

## Kalkaska Memorial Health Center

### Balance Sheet

Assets	December 31, 2021	June 30, 2021
<b>Current Assets</b>		
Cash and Cash Equivalents	\$ 22,577,355	\$ 8,941,754
Short-Term Investments	7,932,849	7,923,659
Accounts Receivable	9,127,016	6,905,864
Third Party Settlements	1,309,688	1,575,675
Due from Affiliates	4,590	1,786
Inventory	1,377,908	192,714
Other Current Assets	169,779	169,722
Total Current Assets	42,499,185	25,711,174
<b>Investments</b>	-	832,328
<b>Capital Assets (net of Accumulated Depreciation)</b>	35,454,851	36,502,459
<b>Land</b>	1,364,151	1,364,151
<b>Construction In Progress</b>	1,678,176	1,435,478
<b>Other Assets</b>		
Restricted Cash	5,411,257	14,568,991
Other Assets	104,609	102,496
Total Other Assets	5,515,866	14,671,487
Total Assets	<b>\$ 86,512,229</b>	<b>\$ 80,517,077</b>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Current Maturities - Long-Term Debt	\$ 1,219,456	\$ 1,219,456
Trade Accounts Payable	983,138	1,562,570
Accrued Compensation	3,348,181	5,011,549
Third Party Liabilities	3,013,154	3,011,634
Due to Affiliates	4,303,863	2,075,767
Other Current Liabilities	3,339,279	7,039,210
Total Current Liabilities	16,207,071	19,920,186
<b>Long-Term Debt - Less Current Maturities</b>	5,551,018	5,684,759
<b>Other Long-Term Liabilities</b>	20,000	550,000
<b>Deferred Liabilities</b>	12,800	8,420
Total Liabilities	21,790,889	26,163,365
<b>Net Assets</b>		
Invested in Capital Assets, net of Related Debt	37,355,709	38,026,878
Unrestricted	27,365,631	16,326,834
Total Net Assets	64,721,340	54,353,712
Total Liabilities and Net Assets	<b>\$ 86,512,229</b>	<b>\$ 80,517,077</b>

