

Kalkaska Memorial Health Center

Balance Sheet

Assets	November 30, 2021	June 30, 2021
Current Assets		
Cash and Cash Equivalents	\$ 23,084,507	\$ 8,941,754
Short-Term Investments	7,932,552	7,923,659
Accounts Receivable	8,410,020	6,905,864
Third Party Settlements	1,129,108	1,575,675
Due from Affiliates	213	1,786
Inventory	355,670	192,714
Other Current Assets	234,937	169,722
Total Current Assets	41,147,007	25,711,174
Investments	137,907	832,328
Capital Assets (net of Accumulated Depreciation)	35,707,058	36,502,459
Land	1,364,151	1,364,151
Construction In Progress	1,359,878	1,435,478
Other Assets		
Restricted Cash	4,727,285	14,568,991
Other Assets	104,609	102,496
Total Other Assets	4,831,894	14,671,487
Total Assets	\$ 84,547,895	\$ 80,517,077
Liabilities and Net Assets		
Current Liabilities		
Current Maturities - Long-Term Debt	\$ 1,219,456	\$ 1,219,456
Trade Accounts Payable	947,392	1,562,570
Accrued Compensation	3,093,004	5,011,549
Third Party Liabilities	3,195,399	3,011,634
Due to Affiliates	3,359,222	2,075,767
Other Current Liabilities	2,877,634	7,039,210
Total Current Liabilities	14,692,107	19,920,186
Long-Term Debt - Less Current Maturities	5,573,406	5,684,759
Other Long-Term Liabilities	20,000	550,000
Deferred Liabilities	13,530	8,420
Total Liabilities	20,299,043	26,163,365
Net Assets		
Invested in Capital Assets, net of Related Debt	37,267,230	38,026,878
Unrestricted	26,981,622	16,326,834
Total Net Assets	64,248,852	54,353,712
Total Liabilities and Net Assets	\$ 84,547,895	\$ 80,517,077

