laboratory	20,020	19,633	387	19,809	20,020	19,633	387	19,809
Physical Therapy	3,419	3,396	23	3,539	3,419	3,396	23	3,539
Chemo Therapy	583	426	157	349	583	426	157	349
Dialysis Treatments	574	628	(54)	641	574	628	(54)	641
Ambulance Transports	203	236	(33)	175	203	236	(33)	175
Assisted Living Days	961	963	(2)	957	961	963	(2)	957
Cost per adjusted IP and LTC day:	277.97	204.04	73.93	170.87	277.97	204.04	74	194.51
TOTAL FTE'S:	456	449	(7)	441	456	449	(7)	441

Kalkaska Memorial Health Center

Additional Financial Information

July 31, 2022

MTD % increase in net revenue vs. prior year	12.71%
MTD % increase in expense vs. prior year	<u>37.23%</u>
	-24.52%
YTD % increase in net revenue vs. prior year	12.71%
YTD % increase in expense vs. prior year	<u>37.23%</u>
	-24.52%
LTC Expense per Critical Unit - MTD	\$ 503.85
LTC Expense per Critical Unit - YTD	\$ 503.85
Ambulance Days in AR YTD	105.31
Dialysis number of patients - MTD	57
Dialysis net income - MTD	\$ (47,730)
Dialysis net income - YTD	\$ (47,730)
Assisted Living net income - MTD	\$ (34,548)
Assisted Living net income - YTD	(34,548)
Average Age of Plant (as of 7/31/22)	12.15
Debt to Capitalization Ratio	0.23

Net Revenue Analysis

Month of July 2022

Service Line Revenue % of Total	Actual	Budget	Variance
Inpatient	1.2%	1.3%	0.0%
Outpatient	66.0%	64.2%	1.8%
Professional	11.0%	12.1%	-1.1%
Long-Term Care	10.2%	9.8%	0.4%
Dialysis Center	6.4%	7.2%	-0.7%
Ambulance	3.0%	3.3%	-0.4%
Retail Pharmacy	1.3%	1.2%	0.0%
Assisted Living	1.0%	0.9%	0.0%
	<u>100.0%</u>	<u>100.0%</u>	<u>0.0%</u>

Revenue Deductions as % of Gross Revenue

Contractual Allowances	44.5%	44.8%	0.3%
Charity Care	0.3%	0.3%	0.0%
Bad Debt	0.5%	2.0%	1.5%
Total Revenue Deductions	<u>45.3%</u>	<u>47.0%</u>	<u>1.7%</u>

Year to Date Ended July 31, 2022

Service Line Revenue % of Total	Actual	Budget	Variance
Inpatient	1.2%	1.3%	0.0%
Outpatient	66.0%	64.2%	1.8%
Professional	11.0%	12.1%	-1.1%
Long-Term Care	10.2%	9.8%	0.4%
Dialysis Center	6.4%	7.2%	-0.7%
Ambulance	3.0%	3.3%	-0.4%
Retail Pharmacy	1.3%	1.2%	0.0%
Assisted Living	1.0%	0.9%	0.0%
	<u>100.0%</u>	<u>100.0%</u>	<u>0.0%</u>

Revenue Deductions as % of Gross Revenue

Contractual Allowances	44.5%	44.8%	0.3%
Charity Care	0.3%	0.3%	0.0%
Bad Debt	0.5%	2.0%	1.5%
Total Revenue Deductions	<u>45.3%</u>	<u>47.0%</u>	<u>1.7%</u>

Kalkaska Memorial Health Center

Payor Mix Schedule

YTD 2023

Revenue %	MCare	MCareHMO	Medicaid	Medicaid Adv	BC	Comm	Priority	Private	Total
Acute including EMS	21.99%	23.03%	1.06%	20.39%	12.61%	7.40%	6.53%	6.99%	100.00%
LTC	12.05%	7.68%	56.93%	0.00%	0.00%	8.44%	0.00%	14.90%	100.00%
ER	19.07%	15.81%	0.00%	27.27%	18.86%	7.40%	7.05%	4.54%	100.00%
OR	21.76%	26.17%	0.00%	13.32%	14.36%	13.86%	10.52%	0.00%	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%