**Kalkaska Memorial Health Center**

**Statement of Operations**

	Month of December 2021				Year to Date Ended December 31, 2021			
	Actual	Budget	Variance	Prior Year	Actual	Budget	Variance	Prior Year
<b>Operating Revenue</b>								
Inpatient	\$ 138,449	\$ 93,555	\$ 44,894	\$ 80,797	\$ 745,788	\$ 578,573	\$ 167,215	\$ 508,894
Outpatient	6,309,486	5,204,147	1,105,339	4,506,574	37,563,662	30,918,600	6,645,062	29,375,226
Professional	1,181,313	1,057,425	123,888	880,537	6,947,295	6,281,991	665,304	5,722,231
Long Term Care	995,782	984,058	11,724	877,401	5,696,474	5,795,275	(98,801)	5,433,670
Dialysis Center	682,942	805,651	(122,709)	748,058	4,264,463	4,585,841	(321,378)	4,607,341
Ambulance	364,336	315,555	48,781	319,978	1,937,655	2,096,915	(159,260)	1,816,736
Retail Pharmacy	115,520	127,295	(11,775)	115,074	728,263	724,633	3,630	664,845
Assisted Living	94,657	98,114	(3,457)	99,012	553,992	582,436	(28,444)	594,857
	<u>9,882,485</u>	<u>8,685,800</u>	<u>1,196,685</u>	<u>7,627,431</u>	<u>58,437,592</u>	<u>51,564,264</u>	<u>6,873,328</u>	<u>48,723,800</u>
Revenue Deductions:								
Contractual Allowances	4,018,388	3,784,158	(234,230)	3,405,489	25,535,435	22,310,917	(3,224,518)	21,660,554
Provision Charity Care	7,907	26,861	18,954	26,594	146,333	159,298	12,965	139,110
Provision for Bad Debt	185,622	161,847	(23,775)	126,618	883,690	968,628	84,938	766,133
	<u>4,211,917</u>	<u>3,972,866</u>	<u>(239,051)</u>	<u>3,558,701</u>	<u>26,565,458</u>	<u>23,438,843</u>	<u>(3,126,615)</u>	<u>22,565,797</u>
Net Patient Revenues	5,670,568	4,712,934	957,634	4,068,730	31,872,134	28,125,421	3,746,713	26,158,003
Other Operating Revenues	365,244	275,890	89,354	850,025	2,334,724	1,644,702	690,022	3,599,536
Total Operating Revenue	<u>6,035,812</u>	<u>4,988,824</u>	<u>1,046,988</u>	<u>4,918,755</u>	<u>34,206,858</u>	<u>29,770,123</u>	<u>4,436,735</u>	<u>29,757,539</u>
<b>Operating Expenses</b>								
Salaries and Wages	3,572,515	2,517,616	(1,054,899)	2,590,033	15,698,025	14,350,915	(1,347,110)	13,813,090
Fringe Benefits	737,118	638,388	(98,730)	560,600	3,858,821	3,797,580	(61,241)	3,759,626
Contract Labor	29,801	32,731	2,930	40,596	186,675	194,586	7,911	180,901
Physician Fees	63,981	100,446	36,465	57,956	394,069	592,812	198,743	383,419
Purchased Services	565,219	533,239	(31,980)	538,575	3,369,805	3,273,489	(96,316)	3,769,933
Pharmaceuticals	500,933	360,459	(140,474)	300,985	2,885,809	2,068,815	(816,994)	2,354,324
Supplies	394,034	291,904	(102,130)	355,981	1,965,632	1,715,462	(250,170)	1,731,790
Occupancy	95,225	102,034	6,809	89,451	648,599	568,112	(80,487)	526,811
Equipment, Software & Maintenance	69,904	55,695	(14,209)	58,525	341,106	389,550	48,444	347,095
Depreciation	252,208	231,407	(20,801)	224,604	1,437,074	1,388,442	(48,632)	1,339,467
Insurance	44,965	50,679	5,714	43,275	316,874	304,074	(12,800)	293,668
Other	54,929	42,532	(12,397)	29,822	243,095	253,550	10,455	187,937
	<u>6,380,832</u>	<u>4,957,130</u>	<u>(1,423,702)</u>	<u>4,890,403</u>	<u>31,345,584</u>	<u>28,897,387</u>	<u>(2,448,197)</u>	<u>28,688,061</u>
Less Shared Services	3,004	-	3,004	-	13,309	2,400	10,909	-
Total Operating Expenses	<u>6,377,828</u>	<u>4,957,130</u>	<u>(1,420,698)</u>	<u>4,890,403</u>	<u>31,332,275</u>	<u>28,894,987</u>	<u>(2,437,288)</u>	<u>28,688,061</u>
<b>Income from Operations before Grant Revenue from COVID-19</b>	(342,016)	31,694	(373,710)	28,352	2,874,583	875,136	1,999,447	1,069,478
<b>Grant Revenue COVID-19</b>	711,984	-	711,984	-	711,984	-	711,984	-
<b>Paycheck Protection Program Loan Forgiveness</b>	-	-	-	-	6,164,700	-	6,164,700	-
<b>Operating Income</b>	369,968	31,694	338,274	28,352	9,751,267	875,136	8,876,131	1,069,478
<b>Non-Operating Income (Expense)</b>								
Reserved for Bond Debt	116,724	117,428	(704)	112,276	702,064	696,992	5,072	672,163
Interest on Debt Related to Capital Assets	(17,169)	(17,667)	498	(20,174)	(103,597)	(106,557)	2,960	(121,616)
Unrealized Gain/Loss on LT Investments	(1,419)	-	(1,419)	(4,551)	(9,983)	-	(9,983)	(28,493)
Tax Levy Revenue	730	684	46	674	4,380	4,104	276	4,044
Contributions	-	150	(150)	(201)	2,113	900	1,213	1,095
Other Income (Loss)	3,654	6,750	(3,096)	20,112	21,384	40,500	(19,116)	62,582
Total Non-Operating Income (Expense)	<u>102,520</u>	<u>107,345</u>	<u>(4,825)</u>	<u>108,136</u>	<u>616,361</u>	<u>635,939</u>	<u>(19,578)</u>	<u>589,775</u>
Total Increase (Decrease) in Net Assets	<u>\$ 472,488</u>	<u>\$ 139,039</u>	<u>\$ 333,449</u>	<u>\$ 136,488</u>	<u>\$ 10,367,628</u>	<u>\$ 1,511,075</u>	<u>\$ 8,856,553</u>	<u>\$ 1,659,253</u>