Kalkaska Memorial Health Center

Statement of Operations

	Month of November 2021				Year to Date Ended November 30, 2021			
	Actual	Budget	Variance	Prior Year	Actual	Budget	Variance	Prior Year
Operating Revenue								
Inpatient	\$ 117,721	\$ 90,885	\$ 26,836	\$ 84,021	\$ 607,340	\$ 485,018	\$ 122,322	\$ 428,097
Outpatient	5,899,995	5,000,305	899,690	4,463,705	31,254,176	25,714,453	5,539,723	24,868,652
Professional	1,053,195	1,012,914	40,281	987,842	5,765,983	5,224,566	541,417	4,841,694
Long Term Care	877,638	951,760	(74,122)	885,316	4,700,692	4,811,217	(110,525)	4,556,269
Dialysis Center	719,278	769,894	(50,616)	742,840	3,581,521	3,780,190	(198,669)	3,859,283
Ambulance	341,602	305,376	36,226	259,695	1,573,319	1,781,360	(208,041)	1,496,757
Retail Pharmacy	119,241	121,676	(2,435)	97,090	612,743	597,338	15,405	549,771
Assisted Living	94,074	94,990	(916)	101,693	459,335	484,322	(24,987)	495,846
	<u>9,222,744</u>	<u>8,347,800</u>	<u>874,944</u>	<u>7,622,202</u>	<u>48,555,109</u>	<u>42,878,464</u>	<u>5,676,645</u>	<u>41,096,369</u>
Revenue Deductions:								
Contractual Allowances	3,964,967	3,654,354	(310,613)	3,329,652	21,517,047	18,526,759	(2,990,288)	18,255,065
Provision Charity Care	23,749	25,987	2,238	18,018	138,426	132,437	(5,989)	112,516
Provision for Bad Debt	258,433	156,534	(101,899)	109,050	698,068	806,781	108,713	639,515
	<u>4,247,149</u>	<u>3,836,875</u>	<u>(410,274)</u>	<u>3,456,720</u>	<u>22,353,541</u>	<u>19,465,977</u>	<u>(2,887,564)</u>	<u>19,007,096</u>
Net Patient Revenues	4,975,595	4,510,925	464,670	4,165,482	26,201,568	23,412,487	2,789,081	22,089,273
Other Operating Revenues	393,201	271,230	121,971	395,647	1,969,479	1,368,812	600,667	2,749,512
Total Operating Revenue	<u>5,368,796</u>	<u>4,782,155</u>	<u>586,641</u>	<u>4,561,129</u>	<u>28,171,047</u>	<u>24,781,299</u>	<u>3,389,748</u>	<u>24,838,785</u>
Operating Expenses								
Salaries and Wages	2,225,478	2,410,366	184,888	2,147,693	12,125,510	11,833,299	(292,211)	11,223,056
Fringe Benefits	569,170	619,422	50,252	557,024	3,121,703	3,159,192	37,489	3,199,026
Contract Labor	36,108	31,831	(4,277)	21,116	156,874	161,855	4,981	140,305
Physician Fees	62,388	95,514	33,126	55,864	330,087	492,366	162,279	325,463
Purchased Services	499,092	529,751	30,659	626,460	2,804,586	2,740,250	(64,336)	3,231,358
Pharmaceuticals	518,078	345,833	(172,245)	358,788	2,384,875	1,708,356	(676,519)	2,053,339
Supplies	390,805	281,547	(109,258)	317,524	1,571,599	1,423,558	(148,041)	1,375,810
Occupancy	100,410	85,651	(14,759)	76,373	553,374	466,078	(87,296)	437,361
Equipment, Software & Maintenance	51,726	56,686	4,960	62,224	271,202	333,855	62,653	288,571
Depreciation	238,416	231,407	(7,009)	225,065	1,184,867	1,157,035	(27,832)	1,114,864
Insurance	82,957	50,679	(32,278)	47,396	271,909	253,395	(18,514)	250,393
Other	24,520	42,021	17,501	15,648	188,166	211,018	22,852	158,115
	<u>4,799,148</u>	<u>4,780,708</u>	<u>(18,440)</u>	<u>4,511,175</u>	<u>24,964,752</u>	<u>23,940,257</u>	<u>(1,024,495)</u>	<u>23,797,661</u>
Less Shared Services	-	-	-	-	10,305	2,400	7,905	-
Total Operating Expenses	<u>4,799,148</u>	<u>4,780,708</u>	<u>(18,440)</u>	<u>4,511,175</u>	<u>24,954,447</u>	<u>23,937,857</u>	<u>(1,016,590)</u>	<u>23,797,661</u>
Income from Operations before Grant Revenue from COVID-19	569,648	1,447	568,201	49,954	3,216,600	843,442	2,373,158	1,041,124
Grant Revenue COVID-19	-	-	-	-	-	-	-	-
Paycheck Protection Program Loan Forgiveness	-	-	-	-	6,164,700	-	6,164,700	-
Operating Income	569,648	1,447	568,201	49,954	9,381,300	843,442	8,537,858	1,041,124
Non-Operating Income (Expense)								
Reserved for Bond Debt	116,805	113,640	3,165	112,276	585,340	579,564	5,776	559,887
Interest on Debt Related to Capital Assets	(17,208)	(17,691)	483	(20,212)	(86,429)	(88,890)	2,461	(101,442)
Unrealized Gain/Loss on LT Investments	(1,862)	-	(1,862)	(3,229)	(8,564)	-	(8,564)	(23,943)
Tax Levy Revenue	730	684	46	674	3,650	3,420	230	3,370
Contributions	-	150	(150)	-	2,113	750	1,363	1,296
Other Income (Loss)	1,907	6,750	(4,843)	5,130	17,730	33,750	(16,020)	42,470
Total Non-Operating Income (Expense)	<u>100,372</u>	<u>103,533</u>	<u>(3,161)</u>	<u>94,639</u>	<u>513,840</u>	<u>528,594</u>	<u>(14,754)</u>	<u>481,638</u>
Total Increase (Decrease) in Net Assets	<u>\$ 670,020</u>	<u>\$ 104,980</u>	<u>\$ 565,040</u>	<u>\$ 144,593</u>	<u>\$ 9,895,140</u>	<u>\$ 1,372,036</u>	<u>\$ 8,523,104</u>	<u>\$ 1,522,762</u>

Statement of Cash FlowsFive Months Ending
November 30, 2021**Cash flow from operating activities**

Received from patients and third-party payors	\$	25,329,317
Payments to employees		(17,165,758)
Payments to suppliers for services and goods		(12,768,727)
Other receipts from operations		8,137,829
Net cash provided by operating activities		<u>3,532,661</u>