---

**Statement of Cash Flows**

	Six Months Ending December 31, 2021
<b>Cash flow from operating activities</b>	
Received from patients and third-party payors	\$ 29,915,685
Payments to employees	(21,220,214)
Payments to suppliers for services and goods	(14,100,493)
Other receipts from operations	9,215,788
Net cash provided by operating activities	<u>3,810,766</u>
<b>Cash flow from capital and related financing activities</b>	
Acquisition and construction of capital assets	(632,164)
Proceeds from sale of capital assets	-
Proceeds from county bond tax levy	702,064
Interest paid on long-term debt	(103,597)
Principal payments on bonds and notes payable	(133,741)
Net cash used in capital and related financing activities	<u>(167,438)</u>
<b>Cash flow from investing activities</b>	
Investment income	11,401
Purchase of short-term investments	(9,190)
Net activity of investments internally designated for capital acquisitions	832,328
Net cash provided by investing activities	<u>834,539</u>
Net increase in cash and cash equivalents	4,477,867
Cash and cash equivalents at beginning of year	23,510,745
Cash and cash equivalents at end of period	<u>\$ 27,988,612</u>
<b>Reconciliation of operating income to net cash flows from operating activities</b>	
Operating income	\$ 9,751,267
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	1,437,074
Provision for uncollectible accounts	883,690
Operating tax levy	4,380
Net gains and losses on sale of PPE	-
(Increase) decrease in assets:	
Patient accounts receivable	(3,107,646)
Third-party settlements	265,987
Inventory	(1,185,194)
Other current assets	(57)
Increase (decrease) in liabilities:	
Trade accounts payable	1,648,664
Accrued Compensation	(1,663,368)
Third Party Settlements	1,520
Other accrued liabilities	(4,225,551)
Net cash provided by operating activities	<u>\$ 3,810,766</u>

**Kalkaska Memorial Health Center**

**Statement of Changes in Net Assets  
Six Months Ending December 31, 2021**

	<b>Invested in Capital Assets, net of Related Debt</b>	<b>Unrestricted</b>	<b>Total Net Assets</b>
<b>Net Assets at June 30, 2020</b>	\$ 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
<b>Net Assets at June 30, 2021</b>	<b>32,397,873</b>	<b>21,955,839</b>	<b>54,353,712</b>
Acquisition and construction of capital assets	632,164		632,164
Depreciation	(1,437,074)		(1,437,074)
Sale of Capital Assets	-		-
Net Change in Debt	133,741		133,741
Increase (Decrease) in Net Assets Net of Amounts Invested in Capital Assets		11,038,797	11,038,797
Increase (Decrease) in Net Assets	(671,169)	11,038,797	10,367,628
<b>Net Assets at December 31, 2021</b>	<b>\$ 31,726,704</b>	<b>\$ 32,994,636</b>	<b>\$ 64,721,340</b>

# Kalkaska Memorial Health Center

## Statistical Report

	Month of December 2021				Year to Date Ended December 31, 2021			
	Actual	Budget	Variance	Prior Year	Actual	Budget	Variance	Prior Year
<b>ADMISSIONS:</b>								
Acute Care	19	18	1	8	92	106	(14)	81
Long Term Care	22	15	7	17	81	87	(6)	98
Extended Stays	13	13	0	11	81	78	3	66
<b>PATIENT DAYS:</b>								
Acute Care	63	43	20	29	344	255	89	200
Long Term Care-Skilled	304	254	50	129	1,280	1,506	(226)	968
Long Term Care-Basic	2,284	2,480	(196)	2,473	14,457	14,720	(263)	14,915
Extended Stays	2	5	(3)	6	27	30	(3)	43
<b>AVERAGE LENGTH OF STAY:</b>								
Acute Care	3.3	2.4	0.9	3.6	3.7	2.4	1.3	2.5
<b>DAILY AVERAGE CENSUS:</b>								
Acute Care	2.0	1.4	0.6	0.9	1.9	1.4	0.5	1.1
Long Term Care	83.5	88.2	(4.7)	83.9	85.5	88.2	(2.7)	86.3
<b>PERCENT OF OCCUPANCY:</b>								
Acute Care	25.4%	17.3%	8.1%	11.7%	23.4%	17.3%	6.0%	13.6%
Long Term Care	80.3%	84.8%	-4.5%	80.7%	82.2%	84.8%	-2.6%	83.0%
<b>ANCILLARY DEPARTMENT VOLUME:</b>								
Emergency Room	1,152	901	251	605	7,196	6,169	1,027	4,412
Urgent Care	(1)	0	(1)	159	418	0	418	1,414
Walk-in Clinic	424	274	150	0	2,564	1,560	1,004	0
Primary Care Physician RVU's	5,927	5,319	608	4,351	35,013	30,297	4,716	25,667
Primary Care Physician Encounters	4,002	3,850	152	2,852	21,103	21,926	(823)	17,541
Specialty Clinics	321	403	(82)	241	2,347	2,292	55	1,922
KMA Clinic RVU's	6,679	6,325	354	4,729	39,751	36,025	3,726	27,649
Total Outpatient Visits	6,763	6,988	(225)	6,312	43,094	41,476	1,618	41,681
Surgical Procedures	99	113	(14)	120	663	643	20	571
Radiology	2,338	2,133	205	1,942	14,849	12,660	2,189	12,370
Laboratory	18,309	17,230	1,079	14,893	114,200	102,402	11,798	100,132
Physical Therapy	3,353	3,445	(92)	2,675	20,102	19,628	474	18,715
Chemo Therapy	437	336	101	328	2,497	1,913	584	1,581
Dialysis Treatments	601	721	(120)	681	3,701	4,104	(403)	4,136
Ambulance Transports	260	217	43	216	1,338	1,442	(104)	1,255
Assisted Living Days	961	1,005	(44)	1,025	5,603	5,966	(363)	6,103
<b>Cost per adjusted IP and LTC day:</b>	255.56	204.26	51.30	195.80	196.74	199.56	(3)	191.98
<b>TOTAL FTE'S:</b>	451	449	(2)	418	442	431	(11)	413