Cash flow from capital and related financing activities

Acquisition and construction of capital assets		(313,866)
Proceeds from sale of capital assets		-
Proceeds from county bond tax levy		585,340
Interest paid on long-term debt		(86,429)
Principal payments on bonds and notes payable		(111,353)
Net cash provided by capital and related financing activity		<u>73,692</u>

Cash flow from investing activities

Investment income		9,166
Purchase of short-term investments		(8,893)
Net activity of investments internally designated for capital acquisitions		694,421
Net cash provided by investing activities		<u>694,694</u>

Net increase in cash and cash equivalents		4,301,047
Cash and cash equivalents at beginning of year		23,510,745
Cash and cash equivalents at end of period	\$	<u><u>27,811,792</u></u>

Reconciliation of operating income to net cash flows from operating activities

Operating income	\$	9,381,300
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation		1,184,867
Provision for uncollectible accounts		698,068
Operating tax levy		3,650
Net gains and losses on sale of PPE		-
(Increase) decrease in assets:		
Patient accounts receivable		(2,200,651)
Third-party settlements		446,567
Inventory		(162,956)
Other current assets		(65,215)
Increase (decrease) in liabilities:		
Trade accounts payable		668,277
Accrued Compensation		(1,918,545)
Third Party Settlements		183,765
Other accrued liabilities		(4,686,466)
Net cash provided by operating activities	\$	<u><u>3,532,661</u></u>

Kalkaska Memorial Health Center

**Statement of Changes in Net Assets
Five Months Ending November 30, 2021**

	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		3,970,599	(450,120)
Increase (Decrease) in Net Assets	734,042	3,970,599	1,880,747
Net Assets at June 30, 2021	32,397,873	21,955,839	54,353,712
Acquisition and construction of capital assets	313,866		313,866
Depreciation	(1,184,867)		(1,184,867)
Sale of Capital Assets	-		-
Net Change in Debt	111,353		111,353
Increase (Decrease) in Net Assets Net of Amounts Invested in Capital Assets		10,654,788	10,654,788
Increase (Decrease) in Net Assets	(759,648)	10,654,788	9,895,140
Net Assets at November 30, 2021	\$ 31,638,225	\$ 32,610,627	\$ 64,248,852

Kalkaska Memorial Health Center

Statistical Report

	Month of November 2021				Year to Date Ended November 30, 2021			
	Actual	Budget	Variance	Prior Year	Actual	Budget	Variance	Prior Year
ADMISSIONS:								
Acute Care	14	17	(3)	15	73	88	(15)	73
Long Term Care	19	14	5	15	59	72	(13)	81
Extended Stays	23	13	10	15	68	65	3	55
PATIENT DAYS:								
Acute Care	52	42	10	35	281	212	69	171
Long Term Care-Skilled	231	245	(14)	202	976	1,252	(276)	839
Long Term Care-Basic	2,181	2,400	(219)	2,346	12,173	12,240	(67)	12,442
Extended Stays	6	5	1	6	25	20	5	37
AVERAGE LENGTH OF STAY:								
Acute Care	3.7	2.5	1.2	2.3	3.8	2.4	1.4	2.3
DAILY AVERAGE CENSUS:								
Acute Care	1.7	1.4	0.3	1.2	1.8	1.4	0.5	1.1
Long Term Care	80.4	88.2	(7.8)	84.9	85.9	88.2	(2.2)	86.8
PERCENT OF OCCUPANCY:								
Acute Care	21.7%	17.5%	4.2%	14.6%	23.0%	17.3%	5.6%	14.0%
Long Term Care	77.3%	84.8%	-7.5%	81.7%	82.6%	84.8%	-2.2%	83.5%
ANCILLARY DEPARTMENT VOLUME:								
Emergency Room	1,273	849	424	651	6,044	5,268	776	3,807
Urgent Care	1	0	1	232	419	0	419	1,255
Walk-in Clinic	475	262	213	0	2,140	1,286	854	0
Primary Care Physician RVU's	4,902	5,088	(186)	3,685	29,086	24,978	4,108	21,316
Primary Care Physician Encounters	2,943	3,682	(739)	2,608	17,101	18,076	(975)	14,689
Specialty Clinics	299	385	(86)	317	2,027	1,889	138	1,681
KMA Clinic RVU's	6,367	6,050	317	4,049	33,071	29,700	3,371	22,920
Total Outpatient Visits	6,982	6,762	220	6,387	36,331	34,488	1,843	35,369
Surgical Procedures	116	108	8	89	564	530	34	451
Radiology	2,494	2,064	430	1,824	12,511	10,527	1,984	10,428
Laboratory	17,529	16,699	830	13,969	95,891	85,172	10,719	85,239
Physical Therapy	3,164	3,295	(131)	2,868	16,749	16,183	566	16,040
Chemo Therapy	353	321	32	270	2,060	1,577	483	1,253
Dialysis Treatments	616	689	(73)	648	3,100	3,383	(283)	3,455
Ambulance Transports	237	210	27	183	1,078	1,225	(147)	1,039
Assisted Living Days	925	973	(48)	1,020	4,642	4,961	(319)	5,078
Cost per adjusted IP and LTC day:	191.13	204.43	(13.30)	195.80	185.60	198.69	(13)	191.98
TOTAL FTE'S:	436	444	8	409	443	427	16	412