## Kalkaska Memorial Health Center

### Additional Financial Information

	December 31, 2021
MTD % increase in net revenue vs. prior year	39.37%
MTD % increase in expense vs. prior year	30.42%
	<u>8.95%</u>
YTD % increase in net revenue vs. prior year	21.84%
YTD % increase in expense vs. prior year	9.22%
	<u>12.63%</u>
LTC Expense per Critical Unit - MTD	\$ 236.36
LTC Expense per Critical Unit - YTD	\$ 234.78
Ambulance Days in AR YTD	64.23
Dialysis number of patients - MTD	57
Dialysis net income - MTD	\$ (3,561)
Dialysis net income - YTD	\$ (21,629)
Assisted Living net income - MTD	\$ (7,977)
Assisted Living net income - YTD	(165,760)
Average Age of Plant (as of 12/31/21)	11.59
Debt to Capitalization Ratio	0.09

### Net Revenue Analysis

	Month of December 2021		
	Actual	Budget	Variance
Service Line Revenue % of Total			
Inpatient	1.4%	1.1%	0.3%
Outpatient	63.8%	59.9%	3.9%
Professional	12.0%	12.2%	-0.2%
Long-Term Care	10.1%	11.3%	-1.3%
Dialysis Center	6.9%	9.3%	-2.4%
Ambulance	3.7%	3.6%	0.1%
Retail Pharmacy	1.2%	1.5%	-0.3%
Assisted Living	1.0%	1.1%	-0.2%
	<u>100.0%</u>	<u>100.0%</u>	<u>0.0%</u>

Revenue Deductions as % of Gross Revenue			
Contractual Allowances	40.7%	43.6%	2.9%
Charity Care	0.1%	0.3%	0.2%
Bad Debt	1.9%	1.9%	0.0%
Total Revenue Deductions	<u>42.6%</u>	<u>45.7%</u>	<u>3.1%</u>

	Year to Date Ended December 31, 2021		
	Actual	Budget	Variance
Service Line Revenue % of Total			
Inpatient	1.3%	1.1%	0.2%
Outpatient	64.3%	60.0%	4.3%
Professional	11.9%	12.2%	-0.3%
Long-Term Care	9.7%	11.2%	-1.5%
Dialysis Center	7.3%	8.9%	-1.6%
Ambulance	3.3%	4.1%	-0.8%
Retail Pharmacy	1.2%	1.4%	-0.2%
Assisted Living	0.9%	1.1%	-0.2%
	<u>100.0%</u>	<u>100.0%</u>	<u>0.0%</u>

Revenue Deductions as % of Gross Revenue			
Contractual Allowances	43.7%	43.3%	-0.4%
Charity Care	0.3%	0.3%	0.1%
Bad Debt	1.5%	1.9%	0.4%
Total Revenue Deductions	<u>45.5%</u>	<u>45.5%</u>	<u>0.0%</u>

# Kalkaska Memorial Health Center

## Payor Mix Schedule

YTD 2022

Revenue %

	MCare	MCareHMO	Medicaid	Medicaid Adv	BC	Comm	Priority	Private	Total
Acute including EMS	26.83%	22.79%	0.19%	17.59%	14.10%	7.48%	8.87%	2.14%	100.00%
LTC	12.40%	13.40%	59.72%	0.00%	0.00%	3.22%	0.00%	11.26%	100.00%
ER	18.86%	16.59%	0.00%	30.76%	14.98%	7.22%	8.11%	3.49%	100.00%
OR	24.96%	29.70%	0.00%	14.14%	17.59%	7.25%	5.93%	0.44%	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%