Kalkaska Memorial Health Center

Additional Financial Information

	November 30, 2021
MTD % increase in net revenue vs. prior year	19.45%
MTD % increase in expense vs. prior year	6.38%
	13.06%
YTD % increase in net revenue vs. prior year	18.62%
YTD % increase in expense vs. prior year	4.86%
	13.76%
LTC Expense per Critical Unit - MTD	\$ 253.60
LTC Expense per Critical Unit - YTD	\$ 219.03
Ambulance Days in AR YTD	65.77
Dialysis number of patients - MTD	57
Dialysis net income - MTD	\$ (3,561)
Dialysis net income - YTD	\$ 8,713
Assisted Living net income - MTD	\$ (7,977)
Assisted Living net income - YTD	(99,329)
Average Age of Plant (as of 11/30/21)	12.17
Debt to Capitalization Ratio	0.10

Net Revenue Analysis

	Month of November 2021		
	Actual	Budget	Variance
Service Line Revenue % of Total			
Inpatient	1.3%	1.1%	0.2%
Outpatient	64.0%	59.9%	4.1%
Professional	11.4%	12.1%	-0.7%
Long-Term Care	9.5%	11.4%	-1.9%
Dialysis Center	7.8%	9.2%	-1.4%
Ambulance	3.7%	3.7%	0.0%
Retail Pharmacy	1.3%	1.5%	-0.2%
Assisted Living	1.0%	1.1%	-0.1%
	100.0%	100.0%	0.0%

Revenue Deductions as % of Gross Revenue			
Contractual Allowances	43.0%	43.8%	0.8%
Charity Care	0.3%	0.3%	0.1%
Bad Debt	2.8%	1.9%	-0.9%
Total Revenue Deductions	46.1%	46.0%	-0.1%

	Year to Date Ended November 30, 2021		
	Actual	Budget	Variance
Service Line Revenue % of Total			
Inpatient	1.3%	1.1%	0.1%
Outpatient	64.4%	60.0%	4.4%
Professional	11.9%	12.2%	-0.3%
Long-Term Care	9.7%	11.2%	-1.5%
Dialysis Center	7.4%	8.8%	-1.4%
Ambulance	3.2%	4.2%	-0.9%
Retail Pharmacy	1.3%	1.4%	-0.1%
Assisted Living	0.9%	1.1%	-0.2%
	100.0%	100.0%	0.0%

Revenue Deductions as % of Gross Revenue			
Contractual Allowances	44.3%	43.2%	-1.1%
Charity Care	0.3%	0.3%	0.0%
Bad Debt	1.4%	1.9%	0.4%
Total Revenue Deductions	46.0%	45.4%	-0.6%

Kalkaska Memorial Health Center

Payor Mix Schedule

YTD 2022

Revenue %

	MCare	MCareHMO	Medicaid	Medicaid Adv	BC	Comm	Priority	Private	Total
Acute including EMS	27.30%	23.07%	0.21%	17.63%	13.89%	7.17%	8.49%	2.25%	100.00%
LTC	11.53%	12.81%	61.96%	0.00%	0.00%	3.06%	0.00%	10.64%	100.00%
ER	18.37%	16.59%	0.00%	31.20%	14.91%	7.37%	7.83%	3.73%	100.00%
OR	23.49%	32.16%	0.00%	13.58%	18.79%	5.22%	6.20%	0.57%	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%